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MEMORANDUM

To: Chief Fiscal Officers

From: Robert L. Childree *RLC*
State Comptroller

Subject: Accounting for Interfund Transactions

My memo of November 19, 2001 covered the requirements for accounting for interfund transactions. The definition of some codes referred to in that memo is further refined below and one new code has been added. Attached you will find a flow chart that may be helpful in deciding how to code an interfund transaction.

Sub-objects:

1100 08 Interfund Programs – Payments to another State fund as payment for services provided under a federally funded program. The receiving fund should use revenue source code 0825. Also used for contributions or payments to another State fund from a State funding source, in which case the receiving fund should use revenue source 0810.

0800 45 Interfund Contract Programs – Same as object 1100 08, but may be used by departments that traditionally budget such payments as a contract under object 0800.

Revenue Sources:

0810 Interfund State Programs – Receipt of money from another State fund as a contribution or for services provided under a State funded program. The paying fund should use sub-object 1100 08.

0825 Interfund Federal Programs – Receipt of money from another State fund for services provided under a federally funded program. The paying fund should use sub-object 1100 08.

RLC/mgh

Interfund Transactions

Established market price means the goods/services are readily available to other departments or the public at the same price. Unique agreements between departments are usually part of a Federal or State program.

