INTERFUND TRANSFERS

This section is a reference for transfers of funds or expenditures between funds that are permanent. A temporary transfer of funds is known as an interfund loan and is covered in section 13 Temporary Borrowing.

Interfund transfers are flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. Interfund transfers are not used to account for interfund loans or borrowing. The two major categories of interfund transfers are:

1.   Residual equity transfers. Residual equity transfers are nonrecurring or nonroutine transfers of equity between funds. Examples of transfers of this type are (a) transfers of residual balances of discontinued funds to the general fund; and (b) nonroutine contributions of internal service fund capital by the general fund.

2.   Operating transfers. Operating transfers, which comprise all interfund transfers other than residual equity transfers, are routine, legally authorized transfers between funds. Examples of operating transfers are (a) transfers from the general fund to a special revenue or capital projects fund; and (b) operating subsidy transfers from the general fund to an enterprise fund.

Both residual equity transfers and operating transfers are nonreciprocal interfund activities. Reciprocal interfund activities, such as interfund loans or borrowing and interfund services provided and used, are not recorded as interfund transfers.

Interfund transfers are not classified as expenditures; instead they are classified as other financing uses, because they do not decrease the financial resources of the LEA as a whole. They represent a transfer of existing resources between funds.

Interfund transfer accounts are closed at the end of the fiscal year in the same manner as that used for closing expenditure accounts.

Object account numbers 7600–7629 are used to record an LEA's interfund transfers out.

Interfund Transfers In & Out

The total of all Interfund Transfers **In** must equal the total of all Interfund Transfers **Out** on the SACS Software Financial Reports. The following is a list of accounts the transactions are posted to:

Interfund Account Description	Debit Transfer Out	Credit Transfer In
From General to Child Development	7611	
To Child Development from General		8911
Interfund Transfers between General	7612	
and Special Reserve Funds 17, 20 & 40		8912
From Authorized District Fund	7613	
To State School Building Fund/ County School Facilities Fund		8913
From Bond Interest and Redemption	7614	
To General Fund		8914
From General Fund	7616	
To Cafeteria Fund		8916
From Authorized District Fund	7619	
To Authorized District Fund		8919

NOTE: In SACS, use goal 0000 and function 9300 (Other Outgo) to record the Transfers Out. (Transfers In do not need the goal or function fields).

Interfund Transfers In and Out
Continued

1. The following is a sample interfund cash transfer entry before June 30:

Account	Fund	Object	Debit	Credit
Cash	4000	9110	$200,000	
I/F Transfers In	4000	8912		$200,000
I/F Transfers Out	0100	7612	$200,000	
Cash	0100	9110		$200,000

2. The following is a sample Due To/Due From Journal Entry after June 30:

Account	Fund	Object	Debit	Credit
Due From Other Funds	4000	9311	$200,000	
I/F Transfers In	4000	8912		$200,000
I/F Transfers Out	0100	7612	$200,000	
Due to Other Funds	0100	9611		$200,000

3. The following is a sample Auditor's Transfer in the subsequent year to clear prior year Due To/Due From:

Account	Fund	Object	Debit	Credit
Cash	4000	9110	$200,000	
Due From Other Funds-PY	4000	9312		$200,000
Due To Other Funds-PY	0100	9612	$200,000	
Cash	0100	9110		$200,000