Overview

Interfund Transactions

STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

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Division of Financial Reporting - Contacts

- **Katie Madonia, Director of Financial Reporting**
  (217) 782-5198
  katie.madonia@illinoiscomptroller.gov
- **Elizabeth Johnson, Manager of Financial Reporting**
  (217) 557-3368
  elizabeth.johnson@illinoiscomptroller.gov
- **Miriam Stowell, PSA**
  (217) 524-7220
  miriam.stowell@illinoiscomptroller.gov
- **Johanna Helm, PSA**
  (217) 557-5385
  johanna.m22.helm@illinoiscomptroller.gov

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Interfund Transactions

- **Purpose is to provide interfund activity (with exceptions) with other State funds.**

- **Exceptions to reporting information on interfund activity forms:**
  - Internal service fund activity
  - Pension Trust fund activity
  - Nonfederal University/Component Unit activity

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Interfund Transactions

- **Types of Interfund Activity**
  - Internal Reimbursements (R)
  - Third Party Reimbursements (P)
  - Services Provided (or used) (S)
  - Transfers (T)
  - Transfer-like (L)
  - Interfund Borrowings (B)
  - Designated Revenue Transfers (D)

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Interfund Transactions

- **Internal Reimbursements (R)**
  - Occur when providing fund is not being reimbursed by a third party.
  - No revenue/expense will be recorded in receiving fund. Entries should be made to eliminate revenue/expense activity.
  - Expense will be recorded in providing fund.

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	Entry	Account Name	Debit	Credit	Account Name	Debit	Credit
1 Internal Reimbursement R	Agency Activity	Due from Other Funds	XXX		Revenue	XXX	
		Revenue		XXX	Expenditure (Expense)		XXX
	SAMS Mandatory Transfers	Due from Other Funds	XXX		Transfers-in	XXX	
		Transfers-in		XXX	Expenditure (Expense)		XXX

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Interfund Transactions

- **Third Party Reimbursements (P)**
  - Reimbursement based activity in which the providing fund is being reimbursed by a third party.
  - No revenue/expense will be recorded in providing fund. Entries should be made to eliminate revenue/expense activity.
  - Receiving fund will record revenue/expense.

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	Entry	Account Name	Debit	Credit	Account Name	Debit	Credit
2 Third Party Reimbursement P	Agency Activity	Due from Other Funds	XXX		*No entry required*		
		Revenue		XXX			
	SAMS Mandatory Transfers	Due from Other Funds	XXX		Transfers-in	XXX	
		Transfers-in		XXX	Revenue		XXX

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Interfund Transactions

- **Third Party Reimbursements (P) (continued)**

For SEFA Reporting:

- Receipts, expenditures, and/or amounts paid to subrecipients are required to be reported in whole dollars for P transactions.
- Whole dollar values should be reported in the additional fields provided.
- Transaction will not be saved until these amounts have been entered.

Receipts in Whole Dollars	Expenditures in Whole Dollars	Amount Sub in Whole Dollars
0	0	0

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Interfund Transactions

- **Services Provided or Used (S)**
  - All services provided or used activity with other funds except internal service funds should be recorded.
  - The Comptroller's Office will eliminate services provided or used among the same function in the Government-Wide financial statements.

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	Entry	Account Name	Debit	Credit	Account Name	Debit	Credit
3 Services Provided S	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX

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Interfund Transactions

- **Transfers (T)**
  - Transfers are the flow of resources without equivalent flow of resources in return and without a requirement for repayment.
  - Do not occur with external parties (e.g., component units).
  - Transfers-in should be reported in a/c 565 for governmental funds and a/c 679 for proprietary funds.
  - Transfers-out should be reported in a/c 570 for governmental funds and a/c 682 for proprietary funds.

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	Entry	Account Name	Debit	Credit	Account Name	Debit	Credit
4 Transfers T	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	Revenue Transfers-in	XXX	 XXX
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	*No entry required*		

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Interfund Transactions

- **Transfer-like (L)**
  - Transactions which would have been recorded as transfers had the transaction been with a fund of the primary government.
  - Transfer-like transactions will be recorded as revenue and expense by both the primary government and the external party.

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	Entry	Account Name	Debit	Credit	Account Name	Debit	Credit
5 Transfers-like L	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX

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Interfund Transactions

- **Interfund Borrowings (B)**
  - Transaction where a flow of resources from one fund to another is expected to be repaid to the original fund.
  - According to GASB Statement No 34, paragraph 112(a)(1) "… Interfund loans should be reported as interfund receivables in lender funds and interfund payables in borrower funds. This activity should not be reported as other financing sources or uses in the fund financial statements."
  - For those funds that are able to accrue interest on the borrowings, the IOC will obtain amounts from the Treasurer's Office at year end and will determine if entries will be recorded, based on materiality.
  - The IOC will send out a memo subsequent to year end with the required journal entries to report accurately interfund borrowings (if applicable).

Interfund Transactions

- **Interfund Borrowings (B)**

		Receiving Fund/Grantee SCO-567 Adjusting Entries			Receiving Fund/Grantee SCO-567 Reclassification Entries		
Transaction Type	**Entry**	**Account Name**	**Debit**	**Credit**	**Account Name**	**Debit**	**Credit**
6 Interfund Borrowings **Original loan payment** B	Agency Activity	Revenue Due to Other Funds	XXX	XXX	*N/A*		
	SAMS Mandatory Transfers	Transfers-in Due to Other Funds	XXX	XXX	*N/A*		
7 Interfund Borrowings **Loan repayment Loan repayment** B	Agency Activity	*N/A*			Revenue Expenditure (Expense)	XXX	XXX
	SAMS Mandatory Transfers	*N/A*			Transfers-in Transfers-out	XXX	XXX

Interfund Transactions

- **Designated Revenue Transfers (D)**
  - Affects transactions where the revenues are initially deposited in one fund (i.e., GRF) and then subsequently transferred to the designated special revenue fund.
  - GASB Statement No. 54, paragraph 30 states, "Those specific restricted or committed revenues may be initially received in another fund and subsequently distributed to a special revenue fund. Those amounts *should not* be recognized as revenue in the fund initially receiving them; however, those inflows should be recognized as revenue in the special revenue fund in which they will be expended…" (emphasis added)
  - No revenue/transfer out will be recorded in providing fund.
  - Receiving fund will record revenue, rather than a transfer-in.

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Interfund Transactions

- **Other notes**
  - Cash basis SAMS mandatory transfers are automatically populated by the Comptroller's Office, and have been adjusted for held transactions, to reflect the true cash basis transfers.
  - Agencies should record a "due amount" at year end that includes the amount of held transfers.
  - Vouchered activity entered on the agency activity tab should be entered on the cash basis as well, meaning that held vouchers should be shown as an accrual at year end.
  - For transactions that cross-over year end, transactions should be recorded by both the providing fund and the receiving fund as of the Warrant date.
  - The "Receipts Amount During Lapse" and "Unavailable Revenue Amount" fields are no longer required on the SCO-567/568. These fields will no longer appear on the screen or the printed report.

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Interfund Transactions Journal Entries

- **SAMS Manual 27.20.67 (pages 36 and 37)**

Interfund Activity, SCO-567
Standard Journal Entries

Note: The following entries are applicable to transactions between:
1. Two primary government governmental funds, or
2. Two primary government proprietary funds, or
3. A primary government governmental fund and a primary government proprietary fund.

For activity in other fund types, variations of the entries below are included in the detail procedures.

Transaction Type	Entry	Receiving Fund/Grantee SCO-567 Adjusting Entries: Account Name	Debit	Credit	Receiving Fund/Grantee SCO-567 Reclassification Entries: Account Name	Debit	Credit
1 Internal Reimbursement R	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	Revenue Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Expenditure (Expense)	XXX	 XXX
2 Third Party Reimbursement P	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX
3 Services Provided S	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX
4 Transfers T	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	Revenue Transfers-in	XXX	 XXX
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	*No entry required*		

Transaction Type	Entry	Receiving Fund/Grantee SCO-567 Adjusting Entries: Account Name	Debit	Credit	Receiving Fund/Grantee SCO-567 Reclassification Entries: Account Name	Debit	Credit
5 Transfers-like L	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX
6 Interfund Borrowings **Original loan payment** B	Agency Activity	Revenue Due to Other Funds	XXX	 XXX	*N/A*		
	SAMS Mandatory Transfers	Transfers-in Due to Other Funds	XXX	 XXX	*N/A*		
7 Interfund Borrowings **Loan repayment** **Loan repayment** B	Agency Activity	*N/A*			Revenue Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	*N/A*			Transfers-in Transfers-out	XXX	 XXX
8 Designated Revenue Transfers D	Agency Activity	Due from Other Funds Revenue	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-in	XXX	 XXX	Transfers-in Revenue	XXX	 XXX

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Interfund Transactions Journal Entries

- **SAMS Manual 27.20.68 (pages 36 and 37)**

Interfund Activity, SCO-568
Standard Journal Entries

Note: The following entries are applicable to transactions between:
1. Two primary government governmental funds, or
2. Two primary government proprietary funds, or
3. A primary government governmental fund and a primary government proprietary fund.

For activity in other fund types, variations of the entries below are included in the detail

Transaction Type	Entry	Providing Fund/Grantee SCO-568 Adjusting Entries: Account Name	Debit	Credit	Providing Fund/Grantee SCO-568 Reclassification Entries: Account Name	Debit	Credit
1 Internal Reimbursement R	Agency Activity	Expenditure (Expense) Due to Other Funds	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	Expenditure (Expense) Transfers-out	XXX	 XXX
2 Third Party Reimbursement P	Agency Activity	Expenditure Due to Other Funds	XXX	 XXX	Revenue Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	Revenue Transfers-out	XXX	 XXX
3 Services Provided S	Agency Activity	Expenditure (Expense) Due to Other Funds	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	Expenditure (Expense) Transfers-out	XXX	 XXX
4 Transfers T	Agency Activity	Expenditure (Expense) Due to Other Funds	XXX	 XXX	Transfers-out Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	*No entry required*		
5 Transfers-like L	Agency Activity	Expenditure (Expense) Due to Other Funds	XXX	 XXX	*No entry required*		
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	Expenditure (Expense) Transfers-out	XXX	 XXX

Transaction Type	Entry	Providing Fund/Grantee SCO-568 Adjusting Entries: Account Name	Debit	Credit	Providing Fund/Grantee SCO-568 Reclassification Entries: Account Name	Debit	Credit
6 Interfund Borrowings **Original loan payment** B	Agency Activity	Due from Other Funds Expenditure (Expense)	XXX	 XXX	*N/A*		
	SAMS Mandatory Transfers	Due from Other Funds Transfers-out	XXX	 XXX	*N/A*		
7 Interfund Borrowings **Loan repayment** B	Agency Activity	*N/A*			Revenue Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	*N/A*			Transfers-in Transfers-out	XXX	 XXX
8 Designated Revenue Transfers D	Agency Activity	Expenditure (Expense) Due to Other Funds	XXX	 XXX	Revenue Expenditure (Expense)	XXX	 XXX
	SAMS Mandatory Transfers	Transfers-out Due to Other Funds	XXX	 XXX	Revenue Transfers-out	XXX	 XXX

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