

**Subject:** Deposit of Fees, Fines, Penalties and Other Revenue

**Issued By:** Administration and Management

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**AUTHORITY:** Management Directives 305.11, 305.5 and 310.12

**POLICY:** Fees collected by the Department for the review of applications, authorization requests, notices of intent, as well as fines, penalties and other revenue received by the Department shall be deposited using the following procedures and within the designated fund in accordance with this guidance document.

**PURPOSE:** Collected fees will be used solely for the purpose of supporting Department programs and staff needed for their implementation. This guidance will provide direction as to where fees collected should be deposited and to ensure they are processed in a timely and secure manner.

**APPLICABILITY:** This internal guidance is intended to assist Department staff that collect and deposit fees, fines, penalties and other revenue.

**DISCLAIMER:** The policies and procedures outlined in this guidance document are intended to supplement existing requirements. Nothing in the policies or procedures shall affect regulatory requirements.

The policies and procedures herein are not an adjudication or a regulation. There is no intent on the part of the Department to give these rules that weight or deference. This document establishes the framework within which the Department shall exercise its administrative discretion in the future. The Department reserves the discretion to deviate from this policy statement if circumstances warrant.

### **Introduction**

As the Department has begun to collect fees sufficient to support the various programs it oversees, it has become very important to ensure that fees are deposited in a timely fashion, into the properly designated accounts and those accounts are closely monitored and used to support staff implementing the programs.

It is important that the staff responsible for the collection and deposit of revenue associated with fees, fines, penalties and other revenues follow the guidance provided carefully. This document will describe in detail how checks should be handled, how incorrect permit fees should be handled, how the checks should be entered in SAP and where fees should be deposited.

Note, through this guidance the Regional Office Business Manager or their designee is now responsible for holding all checks, sending back any incorrect checks, processing any refunds, tracking any certified letters associated with this guidance and the weekly transmittal of revenues to the Commonwealth central Depository Facility.

Questions on this guidance should be directed to the Regional Office Business Manager or to the Office of Fiscal Management staff at any time.

### **Proper procedure for deposit of fees, fines, penalties and other revenue**

In order to ensure compliance with Management Directive 305.5, 305.11 and 310.12, it is critical that all fees, fines, penalties and other revenues collected are deposited promptly in the properly designated account. To ensure that fees, fines, penalties and other revenues are correctly deposited and those directives are followed, please follow the steps outlined below.

#### **Step 1 - Intake and Preparation**

1. Upon receipt, permit applications, notices of intent and any other authorization requests, fines, penalties or any other related correspondence on incoming permits should be directed to appropriate staff for review. All permit or authorization packages will be processed within the timeframes identified in the Department's "Permit Review Process and Permit Decision Guarantee" policy or relevant regulatory authority.
2. Prior to providing the documentation to the proper program, staff should mark the check in the lower right corner, clearly indicating the program which is responsible for review and a copy of the original check should be made with the bank account information redacted. NOTE: If a received check is **more than 90 days old**, it should be returned immediately and a new check requested. The steps outlined under "Fee Underpayment or Check Contains Inconsistencies" should be followed if this occurs.
3. The copy of the check should then be attached to the permit or authorization package and provided to the appropriate program person (i.e., Compliant Specialist, Clerical Staff, Engineer, etc.). The copy of the check is to be used to initiate processing of the permit or authorization package in place of the original check and the permit or authorization package should be processed as the program person would have normally done with the original check.
4. The original check should be provided to the Regional Office Business Manager or their designee. The check should be placed in a secure location until notification is received from the program (in the form of the photocopy of the check with OK and proper coding) that entry into SAP and the deposit of the check is ready to proceed. It is critical that the actual check be handled by as few staff as possible during this process.
5. During the application package review, the program should verify that the proper fee amount has been submitted by the applicant. If the fee amount submitted is incorrect, staff should proceed with the appropriate steps outlined below to address the processing of the permit or authorization package.

## Step 2- Processing Permit or Authorization Packages Submitted with Incorrect Permit Fees

### Fee Overpayment:

If a check for a permit or authorization package is submitted in an amount in excess of the amount required for the permit or authorization package, the check should not be cashed until instruction is received from the applicant as outlined in section 2(c) below. To allow the most expeditious processing of the permit or authorization package, each program has the option to provide any combination of the following choices listed in 2(c) i - iii to the applicant. The permit reviewer should conduct the following steps:

1. Notify the applicant that resolution of the overpayment is necessary. This communication can be by telephone, email, fax, or letter. Regardless of method of communication, documentation of this notification should be added to the file and include the following
  - a. The permit fee is incorrect; therefore, the permit or authorization package is currently incomplete. The applicant will have an opportunity to correct this while the package continues onto the completeness review, but no decision on completeness may be made until a response and/or authorization is received by the applicant.
  - b. The proper fee amount required for the permit or authorization package.
  - c. To resolve the fee overpayment, the applicant has the following options to choose from:
    - i. Instruct the Department, via e-mail, fax or letter, to process the permit or authorization package using the check that was originally submitted to the Department in lieu of the proper fee amount, forfeiting the excess paid. The excess money collected by the Department will not be refunded or applied to any other transaction. With this option, the applicant should be notified that the permit or authorization package will be processed without delay.
    - ii. Instruct the Department, via e-mail, fax or letter, to return the original check marked "VOID". The applicant will submit another check to the Department in the proper fee amount within five business days.
    - iii. Instruct the Department, via e-mail, fax or letter, to refund the difference (i.e., fee overage portion). With this option, the applicant should be notified that, the permit or authorization package review will be delayed during the time necessary to refund the fee overage.
  - d. If no response from the applicant is received within five business days, the original permit or authorization package fee will be automatically deposited and the permit or authorization package review will be delayed during the time necessary to refund the fee overage.
2. If, within five business days, the applicant instructs the Department to process the permit or authorization package using the original check, the permit reviewer will place a copy of the response in the permit file, notify the Regional Office Business Manager or their designee to deposit the check, , and continue with the completeness review of the authorization package.
3. If, within five business days, the applicant instructs the Department to return the original check, the permit reviewer will place a copy of the response in the permit file and instruct the Regional Office Business Manager or their designee to return the check marked "VOID" via certified mail. The applicant will then be required to submit a check in the correct amount within five business days or as otherwise detailed in the program-specific standard operating procedures.
4. If a response from the applicant is not received within five business days, the permit reviewer shall notify the Regional Office Business Manager or their designee to deposit the check and initiate a refund of the fee overage amount.

### Fee Underpayment or Check Contains Inconsistencies:

If a check submitted for a permit or authorization package is insufficient (i.e., check amount is less than the required fee) or if the check contains inconsistencies (i.e., incorrect payee, not signed, not dated, older than 90 days) that prevents the check from being properly processed, the permit reviewer or appropriate staff completing the completeness review should conduct the following steps:

1. Contact the applicant via phone, fax or email to inform the applicant of the fee underage and need for a quick resolution. Maintain a complete record of this communication including the information outlined below. The insufficient check should be marked “VOID” and returned to the applicant via certified mail (it is important that the Department maintain a written record of this communication) along with a letter stating the following:
  - a. The check received reflects an underpayment or the check has inconsistencies that prevent it from being processed; therefore, the permit or authorization package is deemed incomplete. (Unless otherwise stated in a program-specific standard operating procedure this should be considered a minor deficiency requiring quick resolution). A proper check and/or correct fee must be received in order for the Department to process the permit or authorization package.
  - b. Indicate to the applicant that a correct check must be received by the Department within five business days of notification or the application package will be deemed incomplete and may be denied in accordance with applicable statutes and regulations.
  - c. If the applicant does not submit a check in the proper amount within five business days of notification, the application package will be deemed incomplete and may be denied in accordance with applicable statutes and regulations.
2. If, within five business days, the applicant provides the Department with a proper check and/or correct fee, a copy of the check (with bank account information redacted) should be attached to the permit or authorization package and the check and notification to deposit should be provided to the Regional Office Business Manager or their designee.
3. If the applicant does not submit a check in the proper amount within five days of notification, the application package will be deemed incomplete and may be denied in accordance with applicable statutes and regulations.

### **Step 3- Procedures to Recover Amounts Due from Returned Checks from Comptroller**

When a check is returned to the agency from the Comptroller for Not Sufficient Funds (NSF) or a closed account, the agency is responsible to collect the amount due from the company or individual. The comptroller returned check should always have a reason for the returned check.

Procedures to collect the amount due:

1. Notify the individual or company that their check has been returned for NSF or closed account and ask them to submit the required amount within five business days.
2. Require the company to submit either a
  - a. new check
  - b. certified check
  - c. money order

3. Deposit the new check, certified check, or money order to the proper revenue code.
4. If the applicant does not submit a check in the proper amount within five business days of notification, the application package will be deemed incomplete and may be denied in accordance with applicable statutes and regulations.

**Step 4 - Entering into SAP**

To input fees into SAP, the Regional Office Business Manager or their designee should do the following:

1. Enter transaction **FB50** (Enter G/L account document: Company code COPA)
2. Enter the Header information:
3. Doc. date – use **current date**
4. Currency – defaults to USD
5. Posting date – use **current date**
6. Period – **DO NOT USE** (will default based on posting date entered)
7. Reference – **DO NOT USE** (nightly batch job will auto fill RT number)
8. Doc.Header Text (Short text) – use 1<sup>st</sup> 3 positions to represent Bank Code (Bank Code must be either 3 digits or 2 digits 1 alpha; alpha must be capitalized; remaining 22 positions may be used for a brief description of the revenue being entered)  
NOTE: Do not use a hyphen or space when entering the bank code.
9. Document Type
10. **SQ** (Revenue transmittal with remittance)
11. **SV** (Revenue transmittal without remittance)
12. Company code – always COPA
13. Enter Detail Line items:

**Example 4A – Single Business Area, Single Fund**

Detail Line 1

1. G/L acct – **1003000** (Cash-in-Transit)
2. D/C (debit or credit) – **Debit**
3. Amount – **xxxxxxxx.xx** (enter decimal, do not enter commas)
4. Business area – 2 digits **\*\*REQUIRED\*\***
5. Fund – **DO NOT USE**
6. Cost center – **DO NOT USE**
7. Order – **DO NOT USE**
8. WBS element – **DO NOT USE**
9. Value date – **MM/DD/YYYY** (enter in accordance with Mgmt Directive 310.29)  
“For Commonwealth sales of services or materials, use the date that the services or materials were provided to the customer. For tax revenues, use the last date of the period of time to which the particular tax amount relates based on Commonwealth law or regulation. For intergovernmental revenues, use the date the Commonwealth earns the revenue. For investment income and interest on notes and loans, use the last date of the applicable period of time related to the remittance item.”
10. Text – enter a description of the revenue that might help others understand what type of revenue is being posting (limit of 35 characters)

Detail Line 2

11. G/L acct – **4\*\*\*\*\*** (7 digits see GL/Rev Code crosswalk)
12. D/C (debit or credit) – **Credit**
13. Amount – **xxxxxxxx.xx** (enter decimal, do not enter commas)
14. Business area – 2 digits **\*\*REQUIRED\*\***
15. Fund – 10 digits (see GL/Rev Code crosswalk )
16. Cost center – 10 digits (see Cost Center crosswalk)
17. Order – if applicable, 10 digits (see Cost Center crosswalk)
18. WBS element – if applicable
19. Value date – **MM/DD/YYYY** (See above excerpt from MD 310.29)
20. Text – enter a description of the revenue that might help others understand what type of revenue is being posting (limit of 50 characters)

**NOTE:** Total Debits must equal total Credits then balance indicator will turn green

If the G/L acct is **1\*\*\*\*\*** or **2\*\*\*\*\*** double click on yellow warning message or enter a Fund center (10 digits)

21. Click **SIMULATE** button to review journal entry.

If unable to view all columns, click **SETTINGS** → **COLUMNS** → **OPTIMIZE WIDTH**.

22. If a correction is needed, green arrow back, modify and repeat **SIMULATE**. If simulation is ok, click the **POST** icon .

23. SAP doc # **14XXXXXXXX** (10 digits in length) will appear at bottom of screen when document is posted. Record SAP Doc # because it will be needed to print the paper Deposit Transit Slip when you are sending checks to the Commonwealth Central Depository facility at Brookwood Street.

**Example 4B – Single Business Area, Multiple COPA Funds**

**NOTE:** a new CASH-in-Transit line is required for each change in BA and/or COPA fund)

Detail Line 1, 3, 5 etc (NOTE: maximum number of line items is 999)

1. G/L acct – **1003000** (Cash-in-Transit)
2. D/C (debit or credit) – **Debit**
3. Amount – **xxxxxxxx.xx** (enter decimal, do not enter commas)
4. Business area – 2 digits **\*\*REQUIRED\*\***
5. Fund – **10 digits \*\*REQUIRED\*\***
6. Cost center – **DO NOT USE**
7. Order – **DO NOT USE**
8. WBS element – **DO NOT USE**

9. Value date – **MM/DD/YYYY** (enter in accordance with Mgmt Directive 310.29)  
 “For Commonwealth sales of services or materials, use the date that the services or materials were provided to the customer. For tax revenues, use the last date of the period of time to which the particular tax amount relates based on Commonwealth law or regulation. For intergovernmental revenues, use the date the Commonwealth earns the revenue. For investment income and interest on notes and loans, use the last date of the applicable period of time related to the remittance item.”
10. Text – enter a description of the revenue that might help others understand what type of revenue is being posting (limit of 35 characters)  
  
 Detail Lines 2, 4, 6 ... (NOTE: maximum number of line items is 999)
11. G/L acct – **4\*\*\*\*\*** (7 digits see GL/Rev Code crosswalk)
12. D/C (debit or credit) – **Credit**
13. Amount – **xxxxxxxx.xx** (enter decimal, do not enter commas)
14. Business area – 2 digits **\*\*REQUIRED\*\***
15. Fund – 10 digits (see the GL/Rev Code crosswalk )
16. Cost center – 10 digits (see the Cost Center crosswalk)
17. Order – if applicable, 10 digits (see the Cost Center crosswalk)
18. WBS element – if applicable
19. Value date – **MM/DD/YYYY** (See the above excerpt from MD 310.29)
20. Text – enter a description of the revenue that might help others understand what type of revenue is being posting (limit of 35 characters)
21. Click **SIMULATE** button to review journal entry.  
  
 If unable to view all columns, click SETTINGS → COLUMNS → OPTIMIZE WIDTH.
22. If a correction is needed, green arrow back, modify and repeat SIMULATE. If simulation is ok, click the **POST** icon .
23. SAP doc # **14XXXXXXXX** (10 digits in length) will appear at bottom of screen when document is posted. Record this SAP Doc # because it will be needed to print the paper Deposit Transit Slip when you are sending checks to the Commonwealth central Depository Facility at Brookwood Street or appropriate regional bank (previously approved by Fiscal Management).
24. Go to FBVO; input SAP Document # 14XXXXXXXX.; review all information, amounts and coding for accuracy; check “post” icon.

**Step5 - Final Transmittal to Commonwealth Central Depository Facility**

To transmit revenues to the Commonwealth central Depository Facility weekly, the Regional Office Business Manager or their designee should do the following:

1. To print the Deposit Transit Slip to send checks to the Commonwealth central Depository Facility:
  - a. Go to the zf\_deposit screen, enter the number of checks, the document type, and the document number (ex. 14XXXXXXXX).
  - b. Leave the 'Test Run' box checked and click execute.
  - c. If the information looks okay, hit the green back button twice.
  - d. Then uncheck the 'Test Run' box and execute the task again. This will print out the deposit Transit slip.

**\*Note – some users have encountered issues printing due to an improper “default” printer. Prior to printing ensure that the default printer is correct.**

2. When the deposit slip is printed, stamp the back of each check and reference Revenue Transmittal # (in purple ink), put tape, deposit slip and checks in envelope to Department of Revenue.

Responsibility for this policy lies with the Office of Administration and Management.

Questions and Comments can be emailed to [Hayley Book](#).

Last Modified on 11/29/2012