

**NC STATE UNIVERSITY  
NEW JOURNAL SOURCES  
AND  
INTERNAL TRANSFER GUIDELINES FOR IDT AND O6X JOURNALS  
EFFECTIVE JULY 1, 2014**

<b>NEW JOURNAL SOURCES</b>
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Effective July 1, 2014, there are two new journal sources to use for specific types of reclassification entries of O6X journals:

**Journal Source O64** - In order to facilitate the calculation of revenue for the F&A proposal, there needs to be a way to eliminate internal sales and the reclassification of sales. Journal source O64 has been created to be used for the reclassification of internal sales using a journal voucher.

Note: For the F&A proposal, C&G must eliminate internal sales expenses on the customer level and keep them on the provider side to avoid reporting duplicate expenses. If internal sales are reclassified using an SUB (Service Unit Billing) or the IDT (Internal Departmental Transfer) system, C&G can easily identify the original expenditure and thus ensure there is no double counting of sales transactions. When the customer side expenditure of the transaction is moved to another account by online journal entry (previously O60), it is very difficult to find and track the original transaction unless the new source O64 is used.

Example:

Project A sells service to Project B. Here is the SUB/IDS entry:

Project A	40395		CR 100.00
Project B	54130	DR 100.00	

Department finds that the service needs to be reclassified to Phase on Project B. Here is the new O64 entry:

Project B	54130		CR 100.00
Project B-XXXXX	54130	DR 100.00	

Using O64 allows C&G to correctly identify where the final expense ends up so when the sales elimination is done, the expense is pulled from the correct project or phase.

**Journal Source O65** – for use in the reclassification of P-card transactions. This allows the elimination of duplicate data when P-card transactions are reclassified or transferred to other projects.

**INTERNAL TRANSFER GUIDELINES**

The following guidelines have been developed to guide campus users in the entry of internal transfer transactions either using the IDT system or online journal entries (O6X).

- A. The new guidelines revise the use of the general transfer accounts – 40997/58497 – to be used for non-specific transfers only.
- B. Specific transfers (those where specific transactions exist that require correction or sharing) will now be required to use the original expense or revenue account number on both sides of the transfer transactions.

See explanations and examples below. This activity will be monitored by the responsible central offices. In the near future, all transfer transactions will be routed to the responsible central office for approval

Note: General transfer accounts – 40997/58497 – cannot be used for fund codes 16030, 16031, and 16032 or with Facilities & Administrative Overhead (F&A projects 25XXXX – 29XXXX). All such transactions will be denied.

<u>Central Office</u>	<u>Ledger</u>	<u>Class</u>	<u>Description</u>
Budget	2XXXXX	21X	16030 – <b>Not allowed</b>
Budget	2XXXXX	261,262	F&A Overhead – <b>Not allowed</b>
Budget	3XXXXX	233XX	16030 – <b>Not allowed</b>
Controller	3XXXXX	11	Clearing
Budget	3XXXXX	3X	Aux, Fees, Discretionary, S&S, etc.
Budget	4XXXXX	4XXX	16031, 16032 – <b>Not allowed</b>
C&G	5XXXXX	5XX	C&G
Controller	6XXXXX	68	Textile Foundations
FAI	6XXXXX	6X, 6XXX, but not 68	Foundations
FAI	7XXXXX	7XXX	Endowment
OCA	7XXXXX	7X	AUX , GIFT
Budget	8XXXXX	81	CI
Controller	8XXXXX	8X , but not 81	Debt
OCA	9XXXXX	9X	Agency

### Types of Transfers - Specific:

Specific transfers are where there is sharing or correction of a specific expense or specific revenue. An example of this type of transaction would use the same GL account number on both sides of the transaction.

#### Expense example:

Project A shares the cost of a subscription with Project B. Project A pays \$1000 for the entire subscription charge and needs to transfer half of the expense to Project B. Here is the journal entry. **The source depends on the source of the original transaction (IDT/SUB – use O64, P-card – use O65, all others – use O60).**

Project B	54901	DR 500.00
Project A	54901	CR 500.00

Or, the entry could be done in the IDT system. If Project A were the initiator, Project A would “charge” Project B \$500 and use GL account 54901 for both the Biller and Payer sides of the transaction.

Once the journal or IDT transaction processed overnight, the ICE process would move \$500 cash (GL account 11100) from Project B to Project A. (Project A would be reimbursed, increase in cash.)

Note: If Project A is sharing the cost with more than one Project, the same methodology would be used.

#### Revenue example:

Project A receives a check for \$1000 and deposits the check, booking it to 40791 miscellaneous receipts. Research determines the payment is for an AR invoice for Project A in the amount of \$500 and for another invoice for \$500 that belongs to Project B. Project A needs to move \$500 to Project B. Here is the journal entry. **The source would be O60.**

Check is deposited:

Project A	11100	DR 1000.00
Project A	40791	CR 1000.00

Transfer entry:

Project A	40791	DR 500.00
Project B	40791	CR 500.00

Or, the entry could be done in the IDT system. If Project A were the initiator, Project A would “charge” Project B -\$500 and use GL account 40791 for both the Biller and Payer sides of the transaction.

Once the journal or IDT transaction processed overnight, the ICE process would move \$500 cash (GL account 11100) from Project A to Project B. (Project B would increase in cash.)

Note: If Project A is sharing revenue with more than one Project, the same methodology would be used.

**Types of Transfers – Non-Specific:**

Non-specific transfers are where there is general sharing of expense or revenue. An example of this type of transaction would use the transfer accounts 40997/58497 as a pair or use 40997 on both sides of the transaction for general transfers of revenue or 58497 on both sides of the transaction for general transfers of expense.

Expense example:

Project A would like to give \$100 to Project B to share general expenses. Here is the journal entry. **The source would be O60.**

Project A	58497	DR 100.00
Project B	58497	CR 100.00

Or, the entry could be done in the IDT system. If Project A were the initiator, Project A would “charge” Project B -\$100 and use GL account 58497 for both the Biller and Payer sides of the transaction.

Once the journal or IDT transaction processed overnight, the ICE process would move \$100 cash (GL account 11100) from Project A to Project B. (Project B would see an increase in cash.)

Note: If Project A is transferring to more than one Project, the same methodology would be used.

Revenue example:

Project A is a segment that receives \$5000 in revenue that needs to be distributed to several phases (Project B, Project C). This revenue distribution needs to be kept isolated for reporting purposes, so instead of moving the revenue from the original revenue account it was booked to, the use of a transfer revenue code is appropriate. Here is the journal entry. **The source would be O60.**

Project A	40997	DR 5000.00
Project B	40997	CR 2500.00
Project C	40997	CR 2500.00

Or, the entry could be done in the IDT system. If Project A were the initiator, Project A would “charge” Projects B and C -\$2500 each and use GL account 40997 for both the Biller and Payer sides of the transaction.

Once the journal or IDT transaction processed overnight, the ICE process would move \$5000 cash (GL account 11100) from Project A to Project B \$2500 and Project C \$2500. (Project B and Project C would increase in cash.)

Note: If Project A is transferring to more than one Project, the same methodology would be used.

**Reporting Impacts:**

Reporting changes are being made so that, when cash is being transferred, duplicate expenses and revenues will not be duplicated on the “Budget and Financial Information” brochure, on the multi-year trend reports, and in the future on WRS report 14. In the future, WRS 14 will be changed to have the option to include or exclude (with exclude as the default):

- a. Cash transfer accounts 58497 and 40997 for ALL funding groups AND
- b. ALL transfer accounts (58xxx, 408xx, and 409xx) for ONLY classes 61, 6190, 62, 6290, 63, and 64 (Foundations) - (Note that class 68 Textile Foundations is intentionally not part of this list)