

## Interfund Transactions

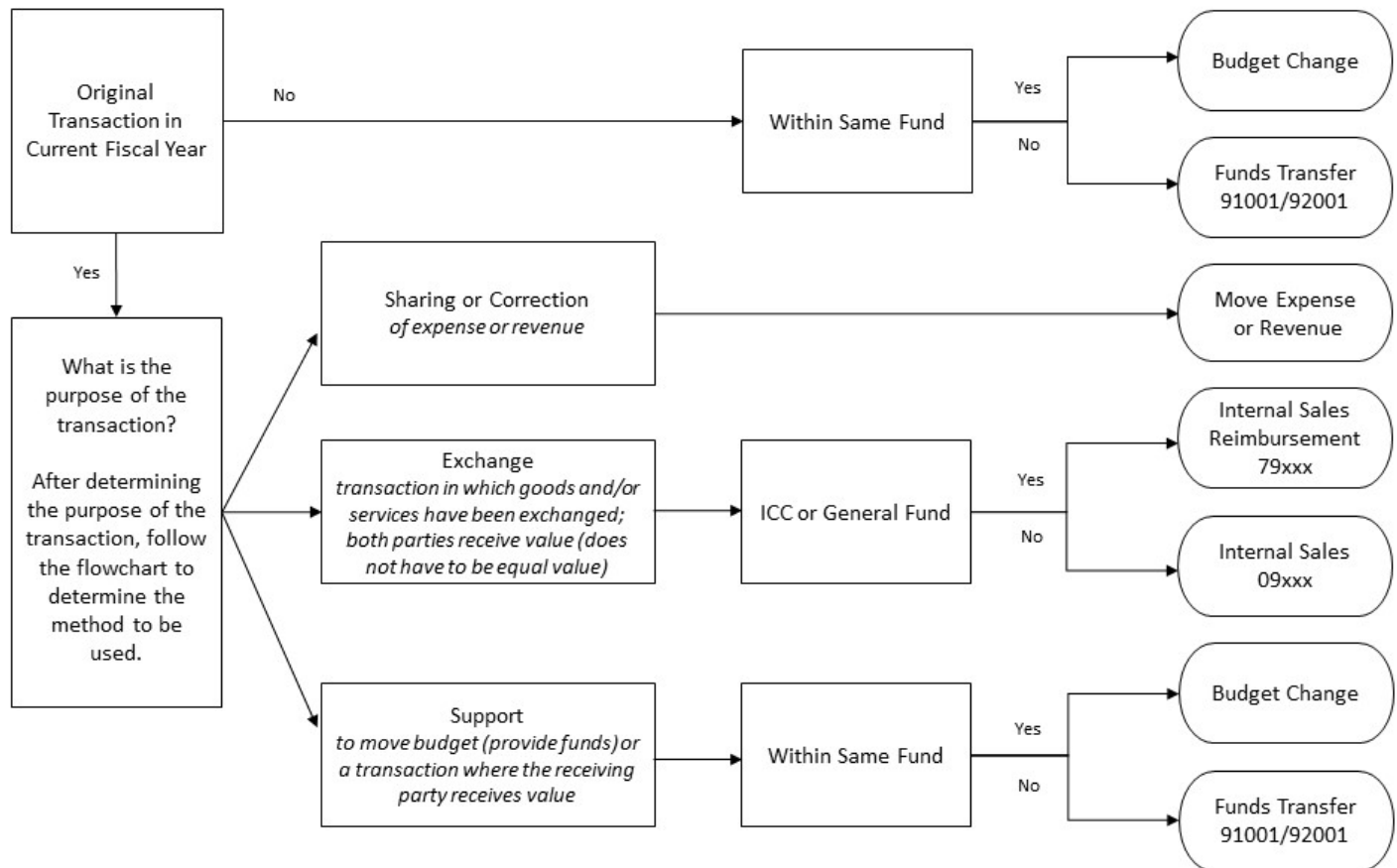
*Budget Changes, Fund Transfers, Moving Expense or Revenue, Internal Sales and Internal Sales Reimbursements*

The University operates within a fund accounting system where each fund has certain conditions and limitations on the source and use of its resources. In order to retain the integrity of each fund's source and use of its resources, it is necessary to limit transfers between funds. However, during the fiscal year there are times when it is necessary to transfer between funds, organizations, and accounts. These transfers are called Interfund Transactions.

There are four methods for Interfund Transactions, all of which are recorded by Journal Voucher (JV): *Budget Changes, Fund Transfers, Moving Expense or Revenue, Internal Sales and Internal Sales Reimbursements*. Each method has particular rules and guidelines that apply to the way that they are processed within Banner.

How to identify which method to use:

1. Determine the FOPAL string (Fund, Organization, Program and Activity) for each side (the increase side and the decrease side) of the transaction.
2. Refer to the Fund Transfer Matrix for allowable transfers between funds, available at <https://brp.uoregon.edu/content/Budgeting-Guides>
3. Confirm the funds' restrictions on resources (source and use) are met.
4. After determining the purpose of the transaction and FOPAL string, use the flowchart to identify the method to be used.
5. Review the guidelines below for each method prior to data entry into Banner.



### Access and Forms

- Questions regarding Budget Changes or Fund Transfers, contact your Financial Analyst in BRP.
- Budget Change and Fund Transfer data entry forms and examples are available at: <https://brp.uoregon.edu/content/Budgeting-Guides>
- See Banner Training regarding access and procedures for JV data entry. <https://ba.uoregon.edu/training>

## Budget Changes

- Moves budget (provide support) within the **SAME** fund between different organizations, accounts, programs, etc. within the same fiscal year.
- Cannot be used to move budget between different funds.
- Does not move cash, year to date activity, or anything else.
- May be used to fund a current year budget deficit.
- **NO** revenue account codes (0xxxx) may be used for allocated funds (General Fund & ICC).
- May be either Temporary (lasting only the current fiscal year) or Permanent (lasting from a select period forward).

## Banner Data Entry

- Uses the JV entry pages FGAJVCD, FGAJVCQ or FGAJVCM.
- Requires a Rule Code to tell Banner how to process the transaction.
  - If you are not sure what rule code to use, contact your Financial Analyst in BRP.
- Requires a budget period field, i.e. July = 01, Aug = 02, etc.
- Requires that increases and decreases balance.
  - Enter a plus (+) to indicate the budget will be increased;
  - Enter a minus (-) to indicate that the budget will be decreased.
- Must have detailed document text that includes, but is not limited to:
  - Purpose of transaction;
  - Budget Authority (BA), (the person who is responsible for the budget of the department or division);
  - Who entered the document (name and phone extension).
- Occasionally requires BRP approval before they will be posted to Banner. These are automatically routed to an electronic approval queue that BRP monitors.
- Approval queue status can be viewed in DuckWeb via the Finance Menu
  - From the Finance Menu select View Document;
  - After entry of the document type and number, select Approval history;
  - If the document has been approved, the Approvals recorded box will appear;
  - If the document is still pending, a list of people who are authorized to approve will appear.

## Fund Transfers

- Moves cash resources between two **DIFFERENT** funds when there is **not** an exchange transaction (only the receiving party receives something of value).
- Commonly used to move a fund balance in preparation to terminate a fund.
- Used to move a fund balance created by revenue or expense that posted incorrectly, in a prior year.
  - Except for grant funds which use the revenue or expense account codes.
- Transfers from a restricted gift fund to another restricted gift (within FT 36) is allowed only when a parent/child fund exists.
  - Contact your Financial Analyst in BRP if you need to set-up a parent/child fund.
- Requires a description in FOATEX which denotes the original source and use of the said funds. (i.e., original gift came in under equity #2356 for the purpose of supporting collaboration amongst GEs across campus in scientific study via conference, training, or journal subscriptions).
- Fund Managers for the restricted gift fund that originally received the gift monies is responsible to verify/confirm that the transfer of monies is allowed within the gift's original donor restrictions.
- Used when it is the only viable option.
  - It is recommended to move actual revenue and expense activity via a JV to the fund where the revenue/budget resides.

### Banner Data Entry

- Uses the JV entry pages FGAJVCD, FGAJVCQ or FGAJVCM.
- Consists of the account codes 91001 for transfers in and 92001 is used for transfers out.
- Usually consists of two sections:
  - One section is the Budget Change, to move budget if not already budgeted, that uses pluses (+) and minuses (-), and follows the guidelines described above.
  - The other section is the Fund Transfer, which uses the Rule Code 3JV1 and moves the cash resources using Debit (transfer out) and Credit (transfer in).
- Must have detailed document text that includes, but is not limited to:
  - Purpose of transaction;
  - Budget Authority (BA);
  - Who entered the document (name and phone extension).
- Requires approval before they will be posted to Banner. These are automatically routed to an electronic approval queue monitored by BAO and BRP.
- Approval queue status can be viewed in DuckWeb via the Finance Menu
  - From the Finance Menu select View Document;
  - After entry of the document type and number, select Approval history;
  - If the document has been approved, the Approvals recorded box will appear;
  - If the document is still pending, a list of people who are authorized to approve will appear.

### Do NOT use a Fund Transfer for:

- Moving resources **WITHIN** an allocated fund. Allocated funds are General Fund 001100, ICC 001700, State Target Fund 001111, and IFEE 112000.
  - Allocated funds are limited to Budget Changes only (no cash/funds movement).
  - If you need to move resources between an allocated fund and any other fund (allocated or not), consider moving expenses or use an ISR. If the transaction is not an exchange, contact your BRP analyst.
- Moving funds from restricted to unrestricted, except when terminating funds.
- Transfers in to gift funds from other type of funds.
  - This basically results in non-gift revenue in a gift fund.
  - You can JV actual expenses out of the gift fund and record the expense in another appropriate fund type.
- Internal revenue (transfers between units where one department provides goods or services to another).
  - Use Internal Sales or Internal Sales Reimbursement depending on the fund.
- Distribution of revenue.
  - You can JV the actual revenue from one fund or index to another within the same fiscal year.
- Reimbursement of expense.
  - You can JV the actual expense from one fund or index to another within the same fiscal year.
- Transfers out of an Agency Fund to another type of fund. (Agency Funds are used to account for funds of persons or external organizations while the funds are in the custody of the University. The University acts as the fiscal agent for the owner of the funds.)
  - You can JV the actual expenses from one fund or index to another within the same fiscal year.

### Moving Expense or Revenue

- Requires the use of a JV to move the expense or revenue within the current fiscal year.
  - This procedure is used to change any FOAPAL element that was used on the original document.
- Uses the JV entry pages FGAJVCD, FGAJVCQ or FGAJVCM.
- For Payroll actuals, this may be moved with a payroll accounting adjustment (PAA or PHAREDS) within the current fiscal year.
  - Payroll accounting adjustment processing by departments is limited to the current open quarter of the fiscal year and may not be retroactive past that period.

### **Internal Sales & Internal Sales Reimbursements**

- Are used to record an exchange transaction that occurs between departments when goods and/or services have been exchanged (each party receives something of value).
  - Examples: Science Stores sales, conference space rentals, support an event in exchange for advertising, or support for a service offered by another department that has value for both departments.
- Uses the JV entry pages FGAJVCD, FGAJVCQ or FGAJVCM.
- For allocated funds (General Fund 001100 and ICC Credits Fund 001700) use Internal Sales Reimbursement account codes 79xxx (as they are not allowed to receive revenue).
- For revenue bearing funds such as Income/Expense, Continuing Education, Designated Operations, Service Departments, and Auxiliaries use Internal Sales account codes 09xxx.
- The debit side of an internal sales or internal sales reimbursement transaction should be an expense.
- Gift funds, Invention/Royalty funds, and Sponsored project funds should not have internal sales.
- For support or buy-down of designated operations or Service Center rates:
  - The supporting fund would be an expense to account 24902 for Service Centers or 24901 for designated operations.
  - The receiving fund would be a revenue to account 09398.
- Post-Audits are done by BAO for these award/sponsorship/exchange-type-transactions.

Additional Resources:

BAO - <https://ba.uoregon.edu/finance-and-accounting/fiscal-procedures/internal-sales-transfers-and-how-to-move-revenue-and-expense>

BRP - <https://brp.uoregon.edu/content/Budgeting-Guides>