

Instructions for Transfer/ Adjusting Journal Entry Form

Purpose:

To provide a means for moving funds from one account to another either as a Transfer (TFR) or Adjusting Journal Entry (AJE). A TFR moves funds as a transfer type transaction appearing as a transfer-in or transfer-out depending on the class code used. An AJE moves funds as a revenue or expense type transaction depending on the class code used.

Uses of the TFR include but are not limited to:

- Lump sum support of a program or initiative. Example: the Provost's Office awards Institutional Excellence Funds to a college using a TFR.
- Transfer of a program from one college to another. Example: Oversight of a particular program moves from one college to another. The related funding for that program would move between colleges with a TFR.

Uses of the AJE include but are not limited to:

- Correction or modification of an existing entry especially when use of a correction voucher or cash receipt adjustment are not practical due to the volume of transactions involved. Example: a new account number is assigned for the continuation of a grant. Thirty transactions need to be moved to the new account. The AJE can be used to summarize the transactions by class code.
- Distribution of revenue or expenses from a clearing account to multiple accounts. Example: a college receives computer fees into a single account and needs to distribute the fees to the appropriate colleges. The AJE is used to eliminate the receipt in the control account and move the revenue to the individual departments.

See <http://www.controller.iastate.edu/controller/trfform.xls> for additional examples and a more detailed explanation.

Limitations and Restrictions:

- TFR's must use a class code beginning with a T
- AJE's must use a numeric class code
- Transactions between an agency fund account (generally those that begin with a 206) and a non-agency fund account must use an AJE.
- AJE's generally use either expense class codes on both sides of the transaction or revenue on both sides of the transaction. Transactions that use a revenue class code on one side and an expense on the other are similar to an intramural transaction and must use a revenue class code starting with 07xxx or be approved by the Controllers Department (Financial Accounting and Reporting).
- AJE's cannot use salary or equipment class codes.

Instructions for Completion:

- Amount to be moved
- Fund-Account from which the amount is taken, i.e., the account with the balance being decreased
- Section-Project of the fund account from which the amount is taken. Section-Project is the optional 6 digits that can follow a fund-account.
- Class code that reduces the account balance

- The offset indicator (O/S) of 2 is needed on a AJE when using an expense class code. It is not needed on TFR's.
- The override indicator (O/R) of O is needed if the account being used is closed.
- Fund-Account receiving the amount, i.e., the account with the balance being increased
- Section-Project of the fund account receiving the amount. Section-Project is the optional 6 digits that can follow a fund-account.
- Class code that increases the account balance
- The offset indicator (O/S) of 2 is needed on a AJE using an expense class code.
- The override indicator (O/R) of O is needed if the account being used is closed.
- Explanation of the need for the transaction
- Requestor signature and date
- Approver signature and date

Remember that on an AJE, the "from" and "to" accounts are the opposite of a Correction Voucher (CV). When an AJE is done in lieu of a CV, the "to" side of the transaction contains the original account number and class code. When an AJE is done in lieu of a Cash Receipt Adjustment, the "from" side of the transaction contains the original account number and class code.