SECTION 8:   PAYMENTS
Wire Transfer

INTRODUCTION

Wire Transfer provides procedures for requesting a nonwarrant disbursement of funds. A wire transfer is an electronic transfer of state funds and falls within the same guidelines and controls as state warrants. The expenditure must be a valid obligation of the state and supported by appropriate documentation. Wire transfers are typically used in situations when a payment is needed immediately, for a one-time large disbursement of monies, or for foreign payments.

Before proceeding with a wire transfer payment, contact the Department of Revenue, Treasury Division to determine if the payment meets wire transfer criteria or if another payment method should be used.

Wire transfer payments are entered and certified in AKSAS by the requesting agency, and processed through the Treasury Division. An agency may not take a state warrant to a bank and request the bank electronically transfer funds to a vendor. Wire transfer payments are processed with a 420-11: Treasury Journal Entry that transfers the dollar amount of the payment from an agency fund/appropriation to a Treasury Pool fund, where it is held pending the disbursement date.

There are two basic wire transfer payment types: (1) predictable, scheduled payments such as bond payments, and (2) all others. Predictable payments are wire transfer disbursements, where the scheduled date of a payment and dollar amount are known for multiple payments within the fiscal year. For predictable payments, the agency initiating the request for wire transfer disbursement is responsible for advising Treasury of any changes to the beneficiary information or scheduled payment dates. The agency is also responsible for taking the necessary action to amend future-dated AKSAS transactions.

Agencies should consider delaying requests for wire transfer payments until the third or fourth business day of the fiscal year to allow the treasury journal entry to process in the new fiscal year. Agencies obligated to remit funds by wire transfer on the first or second business day of the fiscal year, or requiring assistance for recording prior year funds on a current year document, should contact the Division of Finance for assistance.

Wire transfer disbursements must be made in accordance with the *Alaska Administrative Manual (AAM) 35.110 - Electronic Funds Payment*.

AKSAS TRANSACTIONS

420-11:   Treasury Journal Entry - Wire Transfer

FORM

Authorization to Disburse Memorandum

PROCEDURES

I.   Compile and prepare source documentation.

A wire transfer transaction is associated with a payment document such as an invoice, contract, delivery order, loan disbursement request, or other authorization to pay.

A.   Review the payment document for sufficient information regarding the payee, payee address, and the reason for the payment. Verify the disbursement amount and calculations are correct.

B. Verify the financial coding to be charged is indicated on the payment document and is correct for the payment. If not, determine the correct financial coding and write it on the payment document.

C. Verify the payment is approved for payment by an authorized approving officer. If not, submit the payment document for approval to the appropriate approving officer in your agency. Refer to *Section 2: AKSAS Security & Authorities, Approving Officer Authority* for more information.

D. From the AKSAS Main Menu, access **IV** - Vendor Inquiry to determine if a valid vendor number exists on the Vendor Master File for the payee. Refer to *Section 10: Vendors, Vendor Search*. If a vendor number exists, write the number on the payment document. If no vendor number exists, establish a new vendor number according to the procedures in *Section 10: Vendors*.

NOTE: If the payment is subject to 1099 reporting requirements, the payee must have a valid pay vendor number on the Vendor Master File and that vendor number must be used to issue the payment. Refer to Section 14: Special Processes, 1099 Tax Reporting.

II. Obtain and verify a transfer letter from the beneficiary (receiving) bank.

New wire transfer requests or amendments to existing wire transfer payments for domestic and foreign transfers must be accompanied by a letter from the beneficiary (receiving) bank. Verify the transfer letter includes the following information:

- Addressee is the agency responsible for initiating the wire transfer request.
- Signature of an authorized representative of the beneficiary bank.
- Full name and address of beneficiary bank.
- Branch name or other identifier.
- Transit routing number (domestic banks only).
- Name of account to be credited.
- Account number of recipient.
- Any other information necessary to allow the Department of Revenue, Treasury Division to approve and transmit the request.

III. Prepare an Authorization to Disburse memorandum.

A. The Authorization to Disburse memorandum (Exhibit 8.E) provides the information necessary to allow the Treasury Division to approve and transmit requests for wire transfer payments. For predictable payments, only one Authorization to Disburse memo is required for all payments scheduled for the fiscal year. Include the following information in the memo:

1. **Telephone** - Enter the phone number of the Finance Officer who will certify the 420-11: Treasury Journal Entry transaction.

2. **Fax** - Enter the fax number of the Finance Officer who will certify the 420-11: Treasury Journal Entry transaction.

3. **Amount of Payment** - Enter the dollar amount of the wire transfer payment. For predictable payments, include each individual payment amount on a separate line.

4. **Date of Disbursement** - Enter the date the payment is to be transmitted. For predictable payments, include the date for each individual payment amount.

NOTE: When establishing predictable payment dates, do not schedule payments for weekends or state and federal holidays. Requests to transfer funds on a nonbusiness day are transmitted the first business day following the requested transfer date.

5. **Bank Name** - Enter the complete name of the beneficiary bank as listed in the transfer letter.

6. **Branch Name or other identifier** - Enter the beneficiary bank's branch name or other identifier as listed in the transfer letter.

7. **Bank Address** - Enter the complete address of the beneficiary bank as listed in the transfer letter.

8. **Transit Routing Number** - For domestic banks only, enter the transit routing number as listed in the transfer letter.

9. **Name of Account** - Enter the name of the account to which the wire transfer amount will be deposited as listed in the transfer letter.

10. **Account Number** - Enter the account number of the bank account to which the wire transfer amount will be deposited as listed in the transfer letter.

11. **References** - Enter the document number of the 420-11: Treasury Journal Entry transaction and any other information such as invoice, contract, or vendor number.

12. **Signature of Finance Officer** - The signature of the requesting agency's finance officer.

IV. **Process a 420-11: Treasury Journal Entry transaction to record the wire transfer disbursement.**

The agency initiating the wire transfer processes a treasury journal entry to transfer the dollar amount of the payment from an agency fund/appropriation to a Treasury Pool fund, where it is held pending the disbursement date. For more information on entering this transaction, refer to the *420-xx: Treasury Journal Entry Screen* and *Field Entry Table* following this procedure.

A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:

1. Enter **TJ** (Treasury Journal Entry) in the **SELECTION** field. Leave the **ACTION** field blank.

2. If your agency uses an easytran shell for entering a wire transfer journal entry, tab to the **EASYTRAN NUM** field and enter the easytran number for the transaction.

3. Press <Enter> to display the 420-xx: Treasury Journal Entry transaction screen.

B. Enter data in the following fields. For more detailed information on data entry fields, refer to *Section 4: Financial Transactions & Batch Processing*.

NOTE: For predictable payments, a treasury journal entry must be processed for each payment seven business days or less prior to the payment date. The initiating agency is responsible for ensuring the transaction processes prior to the payment date.

1. **TRANS CODE MINOR** - Enter **11** (Treasury Journal Entry - Wire Transfer).

2. **ADDITIONAL AUTH RD** - If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.

3. **DOCUMENT NUMBER** - Defaults to the batch and sequence number assigned by AKSAS. No entry necessary.

4. **SOURCE RD CODE** - Defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record wire transfer treasury journal entries, enter a SOURCE RD CODE as authorized according to department procedures.

5. **TOTAL DEBIT AMOUNT** - Enter the total amount of the wire transfer as a positive number.

6. **DESCRIPTION LONG** - Enter detailed descriptive information, up to 120 characters, for the journal entry. Include the date the funds are to be transmitted, the name of the receiving bank, and the vendor name.

7. **FISCAL PERIOD CODE** - Defaults to **C** (current fiscal year). Refer to the *AKSAS Handy Guide* for the correct FISCAL PERIOD CODE for this transaction.

C. Enter **debit** information in the **FINANCIAL** line fields. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

1. **AMOUNT** - Enter the dollar amount of the wire transfer to be charged to this financial line as a positive number.

2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code. Refer to the *AKSAS Handy Guide* for more information.

3. **CC** - Enter the eight-digit collocation code identifying the agency appropriation/fund to be charged for this financial line.

4. **PGM** - Enter a five-digit program code if required by your agency for this financial line.

5. **LC** - Enter an eight-digit ledger code if required by your agency for this financial line.

6. **ACCT** - Enter the five-digit account for the AMOUNT entered.

7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.

8. If the wire transfer liquidates an encumbered expenditure, enter data in the financial line **OPEN ITEM** fields. When this transaction is processed, AKSAS liquidates the open item and records the payment using the financial coding in the open item.

    NOTE: Do not enter financial coding (SY, CC, PGM, LC, ACCT, FY) on this financial line if the following fields are used. If financial coding is entered and is incorrect for the open item being liquidated, the financial coding entered will be charged.

    a. **TYPE** - Enter **EN** (Encumbered Expenditure) to liquidate an encumbered expenditure with this financial line.

    b. **NUM** - Enter the open item number of the encumbered expenditure to be liquidated by this financial line.

    c. **LINE** - Enter the financial line number of the open item to be liquidated by this financial line. To liquidate all financial lines in the open item by the amount of this financial line, enter 999.

    d. **FLI** (Fully Liquidate Indicator) - Defaults to **N** (liquidate the open item by the amount in this financial line). Enter **Y** to fully liquidate the open item NUM/LINE specified regardless of the AMOUNT on this financial line. A batch error occurs when the liquidation amount is greater than the open item available amount. For encumbrances, enter **O** to override the batch error that prevents the overliquidation of the encumbrance open item.

9. **IEAX LINE** (Interentity Account Cross-Reference) - Leave blank. This field is not used for this transaction.

10. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.

11. Repeat Steps 1-10 for each **debit** (agency CC, LC, etc.) financial line.

D. Enter **credit** information in the **FINANCIAL** line fields.

1. **AMOUNT** - Enter the total dollar amount of the wire transfer with a leading minus (-) sign.

2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.

3. **CC** - Enter the eight-digit collocation code identifying the Treasury Pool fund in which wire transfer payments are held until the disbursement date. Contact the Treasury Division for appropriate Treasury collocation codes.

4. **PGM** - Leave blank. This field is not used for credit financial lines.

5. **LC** - Leave blank. This field is not used for credit financial lines.

6. **ACCT** - Enter **22652** (pending wire transfers).

7. **FY** - Defaults to the current federal fiscal year. No entry necessary.

8. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.

E. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.

V. Submit the transaction for certification.

Treasury journal entry transactions require certification. Submit the transaction and associated backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

VI. Verify the transaction processed.

For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

A. The next morning, check DM - Maintain Batches to determine if the treasury journal entry transaction processed successfully. If the transaction did not process, view the transaction and determine the corrective action. If necessary, resubmit the corrected transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.

B. Once the transaction has processed successfully, review the Financial Transaction (FTP) Register to verify all processed information for the transaction is correct. If the results of the processed transaction are not as intended, contact the Department of Revenue, Treasury Division.

VII. Forward completed forms to the Treasury Division.

A. Make copies of the completed forms according to department procedures.

B. Send the following original forms to the Department of Revenue, Treasury Division, Cash Management Section by 4:00 p.m. for transmission of the wire transfer on the following business day:

- Authorization to Disburse memorandum (two copies).

- Original transfer letter from the beneficiary (receiving) bank for new payment requests or amendments to existing payments.

- Financial Transaction (FTP) Register for the processed 420-11 transaction **or** an online audit trail listing the document number, date processed, collocation and account codes, fiscal year, dollar amount, transaction type, and source RD code.

C. When the wire transfer is complete, Treasury returns a signed copy of the Authorization to Disburse memo to the initiating agency.

NOTE: Foreign electronic payments require additional controls to ensure receipt by the intended beneficiary. To verify correct beneficiary information is provided, the Treasury Division sends all new electronic payment requests, or amendments to existing electronic payments, in two segments. The first transfer is for $100. The remaining balance is sent when the beneficiary confirms receipt of the initial transfer.

D. File copies of all documents according to department procedures.

VIII. Confirm receipt of payment by the beneficiary bank.

The beneficiary bank must confirm the receipt of payment with the initiating agency no later than three business days from the transfer date indicated on the Authorization to Disburse memo.

A. If the beneficiary fails to provide the required notification, contact the beneficiary and confirm the payment was received.

B. Immediately notify the Treasury Division of nonpayment or other problems with the wire transfer.

IX. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.

ACCOUNTING ENTRIES

The following table shows the actual accounting entries recorded in AKSAS as a result of processing a 420-11: Treasury Journal Entry - Wire Transfer transaction. The accounting entries with a financial source code of UD (user-defined) are entered in the transaction by the user. The CW (cash wash) accounting entries are created during Financial Transaction Processing. The 900xxxxx (where xxxxx = fund number) collocation code (CC) in the cash wash lines is a "fund-only" CC and is determined from the user-defined collocation code. The financial effect of each entry is indicated in parentheses ( ) after the debit or credit indicator in the first column.

420-11: Treasury Journal Entry - Wire Transfer

	Collocation Code	Account	Posting Type	Financial Source
Debit (increase)	Entered by user	Asset, Liability, Fund Equity, Restricted Revenue, Unrestricted Revenue, Expenditure	01	UD
Credit (increase)	Entered by user	22652 (Pending Wire Transfer)	01	UD
Debit (decrease)	900xxxxx	Liability - Due to Fund	01	CW
Credit (decrease)	900xxxxx	Asset - Cash with Treasury Pool Fund	01	CW

420-xx: Treasury Journal Entry Screen (Wire Transfer)

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FDE 420-XX:  TREASURY JOURNAL ENTRY                        B 1298818 S 0001

   TRANS CODE MINOR __              ADDITIONAL AUTH RD _____
    DOCUMENT NUMBER _____
      SOURCE RD CODE _____
TOTAL DEBIT AMOUNT _____
   DESCRIPTION LONG _____
                    _____
                    _____

FISCAL PERIOD CODE C

                                                 MORE FINS N
                                            -----OPEN ITEM----- IEAX
   FIN    AMOUNT      SY   CC     PGM     LC    ACCT  FY TYPE  NUM   LINE FLI LINE
    1 _____ __ _____ _____ _____ _____ __ __ _____ ___ _ ___
      LINE DESC _____
    2 _____ __ _____ _____ _____ _____ __ __ _____ ___ _ ___
      LINE DESC _____
    3 _____ __ _____ _____ _____ _____ __ __ _____ ___ _ ___
      LINE DESC _____
    4 _____ __ _____ _____ _____ _____ __ __ _____ ___ _ ___
      LINE DESC _____
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
UPDAT QUIT       SUBMT ERRS  BASE  FINS            PFKYS            HELP
```

SCREEN ACCESS

Use the 420-xx: Treasury Journal Entry transaction screen to process a wire transfer payment in AKSAS.

1. At the AKSAS Main Menu, enter **DS** (Start/Restart Batch) in the **SELECTION** field. Press <Enter> to display the Start/Restart Batch - Selection screen.

2. At the Start/Restart Batch - Selection screen, enter **F** (Financial) in the **BATCH TYPE** field. Press <Enter> to display the Financial Data Entry Menu.

3. At the Financial Data Entry Menu, enter **TJ** (Treasury Journal Entry) in the **SELECTION** field. Press <Enter> to display the 420-xx: Treasury Journal Entry transaction screen.

420-xx: Treasury Journal Entry Field Entry Table (Wire Transfer)

Field Name	Field Value	Comments
FDE	DISPLAY ONLY	Displays the financial data entry transaction code for this journal entry.
B	SYSTEM-ASSIGNED	System-assigned batch number.
S	SYSTEM-ASSIGNED	System-assigned sequence number for this batch.
TRANS CODE MINOR	REQUIRED **11** Treasury Journal Entry - Wire Transfer	Identifies the specific type of journal entry.
ADDITIONAL AUTH RD	OPTIONAL If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.	Identifies an approval authority associated with this transaction.
DOCUMENT NUMBER	REQUIRED, defaults to the batch and sequence number assigned by AKSAS if left blank. An agency-assigned processed document identifier, up to 13 alphanumeric characters, may be entered.	Processed document identifier.
SOURCE RD CODE	REQUIRED, defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record wire transfer transactions, enter a SOURCE RD CODE as authorized according to department procedures.	Identifies the person authorized to record this transaction.
TOTAL DEBIT AMOUNT	REQUIRED Enter the total amount of the wire transfer as a positive number. Up to 13 digits (11 to the left of the decimal, 2 to the right).	This field must equal the sum of the debit financial line AMOUNT fields.
DESCRIPTION LONG	REQUIRED Enter a description or brief explanation of this journal entry. Up to 3 lines, 40 characters each.	An explanation for the journal entry, including the date the funds are to be transmitted, the name of the receiving bank and the vendor name.
FISCAL PERIOD CODE	REQUIRED, defaults to **C**. **C** Current fiscal year **P** Prior fiscal year **F** Future fiscal year If the default value is not correct for this transaction, refer to the *AKSAS Handy Guide* to determine the code.	Identifies the state fiscal year (chart of accounts year) associated with the transaction.
Financial Fields - The following fields define the accounting structures to which the wire transfer payment is recorded. For additional information about financial fields, refer to *Section 4: Financial Transactions & Batch Processing*.		
FIN	DISPLAY ONLY	Financial line number.

420-xx: Treasury Journal Entry Field Entry Table (Wire Transfer)

Field Name	Field Value	Comments
AMOUNT	REQUIRED **Debit financial lines:** Enter the dollar amount for this financial line as a positive number. **Credit financial line:** Enter the total dollar amount of the wire transfer with a leading minus (-) sign. Up to 11 digits (9 to the left of the decimal, 2 to the right).	The dollar amount associated with this financial line.
SY	REQUIRED, defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the 2-digit set-up year associated with the collocation code.	Identifies the set-up year associated with the collocation code. The set-up year must be valid for the FISCAL PERIOD CODE entered. If liquidating a liability for a prior year expense, enter the set-up year associated with the encumbrance being cleared. Refer to the *AKSAS Handy Guide* for information.
CC	REQUIRED **Debit financial lines:** Enter the 8-digit collocation code identifying the agency appropriation/fund for this financial line. **Credit financial line:** Enter the 8-digit collocation code for the treasury pool fund associated with the transaction.	With the set-up year, identifies the accounting structure (fund, appropriation, organization, internal program) for this financial line.
PGM	OPTIONAL **Debit financial lines:** Enter the 6-digit program code if required by your agency for this financial line. **Credit financial line:** Leave blank.	Identifies the external program for this financial line.
LC	OPTIONAL **Debit financial lines:** Enter the 8-digit ledger code if required by your agency for this financial line. **Credit financial line:** Leave blank.	Identifies a combination of project, contract, and/or grant for this financial line.
ACCT	REQUIRED **Debit financial lines:** Enter the 5-digit account code for the AMOUNT entered. **Credit financial line:** Enter **22652** (pending wire transfers).	Identifies the account to which this financial line will be recorded.
FY	REQUIRED, defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter the 2-digit federal fiscal year.	Identifies the federal fiscal year if a federal program is associated with this financial line.

420-xx: Treasury Journal Entry Field Entry Table (Wire Transfer)

Field Name	Field Value	Comments
Open Item Fields - Data is entered in the debit OPEN ITEM fields if this wire transfer transaction liquidates an encumbered expenditure open item. When this transaction is processed, AKSAS liquidates the open item and records the payment using the financial coding in the open item. For additional information about open item fields, refer to *Section 4: Financial Transactions & Batch Processing*. Do not enter financial coding (SY, CC, PGM, LC, ACCT, FY) on debit financial lines if the following fields are used. If financial coding is entered and is incorrect for the open item being liquidated, the financial coding entered will be charged.		
TYPE	REQUIRED, for debit financial lines liquidating open items. Enter **EN** (Encumbered Expenditure).	Identifies the type of open item to be liquidated by this financial line.
NUM	REQUIRED, for debit financial lines liquidating open items. Enter the 7-digit expenditure open item number to be liquidated by this financial line.	Identifies the open item number to be liquidated by this financial line.
LINE	REQUIRED, for debit financial lines liquidating open items. Enter the financial line number of the open item to be liquidated by this financial line. To liquidate all financial lines in the open item by the amount of this financial line, enter 999.	Identifies the financial line number being liquidated.
FLI	REQUIRED, for debit financial lines liquidating open items. Defaults to **N** if no entry is made. **N** No, do **not** fully liquidate the open item. Liquidate by the amount in this financial line. **Y** Yes, fully liquidate the open item NUM/LINE specified regardless of the AMOUNT on this financial line. **O** Override the batch error that prevents the overliquidation of the encumbrance open item.	Fully Liquidate Indicator. If this indicator is set to Y, the open item line identified is fully liquidated (reduced to zero), regardless of the AMOUNT specified on this financial line. For encumbrances (EN) only, if this indicator is set to O, the encumbrance identified is fully liquidated, (reduced to zero), and the amount in excess of the encumbrance is paid from unencumbered funds.
IEAX LINE	NOT USED FOR THIS TRANSACTION	Interentity Account Cross-Reference. The offsetting entry in a balanced interentity transfer journal entry.
LINE DESC	OPTIONAL Enter additional descriptive information, up to 40 alphanumeric characters, for the financial line.	Additional descriptive information for the financial line.