Corrections and Transfers
(Updated 4/14/12)

IOWA STATE UNIVERSITY
Controller’s Department

Bill Cahill 4-5124 bpcahil@iastate.edu
Agenda

- Introductions
- Objectives
- Review of Corrections and Transfers Matrix
- Cash Receipt Adjustment
- Correction Voucher – Non-Payroll
- Correction Voucher - Payroll
- Intramural Transfer of Charges
- Transfer / Adjusting Journal Entry
- Questions
- Quiz
Introductions

- Please give your name and department.
- Share why you registered for today’s workshop.
Objectives

- To be able to determine what form is necessary for the correction
- To be able to complete the forms correctly – the first time
## Corrections and Transfers Matrix

<table>
<thead>
<tr>
<th>Original Transaction</th>
<th>Form Used to Make a Correction</th>
<th>Alternate Form</th>
<th>Copies to Submit</th>
<th>Usually Submitted By</th>
<th>Funds</th>
<th>Class Code</th>
<th>Offsets Required For</th>
<th>Negative Amounts Allowed?</th>
<th>Column on Departmental Statement/WebFM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voucher - Non-Payroll</td>
<td>Correction - Accounting</td>
<td>Transfer (AJE) #</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Expense</td>
<td>Receipts with Offset</td>
<td>Yes &amp; &amp;</td>
<td>Expenditures</td>
</tr>
<tr>
<td>Debit Memo</td>
<td>Correction - Accounting</td>
<td>Transfer (AJE) #</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Expense</td>
<td>Receipts with Offset</td>
<td>Yes &amp; &amp;</td>
<td>Expenditures</td>
</tr>
<tr>
<td>Payroll Voucher Hourly Only</td>
<td>Correction - Payroll</td>
<td>N/A</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Expense</td>
<td>None</td>
<td>Yes</td>
<td>Expenditures</td>
</tr>
<tr>
<td>Payroll Voucher Salary Only</td>
<td>Electronic Personnel Action System</td>
<td>N/A</td>
<td>N/A</td>
<td>Dept.</td>
<td>Any</td>
<td>N/A</td>
<td>None</td>
<td>No</td>
<td>Expenditures</td>
</tr>
<tr>
<td>Intramural Charge</td>
<td>Correction Voucher</td>
<td>Transfer (AJE) #</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Expense</td>
<td>None</td>
<td>Yes</td>
<td>Expenditures</td>
</tr>
<tr>
<td>Intramural Income</td>
<td>Cash Receipt Adjustment</td>
<td>Transfer (AJE)</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Receipt or Expenditure with Offset</td>
<td>Yes &amp;</td>
<td>Receipts or Expenditures</td>
<td></td>
</tr>
<tr>
<td>Deposits Online (including Credit Memos)</td>
<td>Cash Receipt Adjustment</td>
<td>Transfer (AJE)</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Receipt or Expenditure with Offset</td>
<td>Yes &amp;</td>
<td>Receipts or Expenditures</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable Transfer (ART)</td>
<td>Accounts Receivable Transfer (ART)</td>
<td>Transfer (AJE)</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Receipt or Expenditure with Offset</td>
<td>Yes</td>
<td>Receipts or Expenditures</td>
<td></td>
</tr>
<tr>
<td>Transfer (AJE)</td>
<td>Transfer (AJE)</td>
<td>N/A</td>
<td>1</td>
<td>Dept.</td>
<td>Any</td>
<td>Receipt or Expenditure with Offset</td>
<td>Yes &amp; &amp;</td>
<td>Receipts or Expenditures</td>
<td></td>
</tr>
<tr>
<td>Transfer (TFR)</td>
<td>Transfer (TFR)</td>
<td>N/A</td>
<td>1</td>
<td>Dept.</td>
<td>Any (except 206)</td>
<td>Transfer Class Codes Only</td>
<td>None</td>
<td>No</td>
<td>Transfers In / Transfers Out</td>
</tr>
</tbody>
</table>

* ISU Accounting & Financial Templates are found on the internet at [http://www.controller.iastate.edu/templates/universityforms.htm](http://www.controller.iastate.edu/templates/universityforms.htm)

# When using a Transfer (AJE) in lieu of a Correction Voucher, please remember to reverse the FROM and TO accounts, as the AJE is oriented towards receipts.

& & Vouchers and Debit Memos using a negative receipt will appear as a negative amount on the departmental statement or WebFM. However, these should be entered as positive amounts when being corrected on the Cash Receipt Adjustment or Transfer (AJE).

& & & Vouchers and Debit Memos using a negative receipt will appear as a negative amount on the departmental statement or WebFM. However, these should be entered as positive amounts when being corrected on the Correction Voucher or Transfer (AJE). Also, if using the Transfer (AJE) instead of a correction voucher, the FROM and the TO accounts will need to be reversed, as the Transfer (AJE) is oriented towards receipts rather than expenditures.

* ISU Accounting & Financial Templates are found on the internet at [http://www.controller.iastate.edu/templates/universityforms.htm](http://www.controller.iastate.edu/templates/universityforms.htm)
General Rules

- Additional copies of correction and transfer forms are not needed.
- Form templates are available from the University Form Templates page. [http://www.controller.iastate.edu/templates/universityforms.htm](http://www.controller.iastate.edu/templates/universityforms.htm)
- Offsets are required when the class code is not consistent with the form.
- Negative amounts in WebFM do not necessarily mean negative amounts on the correction. See footnotes on matrix.
Offsets

- An offset (the digit 2) is required whenever the class code is not typical of the form being used.

- Receipts require offsets for:
  - DME and RVH transactions
  - CVR corrections

- Expenditures require offsets for:
  - ART, CME, and CRE transactions
  - AJE and CRA corrections
Offsets

- Expenditures are not typical of deposits
  - A deposit with a 699-00 class code will post as 699-00-2
  - Deposits Online does not require entering the offset.

- Receipts are not typical of vouchers
  - A voucher requires an offset for receipts.
  - Will enter and post as 045-00-2 rather than 045-00
Offsets on Correction Forms

- If an offset is used in WebFM and the amount is negative, use a positive amount on the correction form.
Offsets on Correction Forms

- To Correct a Deposit Online Transaction with an Offset:
  - Use a positive $82.59 amount (reverse the sign from – to +) on a Cash Receipt Adjustment.
  - Use 371-00 in the Class Code column, and a 2 in the O/S Column

- To Correct a Deposit Online Transaction without an Offset:
  - Do not change the sign (+/-) from the way it posted.
  - No need to add a 2 in the O/S column.
Offsets on Correction Forms

- **To Correct a Voucher Transaction with an Offset:**
  - Use a positive amount (reverse the sign from – to +) on a Correction Voucher
  - Use 022-20-2 in the Class Code column.
    - There is not a separate column for the Offset on this form.

- **To Correct a Voucher or Intramural Charge Transaction without an Offset:**
  - Do not change the sign (+/-) from the way it posted.
  - No need to add a 2 for an Offset in the Class Code column.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Class</th>
<th>Ref #</th>
<th>Tran Cd</th>
<th>Tran Type</th>
<th>Prch Order</th>
<th>Offset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/7/2011</td>
<td>CENTER FOR CREATIVE JUSTI</td>
<td>022-20</td>
<td>523588</td>
<td>RVH</td>
<td>REC</td>
<td>2</td>
<td></td>
<td>(269.80)</td>
</tr>
</tbody>
</table>
Cash Receipt Adjustment (p. 2-4)

- To correct Deposits Online or intramural income
  - Common descriptions:

<table>
<thead>
<tr>
<th>Type of &quot;Cash Receipt&quot;</th>
<th>&quot;Description&quot;</th>
<th>&quot;Tran Code&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intramural Income</td>
<td>INTRAMURAL CASH RCVD</td>
<td>INT</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>AR FR 202 0094</td>
<td>ART</td>
</tr>
<tr>
<td>Deposits Online - CME</td>
<td>CME, Source, Date</td>
<td>CME</td>
</tr>
<tr>
<td>Deposits Online - Cash</td>
<td>As keyed by the department</td>
<td>CRE</td>
</tr>
</tbody>
</table>

- To complete:
  - Follow the numbered example on pages 3-4.
  - FROM side: As the transaction was posted.
  - TO side: As it should have been posted.
  - Can be for a partial amount.

- Attachments:
  - Departmental statement or WebFM Transaction Detail
  - Items being moved should be underlined or highlighted.
Correction Voucher – Non-Payroll
(p. 5-8)

- To correct non-payroll vouchers, intramural charges, or Debit Memos
  - Can correct the fund account, class code, or both.

- Do not use for:
  - Hourly payroll – do a Payroll CV instead
  - Salaried payroll – do an EPA instead
  - Deposits – do a CRA instead
  - Transfers – do another transfer instead
  - PO Encumbrances – contact Purchasing instead
  - Section-project only – do a PEC (in ADIN) instead
  - Transactions > 90 days old if on 4XX accounts
Correction Voucher – Non-Payroll

○ To complete:
  ● Follow the numbered example on p. 6-8.
  ● FROM side: As the transaction was posted.
  ● TO side: As it should have been posted.
  ● Can be for a partial amount.

○ Attachments:
  ● Departmental statement or WebFM Transaction Detail.
  ● Items being moved should be underlined.
    ○ Highlighting does not image well.
Correction Voucher – Payroll (p. 9-11)

- To correct hourly payroll transactions
- Do not use for:
  - Salaried payroll – do an EPA instead
  - Payroll Encumbrances – do an EPA instead
  - Section-project only – do a PEC instead
Correction Voucher – Payroll

- To complete:
  - Follow the numbered example on p. 9-11
  - Contact Payroll if you have questions

- Attachments
  - Do not attach departmental statements or WebFM Transaction Detail
Intramural Transfer of Charges
(p. 12-13)

- To correct an existing intramural charge.
  - Intramural system only allows one fund account per ticket.
  - Intramural Transfer of Charges allows splitting between more accounts.
- The least-used correction form.
- Could also be accomplished with a Correction Voucher, if more convenient.
- Attachments are not required or desired.
Transfer / Adjusting Journal Entry
(p. 14-17)

- To transfer funds from one account to another
  - The box checked determines what class codes are necessary.
    - TFR – requires “T” class codes.
    - AJE – requires numeric class codes.
  - The class codes determine which category will be affected on the departmental statement or WebFM.
    - TFR – affects Transfers In and Transfers Out
    - AJE – affects Receipts and Expenditures
  - Attachments of departmental statements or WebFM Transaction detail for TFRs generally are not necessary. Required more often for AJEs.
Transfer / Adjusting Journal Entry

- Examples of TFRs
  - Lump sum support of a program or initiative
  - Transfer of a program from one college to another

- Examples of AJEs
  - Summary correction in lieu of a CV or CRA
  - Distribution of revenue or expenses from a clearing account to multiple accounts
Transfer / Adjusting Journal Entry

- To make summary corrections (AJE)
  - Use only when the number of transactions is ten or more.
  - Disadvantage: the reference number of the original transaction does not post as part of the correction.
  - Departmental statement or WebFM Transaction Detail attachments are required.
  - Items being moved should be underlined or highlighted.
  - In lieu of a Cash Receipt Adjustment
    - From and To convention is the same.
  - In lieu of a Correction Voucher
    - From and To convention is the opposite.
Transfer / Adjusting Journal Entry

- Limitations and Restrictions
  - Transfers involving agency accounts (e.g., 206 accounts) must use an AJE.
  - AJEs generally should not mix receipts and expenditures.
    - Have receipts on both the FROM and TO sides.
    - Have expenditures on both the FROM and TO sides.
  - AJEs cannot use salary or equipment class codes.
Transfer / Adjusting Journal Entry

To Complete:

- Review “Choosing Between a TFR and AJE on p. 15.
- Follow the numbered instructions on p. 16-17.
- Call Bill Cahill or Carole Gill if you have questions.
Questions?