STATE OF VERMONT
AGENCY OF ADMINISTRATION
DEPARTMENT OF FINANCE AND MANAGEMENT

Subject: **VISION General Ledger Transfers Procedure**

Effective Date: **July 1, 2005**

Applicable To: **All State Agencies and Departments**

Issued By: **Department of Finance & Management**

Approved By: **James Reardon, Commissioner**

PURPOSE

This document explains procedures for general ledger transfers in VISION.

BACKGROUND

These procedures have been established to ensure that the Reporting Section of the Department of Finance and Management can identify transfer data in VISION and correctly report these transfers on the State ACFR in compliance with generally accepted accounting principles (GAAP).

PROCEDURE

I. Transfer Types: This section outlines the different transfer types that are processed in VISION. For more information on specific journal source codes and chartfields used in the various transfers see Sections III and IV.

> ***Funding Transfers Directed by Statute or Current Year Law*** – These transfers are processed by the Department of Finance and Management with a journal source code of TSN. Departments will not process these transfers unless directed to do so by Finance, in which case a written notification will be given to the department. Finance and Management will use transfer in and out account codes 701005, 701505, 720000, and 720005 to transfer funds in these transactions.

Inter-Unit Grant Transfers – One business unit (sending) furnishes funds to another business unit (receiving) with no expectation of reimbursement or services provided, except as required by the terms of a grant agreement if applicable.

These transfers should be budgeted by the sending department as a grant expenditure and should be budgeted by the receiving department as a funding source in fund 21500. These transfers are processed with a journal source code of TSF. The sending department will debit the proper grant expenditure account code (account codes in the 550--- series for all departments and the 6----- series for AHS only) under the proper fund and deptid and credit cash account 100105 under the proper fund and deptid. The receiving department will debit cash account 100105 under fund 21500 and the proper deptid and credit revenue account 495000 under fund 21500 and the proper deptid.

Note: If the Inter-Unit Grant transfer has not been budgeted, the receiving department must still receive the transfer into fund 21500 and then process an excess receipt request to receive spending authority in this fund.

Note: The VT Housing and Conservation Board; business unit 09150, is a component unit and is not considered a state department. Transfers received from this business unit should reflect the appropriate fund and revenue account and not fund 21500 and account 495000.

Inter-Unit Reimbursement Transfers Non-Budgeted – One business unit (sending) reimburses another business unit (receiving) for costs incurred by paying a bill on their behalf. (Also known as a refund of expenditure.)

These transfers are processed with a journal source code of TSF. The sending business unit debits the proper expense account and credits cash account 100105. The receiving business unit debits cash account 100105 and credits the expense account, fund, deptid and any other chartfields used on the original transaction processed to pay the bill.

Note: In the description of the journal, the receiving business unit must identify the A/P business unit and voucherID or journalID on which the original bill was paid.

Note: Please refer to VISION Procedure #6: Prior Year Refund of Expenditure Procedure for information on how to process prior year refund of expenditures.

Inter-Unit Reimbursement Transfers Budgeted – One business unit (sending) furnishes funds to another business unit (receiving) with the expectation of receiving some service in return. The business unit providing the service is not in the business of providing this service for sale to other state departments.

The department providing the funds includes the reimbursement as an expenditure in their budget. The business unit providing the service budgets the reimbursement as a funding source under fund 21500. The transfer is processed with a journal source code of TSF. The sending business unit debits the proper expenditure account, fund and deptid for the service provided and credits cash account 100105. The receiving business unit debits cash account 100105 under fund 21500, and the proper deptid and credits revenue account 490000 under fund 21500 and the proper deptid.

Note: The VT Housing and Conservation Board; business unit 09150, is a component unit and is not considered a state department. Transfers received from this business unit should reflect the appropriate fund and revenue account and not fund 21500 and account 490000.

Inter-Unit Transfer of Receipts – One business unit receives and posts receipts in VISION that belong to another business unit. The business unit (sending) transfers the receipts to the business unit (receiving) that they belong to.

This transfer is processed with a journal source code of TSF. The sending business unit debits the revenue code, fund, deptid, and other chartfields used on the original transaction to post the receipt, and credits cash account 100105. The receiving business unit must debit cash account 100105 and credit the appropriate revenue account.

Note: In the description of the journal, the sending department must identify the A/R business unit and deposit ID or journalID in which the original receipt was posted.

Intra-Unit Transfers – Expenditure and revenue transfers and corrections between chartfields within the same general ledger business unit are processed as intra-unit transfers.

These transfers are processed with a journal source code of ONL. If the transfer or correction is between a fund, deptid or any other chartfield other than account, offsetting debit and credits to cash account 100106 must be used. If the transfer or correction is between accounts only, then offsetting debits and credits to cash account 100106 are not needed.

Note: Corrections to chartfield information on transactions originating from an AP Voucher must be corrected using a Journal Voucher in AP and not with an Intra-Unit Transfer.

Inter-unit Transfer for Payment of Goods or Services – One business unit (sending) reimburses another business unit (receiving) for goods and services purchased. The business unit providing the goods or services is in the business of offering the goods or services for sale to other business units.

This transfer is processed with a journal source code of TSF. The sending business unit debits an appropriate expense account and credits cash account 100105. The receiving business unit debits cash account 100105 and credits the appropriate revenue account.

Note: If the receiving business unit is set up as a vendor in the accounts payable module, the sending business unit must process an AP voucher to pay for the goods and services and not an Inter-unit transfer.

II. Journal Descriptions: This section outlines the details that must be included in the description on all transfer journals.

A detailed description of the transfer must be entered on the header panel of the journal. Included in this description must be what the transfer is, the time period that the transfer pertains to, indication as to whether the business unit is sending or receiving the transfer, and what the original transaction was including A/P or A/R business unit if applicable.

III. Journal Source codes: This section outlines the specific journal source codes that are to be used on transfers.

ONL – The ONL journal source code is used on general ledger Intra-business unit activity; or general ledger activity within a business unit. It should be used for all revenue and expenditure transfers and corrections within a general ledger business unit, except when correcting transactions originating in accounts payable, in which case a journal voucher is used.

TSF – The TSF journal source code is used on all transfers between business units with the exception of funding transfers directed by statute or the legislature.

TSN – The TSN journal source code is used for funding and cash transfers directed by statute or the legislature. No department other than Finance is authorized to use source code TSN unless directed to do so by Finance.

IV. Chartfields: This section outlines some of the specific accounts and funds that are to be used in transfers.

Account Code 701005 and 720000 – Operating Transfers-In 701005 and Operating Transfers out 720000 are used for transfers between fund types in conjunction with journal source code TSN. No department other than Finance is authorized to use account codes 701005 and 720000 unless directed to do so by Finance.

Account code 701505 and 720005 – Transfers In Intra-Fund 701505 and Transfers Out Intra-Fund 720005 are used for funding or cash transfers within the same fund type. No department other than Finance is authorized to use account codes 701505 and 720005 unless directed to do so by Finance.

Fund Code 21500 – Funding transfers received from other state departments or agencies should be budgeted and received into fund 21500. If a funding transfer is not budgeted, it must be received into fund 21500 and then an excess receipt request, in fund 21500, will be processed by the department to receive authority to spend these receipts.

Account code 495000 – The Inter-Unit Transfers revenue account code 495000 is used by the receiving business unit in an inter-unit grant transfer. An inter-unit grant transfer is defined as one business unit furnishing funds to another business unit with no expectation of reimbursement or service provided, except as required by the terms of a grant agreement if applicable.

Account code 490000 – The Inter/Intra Unit Goods/Services revenue account code 490000 is used by the receiving business unit in an inter-unit transfer when the sending business unit is reimbursing the receiving business unit for some service provided.

Account code 100105 – The inter-unit cash account code 100105 is used by all business units on all inter-unit transfer transactions.

Account code 100106 – The Intra-unit cash account code 100106 is used by business units on intra-unit transfers when transferring between fund, deptid, class, program and project/grant.

If you have any questions or need clarification on any aspects of this procedure, please contact the Financial Operations Division of the Department of Finance and Management.