



II Accounting for Interfund Transfers

This chapter describes the accounting activities and corresponding procedures for two categories of interfund transfers-in CALSTARS, operating transfers and expenditure transfers.

Operating transfers and interfund loans are different accounting events although they sometimes post to the same general ledger (GL) accounts. For information about interfund loans, refer to Volume 3, Chapter IV, Accounting for Interfund Loans.

ACCOUNTING PROCEDURES FOR OPERATING TRANSFERS

Operating transfers occur when monies are transferred between funds. The authority for operating transfers may be constitutional, statutory or the Budget Act. Examples of operating transfers are:

- ✧ Legally authorized transfers from a fund receiving revenue to the fund that is making the expenditures;
- ✧ Transfers from the General Fund to a Special Revenue or Capital Projects Fund;
- ✧ Operating subsidy transfers from the General or Special Revenue Funds to an Enterprise Fund; and
- ✧ Transfers from an Enterprise Fund to finance General Fund expenditures.

The fund from which the amount is or will be transferred is called the **transferor fund** (Operating Transfers Out). The fund that receives or will receive the transferred amount is the **transferee fund** (Operating Transfers In).

Operating transfers activity is posted to the GL accounts as listed below:

- ✧ GL 8000-Revenue - Receipts are posted to Revenue when money comes into the transferor fund.
- ✧ GL 9000-Expenditures – The payment of goods or services are posted as expenditures in the transferee fund.
- ✧ GL 9811-Operating Transfers In - An amount is recorded in the transferee fund when it is received from the transferor fund. The amount is typically posted in CALSTARS upon receipt of the SCO JE.
- ✧ GL 9812-Operating Transfers Out - An amount is transferred from the transferor fund to the transferee fund in accordance with the Budget Act or Statute. The amount is recorded in the transferor fund and is typically posted in CALSTARS upon receipt of the SCO journal entry (JE).

CALSTARS Activities

The following sections provide instructions for operating transfers activity.

ESTABLISHING TABLES

The following tables are established in CALSTARS for Operating Transfers In and Operating Transfers Out activity. Refer to Volume 2, Chapter IV, Table Maintenance, for more information.

Budget Sequence (BS) Table:

The SCO typically posts a budget for Operating Transfers Out in the transferor fund. TC 010 is used to record the budget for the Operating Transfers Out. The BS Table entry must be established prior to posting the TC 010 if the OC Table BUD SEQ indicator is **Y**. BS Table entry **001** may be used for this purpose.

A BS Table entry is not needed for Operating Transfers In. Operating Transfers In accounts are never scheduled, and the SCO does not post a budget for them.

Appropriation Symbol (AS) Table:

A unique Appropriation Symbol should be established in CALSTARS for each operating transfers account maintained by the SCO. The table below includes coding conventions for operating transfers. Refer to Volume 2, Chapter IV-AS, for complete coding information.

Data Element	Description
Account Type	For the fund making the transfer (Operating Transfers Out), use the SCO's Category Code or 00 if blank. For the fund receiving the transfer (Operating Transfers In), use RR .
Program	Leave blank.
Character	Normally related to Support. Use 1 .
Reference	For the fund making the transfer (Operating Transfers Out), use the SCO's Reference. For the fund receiving the transfer (Operating Transfers In), use 980 .
SCO Account Segment – Account Type	For the fund making the transfer (Operating Transfers Out), use T . For the fund receiving the transfer (Operating Transfers In), use R .
SCO Account Segment – Control Type	For the fund making the transfer (Operating Transfers Out), use C . For the fund receiving the transfer (Operating Transfers In), use Q .
SCO Account Segment – Revenue Account	Leave blank.
Allotment Object Level Indicator	Use 0 . Transactions for operating transfers do not post to the Allotment File.
Reversion Indicator	Use 0 . Generally, operating transfers accounts are for only one year. At year-end, agencies may change the indicator to 1 to facilitate the management of the account balance that may not be available to the agency in the new year.

PA Table:

For PCAs that record operating transfers, the Disbursement Fund Segment is coded the same as the Fund Split Distribution Segment on the PA Table. The table below includes coding conventions. Refer to Volume 2, Chapter IV-PA, for additional coding information.

Data Element	Description
PCA Type	Direct. Use 1 .
Program	Use Program 95 unless the SCO specifically identifies a program for the operating transfers account. Use Fund Source Z .
Disbursement Fund Information	Disbursement Fund information must be the same as Fund (Split) Distribution information. Operating transfers are never posted against a Clearing Account.
Allotment-Program-Level-Indicator	Use 0 . Transactions for operating transfers do not post to the Allotment File.

Project Control Table:

A Project/Work Phase (WP) can be established to record the operating transfers activities, as well as expenditures, reimbursements, and revenues in the 'F' (Grant Project File) reports. The Project/WP should be identified in the applicable PCA table record(s).

Index Table:

Unique Index Codes may be established to record operating transfers activity.

Cost Allocation Table:

Operating Transfers Out activity is not subject to cost allocation or fund distribution.

Descriptor Tables:

The following suggested coding conventions may be used for operating transfers activity. Refer to Volume 2, Chapter IV-DT, for additional coding information.

D15 Program

Establish Program **95**, if needed.

D11 Object Detail (Statewide Table)

Use Object Detail **626** (when Object Detail is required) to post Operating Transfers Out transactions.

D32 Subsidiary

Establish Subsidiaries for the following GLs, if needed:

GL 1400-Due From Other Funds
 GL 3110-Due To Other Funds
 GL 9811 Operating Transfers In
 GL 9812 Operating Transfers Out

Refer to Volume 1, Chapter V, and Volume 2, Chapter IV-DT, for information on establishing a Subsidiary. The Subsidiary Number is **nnnn0000**, where nnnn is the 4-digit UCM fund number of the fund from which monies are transferred to or from.

D33 Source

Source codes are required for Operating Transfers In and are recorded in the transferee fund. The Source Code is **3nnnn0**, where nnnn is the 4-digit UCM fund number of the transferor fund. Source codes are established by CALSTARS in accordance with the Uniform Codes Manual (UCM). To request the addition of a Source code to the D33 table, call the CALSTARS Hotline at (916) 327-0100 (CNET 467-0100) or e-mail your request to HOTLINE@dof.ca.gov. Refer to the UCM or Volume 2, Chapter IV-DT for more information.

RECONCILIATIONS

Monthly account reconciliations between the SCO and CALSTARS must be performed. The SCO Agency Reconciliation Report and the CALSTARS DB2 and H02 or DB1 and HB4 reports are compared to reconcile appropriation/revenue accounts. An additional GL reconciliation must be done for non-shared funds. The SCO Fund Reconciliation Report and the G01 are compared to reconcile the GL accounts. Differences may be investigated by looking at the H02 or HG1 reports.

Some differences exist between the SCO reports and CALSTARS reports as shown below:

For:	Account Type (on SCO Agency Reconciliation Report)	Account Type (on CALSTARS Reports)
Transfers-In	R	T
Transfers-Out	T	D

Both SCO and CALSTARS use the same Source code for transfers-in (**3nnnn0**, where n is the fund number of the transferor fund). For more information about monthly reconciliations, refer to Volume III, Chapter VII.

YEAR-END REPORTING

Operating Transfers Out balances (appropriation) are generally not carried forward to the new fiscal year. If a balance is carried forward in CALSTARS and is not carried forward by the SCO, the transaction can be reversed with a TC 680R or TC 010R.

Subsidiary File records supporting GL 9811 and GL 9812 (S01 report, Subsidiaries on File) are not brought forward to the new fiscal year. The GL accounts for these records (G02 report, Trial Balance) are nominal accounts and close to fund balance at year-end.

Although operating transfers are generally treated as if the transfer will occur within one year, operating transfers may need to be accrued at year-end. Refer to Exhibit IV-1 for instructions regarding the treatment of operating transfers at year-end.

CALSTARS REPORTS

The table below displays the CALSTARS reports that may have amounts in GL 9811 and GL 9812, the title of the report field the amounts are displayed in, and which GL accounts are included.

ACCOUNTING EVENTS FOR OPERATING TRANSFERS

Exhibit II-1 contains the accounting events, corresponding CALSTARS Transaction Codes, and T-Accounts for recording operating transfers. The accounting events and corresponding CALSTARS Transaction Codes are listed in the order they normally occur. If your agency receives a SCO Journal Entry that is not described in the procedure, please contact the CALSTARS Hotline.

OPERATING TRANSFER TRANSACTIONS POST TO THE FOLLOWING FILES/REPORTS/GENERAL LEDGERS:		
Report Number/Title	Report Field Title	Posts To GL Account:
Appropriation File Reports		
B03, Appropriation Control Account Report B04, Detail Report of Appropriation Status B06, Budget Report B06, Budget Report	Net Transfers Net-Transfers Expenditures Expenditures	9811/9812 9811/9812 9811 9812
History File Reports		
HB4, Appropriation Transactions Summary	Expenditures/ Rev/Reimb	9811/9812
Document File Reports		
DB1, SCO Reconciliation Report DB2, SCO/CALSTARS Monthly Reconciliation Report		9811/9812 9811/9812
Project File Reports		
F01, Summary of Project Revenue and Expenditures F05, Summary of Letter of Credit Balance F05, Summary of Letter of Credit Balance	Expenditures/Rev Receipts to Date Total Disbursed	9811/9812 9811 9812
Operating File Reports		
Q24, Q25, Q27	Actual Receipt Current Month/Year-to-date	9811
Q04, Q10, Q11, Q12, Q13, Q14, Q16, Q18, Q19, Q21 Q28, Q29, Q35, Q36, Q37, Q38, Q50, Q51	Various expenditure fields	9812

EXHIBIT II-1
OPERATING TRANSFERS ACCOUNTING ACTIVITIES

	Transferor Fund Activity	Transferee Fund Activity
1	<p>Record a budget (transfer authorization per Budget Act, statutory, or Constitution) in the transferor fund:</p> <p>Record an original appropriation: TC 010 - Record an Original Appropriation Dr. 6120 Appropriations-Offset Cr. 6110 Appropriations</p> <p>Note: SCO posts a budget for Operating Transfers Out by debiting GL 5510 - Fund Balance-Appropriated and crediting GL 6030 - Appropriations. Budget Sequence (BS) 001 may be used if the OC Table BUD SEQ indicator is Y.</p>	<p>Note: SCO does not post a budget for Operating Transfers In accounts.</p>
2	<p>Record transfer (Operating Transfer Out) from transferor fund:</p> <p>Record transfer (Operating Transfers Out): TC 481 – Record Operating Transfers Out Dr. 9812 Operating Transfers Out Cr. 1140 Cash in State Treasury</p> <p>Use Object Detail 626 for transfers.</p> <p>Use Subsidiary nnnn0000, where nnnn identifies the transferee fund. Note: Subsidiary must first be defined in the D32 Table for GL 9812.</p>	<p>Record receipt (Operating Transfers In) into transferee fund:</p> <p>Record receipt (Operating Transfers In): TC 483 - Record Operating Transfers In Dr. 1140 Cash in State Treasury Cr. 9811 Operating Transfers In</p> <p>Use Source 3nnnn0, where nnnn identifies the transferor fund.</p> <p>Use Subsidiary nnnn0000, where nnnn identifies the transferor fund. Note: Subsidiary must first be established in the D32 Table for GL 9811.</p>

EXHIBIT II-1 (Continued)
OPERATING TRANSFERS ACCOUNTING ACTIVITIES

	Transferor Fund Activity	Transferee Fund Activity
3	<p>Record accrual at year-end for transfer (Operating Transfers Out) from transferor fund:</p> <p>Record accrual of Operating Transfers Out to other funds: TC 579 – Accrue Operating Trans-Out as Due to Other Funds Dr. 9812 Operating Transfers Out Cr. 3110 Due to Other Funds or Appropriations Use Object Detail Code 626 for transfers. Use Subsidiary number nnnn0000, where nnnn identifies the transferee fund. <u>Note:</u> Subsidiary number must first be defined in the D32 Table for GL 3110 and GL 9812.</p>	<p>Record accrual at year-end for receipt (Operating Transfers In) into transferee fund:</p> <p>Record accrual of Operating Transfers In from other funds: TC 260 – Record Accrual OpTrans-In as Due from Other Funds Dr. 1400 Due From Other Funds or Appropriations Cr. 9811 Operating Transfers In Use Source 3nnnn0, where nnnn identifies transferor fund. Use Subsidiary number nnnn0000, where nnnn identifies the transferor fund. <u>Note:</u> Subsidiary number must first be defined in the D32 Table for GL 1400 and GL 9811.</p>
4A 4B	<p>Record an adjustment to the year-end accrual for Operating Transfers Out from the transferor fund:</p> <p>Decrease Operating Transfers Out accrual: TC 487 – Adjust Decrease Due to Other Funds-Op Trans Out Dr. 3110 Due to Other Funds or Appropriations Cr. 9812 Operating Transfers Out</p> <p>Increase Operating Transfers Out accrual: TC 484 – Adjust Increase Due to Other Funds- Op Transfer - Out Dr. 9812 Operating Transfers Out Cr. 3110 Due to Other Funds or Appropriations Use Object Detail Code 626 with both entries. Use Subsidiary number nnnn0000, where nnnn identifies the transferee fund. <u>Note:</u> Subsidiary number must first be defined in the D32 Table for GL 3110 and GL 9812.</p>	<p>Record an adjustment to the year-end accrual for Operating Transfers In into the transferee fund:</p> <p>Decrease Operating Transfers In accrual: TC 265 – Adjust Decrease OpTrans-In/Due from Other Funds Dr. 9811 Operating Transfers In Cr. 1400 Due From Other Funds or Appropriations</p> <p>Increase Operating Transfers In accrual: TC 265R or TC 260 - Adjust Increase Decrease OpTrf-In Dr. 1400 Due From Other Funds or Appropriations Cr. 9811 Operating Transfers In Use Source 3nnnn0, where nnnn identifies transferor fund. Use Subsidiary number nnnn0000, where nnnn identifies the transferor fund. <u>Note:</u> Subsidiary number must first be defined in the D32 Table for GL 1400 and GL 9811.</p>

EXHIBIT II-1 (Continued)
OPERATING TRANSFERS ACCOUNTING ACTIVITIES

	Transferor Fund Activity	Transferee Fund Activity
5	<p>Record liquidation of Due to Other Funds and transfer (payment) from transferor fund:</p> <p>Record SCO payment of previously accrued Operating Transfers Out TC 262 Dr. 3110 Due to Other Funds or Appropriations Cr. 1140 Cash in State Treasury</p> <p>Refer to Entry #3 above for Object Detail and Subsidiary.</p>	<p>Record liquidation of Due from Other Funds and receipt from transferee fund:</p> <p>Record receipt previously recorded as Due from Other Funds: TC 259- Liquidate Due From Oth Fund for Op Transfers-In Dr. 1140 Cash In State Treasury Cr. 1400 Due From Other Funds or Appn</p> <p>Refer to Entry #3 above for Source and Subsidiary.</p>
6	<p>Record return of Operating Transfers Out from transferee fund to transferor fund:</p> <p>Record return of Operating Transfers Out: TC 486 - Record Return of Operating Transfers Out Dr. 1140 Cash in State Treasury Cr. 9812 Operating Transfers Out</p> <p>Use Object Detail 626 for Operating Transfers Out. Use Subsidiary nnnn0000, where nnnn identifies the transferee fund. Note: Subsidiary would have been established in the D32 Table for GL 9812.</p>	<p>Record return of Operating Transfers In from transferee fund to transferor fund:</p> <p>Record return of Operating Transfers In: TC 485 - Record Return of Operating Transfers In Dr. 9811 Operating Transfers In Cr. 1140 Cash in State Treasury</p> <p>Use Source 3nnnn0, where nnnn identifies transferor fund. Use Subsidiary nnnn0000, where nnnn identifies the transferor fund. Note: Subsidiary would have been established in the D32 Table for GL 9811.</p>

ACCOUNTING PROCEDURES FOR EXPENDITURE TRANSFERS

Expenditure transfers typically occur from the General Fund to Special Funds and between Special Funds. Expenditure transfers are displayed in the Governor's Budget as part of the expenditures in the transferor fund and as "Less Funding Provided By" (negative expenditures), in the transferee fund.

Expenditure transfers activity is posted to the following GL accounts as described below:

- ✪ GL 8000-Revenue - Receipts are posted to revenue when money is received by the transferor fund.
- ✪ GL 9000- Debit to Expenditures. An amount is transferred from the transferor fund to the transferee fund. The amount is recorded in the transferor fund and is displayed on a SCO JE.
- ✪ GL 9000- Credit (negative) to Expenditures - An amount is recorded in the transferee fund when it is received from the transferor fund. This entry, generally posted from an SCO JE in response to the Governor's Budget for 'Less Funding Provided By', is unique to expenditure transfers.
- ✪ GL 9000- Debit Expenditures. An amount is recorded in the transferee fund when goods and services are received.

Note that expenditure transfers post to GL 9000, Expenditures, in both the transferor and transferee funds. As a result, the transferor fund reflects the expenditure although the transferee fund makes the payment(s).

CALSTARS Activities

The following sections provide instructions for recording expenditure transfers activity.

ESTABLISHING TABLES

The following tables are established in CALSTARS for expenditure transfers activity. Refer to Volume 2, Chapter IV, Table Maintenance, for more information.

Budget Sequence (BS) Table:

Expenditure transfers are typically scheduled (appropriated) per the Budget Act. The SCO posts appropriation budgets for expenditure transfers (SCO Account Type **D**) accounts. TC 010 is used to record the budget for the expenditure transfers. The BS Table entry must be established prior to posting the TC 010 if the OC Table BUD SEQ indicator is **Y**. BS Table entry **001** can be used for this purpose.

Appropriation Symbol (AS) Table

A unique Appropriation Symbol should be established in CALSTARS for each expenditure transfers account maintained by the SCO. The table below includes coding conventions for expenditure transfers. Refer to Volume 2, Chapter IV-AS, for complete coding information.

Data Element	Description
Account Type	If the SCO Category field is blank, use 00 for the transferor fund and the transferee fund.
Program	If the SCO Program is blank, leave blank.
Character	Use 1 for Support, 2 for Local Assistance, or 3 for Capital Outlay.
Reference	Use the SCO Reference.
SCO Account Segment – Account Type	Use D .
SCO Account Segment – Control Type	Use C .
SCO Account Segment – Revenue Account	Leave blank.
Allotment Object Level Indicator	Use 0 . Expenditure transfers transactions are not generally tracked in the Allotment File.
Reversion Indicator	Use 0 . Generally, Expenditure transfers accounts are for only one year. At year-end, agencies may change the indicator to 1 to facilitate the management of the account balance that may not be available to the agency in the new year.

Typically, an account is established by the SCO in the transferor fund as soon as the annual Budget Act has been signed; however, the SCO may establish the budget in the transferee fund when the actual transfer (credit expenditure) occurs.

PCA Table:

Accounting transactions for expenditure transfers require a PCA number. The table below includes coding conventions. Refer to Volume 2, Chapter IV-PA, for additional coding information.

Data Element	Description
PCA Type	If direct expenditures, use 1 .
Program	Use Program 95 unless the SCO specifically identifies a program for the expenditure transfers account. Use the funding source per the UCM or Fund Source Z .
Disbursement Fund Information	Disbursement Fund information should be the same as Fund (Split) Distribution information. The Clearing Account is not typically used for expenditure transfers.
Allotment Program Level Indicator	Use 0 . Transactions for expenditures transfers are generally not tracked in the Allotment File.

Project Control Table:

A Project/Work Phase (WP) may be established to record expenditure transfers activity, as well as expenditures, reimbursements, and revenues in the 'F' (Grant Project File) reports. The Project/WP should be identified in the applicable PCA table record(s).

Index Table:

Unique Index Codes may be established to record expenditure transfers activity.

Cost Allocation Table

PCAs to record expenditure transfers activity are established as direct PCAs. Direct PCAs are not subject to cost allocation or fund distribution.

Descriptor Tables:

The following suggested coding conventions may be used for expenditure transfers activity. Refer to Volume 2, Chapter IV-DT, for additional coding information.

D15 Program

Establish Program **95**, if needed.

DT-11 Object Detail (Statewide Table)

Use Object Detail **626** to post the debit to Expenditures in the transferor fund.

D32 Subsidiary

Establish Subsidiaries for the following GLs, if needed:

GL 1400-Due From Other Funds

GL 3110-Due To Other Funds

Refer to Volume 1, Chapter V, and Volume 2, Chapter IV-DT, for information on establishing a Subsidiary. The Subsidiary is **nnnn0000**, where nnnn is the 4-digit UCM fund number of the fund from which monies are transferred to or from.

RECONCILIATIONS

Monthly account reconciliations between the SCO and CALSTARS must be performed using the SCO Agency Reconciliation Report and the CALSTARS DB2 and H02 or DB1 and HB4 reports. An additional General Ledger reconciliation must be performed for non-shared funds. The SCO Fund Reconciliation Report and the G01 are used for this reconciliation. Differences may be investigated by looking at the H02 or HG1 reports. For more information about these monthly reconciliations, refer to Volume III, Chapter VII.

Due to the legal basis accounting requirements for expenditure transfers, the SCO uses Account Type **D** accounts in both the transferor and transferee funds to record the interfund transfer activity.

YEAR-END REPORTING

Expenditure transfers balances (appropriation) are not carried forward to the new fiscal year. If an appropriation balance is carried forward in CALSTARS, the transaction may be reversed with a TC 680R or TC 010R.

Expenditure transfers may need to be accrued at year-end. Refer to Exhibit II-2 for instructions regarding the treatment of expenditure transfers at year-end.

CALSTARS REPORTS

Accounting transactions for expenditure transfers post to the same CALSTARS files and reports as other transactions using expenditure and revenue transaction codes.

ACCOUNTING EVENTS FOR EXPENDITURE TRANSFERS

Exhibit II-2 contains the accounting events, corresponding CALSTARS Transaction Codes, and T-Accounts for recording expenditure transfers. The accounting events and corresponding CALSTARS transaction codes are listed in the order they normally occur. If your agency receives an SCO Journal Entry that is not described in the procedure, please contact the CALSTARS Hotline.

EXHIBIT II-2
EXPENDITURE TRANSFERS ACCOUNTING ACTIVITY

	Transferor Fund Activity	Transferee Fund Activity
1	<p>Record transfer authorization (Budget Act, statutory, or Constitution) in the <u>transferor fund</u>:</p> <p>Record an original appropriation: TC 010 - Record an Original Appropriation Dr. 6120 Appropriations-Offset Cr. 6110 Appropriations</p> <p>Note: TC 010 is used to set up appropriation budgets in CALSTARS. At the start of the new fiscal year, the SCO will debit GL 5510 and credit GL 6030 for the entire appropriation amount. The journal entry posts the entry to SCO Account Type "D".</p>	<p>Record transfer authorization (Budget Act, statutory, or Constitution) in the <u>transferee fund</u>:</p> <p>Record an original appropriation: TC 010R - Record a Reduction of an Original Appropriation Dr. 6110 Appropriations Cr. 6120 Appropriations-Offset</p> <p>Note: Typically, appropriation accounts are established by the SCO in both the transferor and transferee funds as soon as the Budget Act has been signed. However, the SCO may not establish the budget in the transferee fund until the actual transfer (credit expenditure) occurs. The SCO will debit GL 6030 and credit GL 5510 on an SCO Account Type "D". This is not shown on the T-account in this exhibit.</p>
2	<p>Record expenditure transfer in the <u>transferor fund</u>:</p> <p>Record transfer as an expenditure: TC 242 – Record Direct SCO Pay of Expenditure Dr. 9000 Appropriation Expenditures Cr. 1140 Cash in State Treasury</p> <p>The use of Object Detail 626 is recommended for expenditure transfers.</p>	<p>Record receipt of expenditure transfer into <u>transferee fund</u>:</p> <p>Record transfer as a negative expenditure: TC 242R Record Direct SCO Pay of Exp Dr. 1140 Cash in State Treasury Cr. 9000 Appropriation Expenditure</p> <p>The use of Object Detail 626 is recommended for expenditure transfers.</p>
3	<p>Record accrual of expenditure transfers in <u>transferor fund</u>:</p> <p>Record expenditure transfers as Due to Other Funds: TC 285 – Rec Accrue Expnd & Amt Due to Other Funds. Dr. 9000 Appropriation Expenditures Cr. 3110 Due to Other Funds or Appropriations</p> <p>Use Object Detail 626. Use Subsidiary number nnnn0000, where nnnn identifies the transferee fund (the fund <u>receiving</u> the transfer). Refer to Entry #5A below to liquidate the accrual and record the transfer.</p>	<p>Record accrual of expenditure transfers in <u>transferee fund</u>:</p> <p>Record expenditure transfers as Due from Other Funds: TC 560 – Accrue YE Transfer in - Negative Expnd. Dr. 1400 Due From Other Funds or Appns Cr. 9000 Appropriation Expenditures</p> <p>Use Object Detail 626. Use Subsidiary number nnnn0000, where nnnn identifies the transferor fund (the fund <u>making</u> the transfer). Reverse this accrual in the new year. Refer to Entry #5B below to liquidate the accrual and record the transfer.</p>

EXHIBIT II-2 (Continued)
EXPENDITURE TRANSFERS ACCOUNTING ACTIVITY

	Transferor Fund Activity	Transferee Fund Activity
	Record an adjustment increasing/decreasing the accrual for the transfer in the transferor fund:	Record an adjustment increasing/decreasing the accrual for the transfer in the transferee fund:
4A	Decrease accrual for expenditure transfers. TC 204 – Rec Accrue Expend & Amt Due to Other Funds Dr. 3110 Due to Other Funds or Appropriations Cr. 9000 Appropriation Expenditures	Decrease accrual for expenditure transfers. TC 560R Dr. 9000 Appropriation Expenditures Cr. 1400 Due from Other Funds or Appropriations
4B	Increase accrual for expenditure transfers. TC 285 – Rec Accrue Expend & Amt Due to Other Funds Dr. 9000 Appropriation Expenditures Cr. 3110 Due to Other Funds or Appropriations (Refer to #3).	Increase accrual for expenditure transfers. TC 560 Dr. 1400 Due From Other Funds or Appropriations Cr. 9000 Appropriation Expenditures Refer to Entry #3 above.
	Record liquidation of accrual and record transfer in the new year for expenditure transfers in transferor fund:	Record liquidation of accrual and record transfer in the new year for expenditure transfers in transferee fund:
5A	TC 262-Record SCO payment of Amount Due to Other Funds. Dr. 3110 Due to Other Funds or Appns Cr. 1140 Cash in State Treasury Use Object Detail code 626. Use Subsidiary number nnnn0000 , where nnnn identifies the transferee fund.	(1) Reverse accrual of expenditure transfers. TC 560R – Accrue YE Transfer in-NEGATIVE EXPEND(Reverse) Dr. 9000 Appropriation Expenditures Cr. 1400 Due From Other Funds or Appns Use Subsidiary number nnnn0000 where nnnn identifies the transferor fund making the transfer. Use Object Detail code 626.
5B		(2) Record SCO receipt of Amount Due from Other Funds as negative expenditures. TC 242R Record Direct SCO Pay of Expn Dr. 1140 Cash in State Treasury Cr. 9000 Appropriation Expenditure (Refer to #2 above).
	Record return of expenditure transfers to the transferor fund as credit expenditures:	Record return of expenditure transfers to the transferee fund as debit expenditures:
6	TC 242R Record SCO return of expenditure transfers to transferor fund. Dr. 1140 Cash in State Treasury Cr. 9000 Appropriation Expenditures Note: Generally expenditure transfers are not returned.	TC 242 Record SCO return of expenditure transfers from transferee fund. Dr. 9000 Operating Transfers In Cr. 1140 Cash in State Treasury Note: Generally expenditure transfers are not returned.

EXHIBIT II-2 (Continued)
EXPENDITURE TRANSFERS ACCOUNTING ACTIVITY

<u>EVENT</u>	<u>TRANSACTION CODE</u>	
	<u>Transferor Fund</u>	<u>Transferee Fund</u>
1. Record appropriation authority for expenditure transfers	010	See <u>note</u> above
2. Record expenditure transfers	242	242R
3. Record accruals for expenditure transfers at year-end	285	560
4. Adjust accruals for expenditure transfers		
A. Decrease	204	560R
B. Increase	285	560
5. Record liquidation of accruals and record transfers in new year		
A. Record liquidation and transfer from <u>transferor fund</u>	262	
B. Reverse liquidation and transfer into <u>transferee fund</u>		560R & 242R
6. Record return of expenditure transfers	242R	242

TRANSFEROR FUND

1140 Cash in State Treasury	3110 Due to Other Funds/ Appropriations	6110 Appropriations	6120 Appropriations- Offset	9000 Appropriation Expenditures
2	3	1	1	2
5A	4A 5A			3
6	4B			4B
				4A
				6

TRANSFEEE FUND

1140 Cash in State Treasury	1400 Due From Other Funds/Appns	9000 Appropriation Expenditures
2	3	2
5B(2)	4B	3
6	4A 5B(1)	4B
		5B(2)
		6