

ACCOUNTING SYSTEM CHANGES FOR FY09

1. New Transaction Codes- Several codes have been simplified and collapsed into a single transaction code called a TFR for Transfer. RET's and BTR's have been renamed to remove the word "transfer" from their acronym.

Current Tran Code/Class Code		New Tran Code/Class Code	
ALO	Various Exp	TFR	T32-xx depending on account
BTA	Various Exp	TFR	T-In and/or T-Out
IBA	Various Exp	TFR	Electronic option not available at July 1. Do like normal TFR.
TFB	T-In and/or T-Out	TFR	T-In and/or T-Out
FTT	T-In and/or T-Out	TFR	T-In and/or T-Out
RET	Rec and/or Exp	AJE	Rec and/or Exp (name change only)
BTR	Rec and/or Exp	ART	Rec and/or Exp (name change only)
PAC	Various Exp or T-In and/or T-Out	PRC or PEC	T-In for PRC and T-Out for PEC

Key to Acronyms for FY09. All are used to move funds between accounts or projects. "Projects" in this memo refers to the 6 digits that follow the 7-digit account number.

TFR	Transfer	Will appear as a transfer on accounting statements. Only T class codes can be used.
AJE	Adjusting Journal Entry	Will appear as a revenue or expense on accounting statements depending on class code. Only numeric class codes can be used.
ART	Accounts Receivable Transaction	Will appear as a revenue or expense on accounting statements depending on class code. Used only by the Receivables Office—do not use on transactions you initiate.
PRC	Project Revenue Correction	Will appear as revenue on a project statement. Used to move receipts or transfers-in from one project to another project within that same account.
PEC	Project Expense Correction	Will appear as expense on a project statement. Used to move expenditures or transfers-out from one project to another project within that same account.

The existing Budget Transfer and Revenue and Expense Transfer forms have been combined into a single form that can be used for either TFR's or AJE's. The basic format of the form stayed the same. The new form is available on the Forms website at <http://www.ats.iastate.edu/forms/acctform.html> under Transfer/ Adjusting Journal Entry Form. Please delete any existing templates that you have of the old forms.

You will still have the option to move funds between accounts as a revenue or expense with an AJE (formerly an RET) or as a transfer with a TFR. Factors to consider:

- TFR's only use T class codes. AJE's only use numeric class codes.
- A correction or modification of an existing revenue or expense entry should be done as an AJE. If too many expense items are being moved to do a Correction

Voucher (CV), use an AJE. This adjusts the amount of expenses as a CV would.

- A transaction involving 206 (agency) funds needs to be an AJE.
 - Distribution of revenue or expense from a single account to many accounts should be done as an AJE since this is, in effect, a modification of an existing transaction. For example, if the college distributes computer fee income to departments, this should be an AJE using the same class code on both sides of the transaction.
 - Think about which unit a given expense (or receipt) belongs to. For example, if department A contributes \$500 to an activity hosted by department B, consider who is actually incurring the expense. In this case, it's probably department B since they are the host of the activity. Accordingly, the expense should stay with department B and department A would do a \$500 TFR. If an AJE was processed, department A would show a \$500 expense and the expenses for department B would be reduced by \$500. Typically, this is not the correct treatment since department B cannot determine the total cost of the activity.
 - Similarly, most of you are continuing to have the admin fee charged using the central system. When moving revenue with an AJE, the admin fee will also automatically be moved as well. If you don't want the admin fee to move, you may want to consider using a TFR instead.
 - Consider whether the funds being moved have been budgeted. Typically funds being moved in or out of a grant have been budgeted as an expense line item and accordingly should be moved with an AJE as an expense. TFR's in and out of grants are relatively rare except for transfers initiated by the Controller's Dept. Now that expenses are budgeted in the general fund, you can apply the same logic and think of how you would want to see a transaction on your Budget to Actual report.
 - On an AJE, typically both the "from" and "to" side should either be both receipt class codes or both be expense class codes. If one side is a revenue and the other an expense, the revenue side must be 07xxx (intramural income) so that this can be eliminated for institutional financial reporting. Exceptions must be approved by the Controller's Department.
 - On TFR's, typically the "from" side should carry a Transfer-Out class code and the "to" side should carry a Transfer-In class code. This makes the account presentation easier to comprehend. But having both sides of the transaction as Transfers-Out or Transfers-In is not prohibited and is appropriate in certain situations.
 - The PAC (Project Allocation Correction) transaction code will be discontinued for FY09. It will be replaced by using a PRC for Transfer-In class codes and a PEC for Transfer-Out class codes.
2. New Class Codes- Transfer transaction codes use only transfer class codes, i.e., those that start with T. Conversely, T class codes are only used with transfer transactions. Most of the new T class codes are system- or centrally-generated codes for the Resource Management Model and will not be used on transactions that you create. A listing of the T class codes that includes the intended initiator, as well as whether the code is new, is attached. A complete listing of class codes that can be downloaded is available on WebFM under General Browsers and then by selecting Class Code on the dropdown menu. A list that also includes definitions is available on the Controller's website at <http://www.controller.iastate.edu/controller/classcode.html> .

