

Human Services Expenditure/Revenue Transfer Procedures**03-009.00**

Effective Date: June 22, 2001

Revised:

**Human Services
Expenditure/Revenue Transfer Procedures**

These procedures are applicable to Department of Human Services transactions involving transfers of expenditures and/or revenues.

Department personnel must be careful when processing and approving transfer transactions in order to allow for proper accounting treatment for federal cost purposes and in order to properly report Human Services revenue and expenditures. Department personnel, who process and approve transfer transactions, need to ensure that transfers are processed in accordance with Budgetary restrictions.

Exemption: The following procedures do not apply to transactions involving the Department's Internal Service Funds, and other "like" transactions that involve the Executive Director's Office such as the DP port charges.

Exceptions to the following transfer procedures must be obtained in writing from the Human Services Finance Director.

I. Inter-Division Transfers

Inter-Division transfers are transactions that occur between different Divisions in the Department of Human Services. Inter-Division transfers should be processed through the use of the IAT or PV3 process following applicable State policies.

Division and Region personnel, who agree to Inter-Division transfers, should coordinate the posting to ensure that the transfer will not create improper federal costing. For non-routine Inter-Division transfer agreements, Region personnel should consult with their Division budget officer regarding proper financial coding.

The following procedures apply to Inter-Division transfers:

- ◆ Revenues transferred from one Division must be transferred to the other Division as Revenues using Revenue source codes. (E.g., if the Seller in an IAT transaction is using revenue source codes, the Buyer side of the transaction must also use revenue source codes that total the same as the Seller's revenue amount.) Preferably, the revenue source codes should be the same for both sides of the transaction.

- ◆ Expenditures transferred from one Division must be transferred to the other Division as Expenditures using Expenditure object codes. (E.g., if the Seller in an IAT transaction is using expenditure object codes, the Buyer side of the transaction must also use expenditure object codes that total the same as the Seller's expenditure amounts.)
- ◆ Ideally, Divisions should work together in order to process revenue and expenditures in the correct areas initially. Thus, avoiding the necessity of processing a transfer transaction.
- ◆ If practical, Divisions should process Inter-Division transfers using gross revenue and gross expenditure amounts so that the transactions are completely transferred from one Division to the other, rather than transferring net amounts.

As practical, the above Inter-Division transfer procedures should be used as guidance for Department personnel to follow when processing transfers of revenue and/or expenditures with other areas of the State.

II. Expenditure Transfers

Ideally, any expenditure transfer should be processed so that the individual object amounts are transferred (on both sides of the transfer) rather than grouping different object code amounts.

If different object code amounts are combined into one object code for the transfer, only object codes within the same expenditure category may be combined (for both the Seller and Buyer side of the transfer).

As of the State's 2000 fiscal year, the following expenditure categories exist:

AA	Personal Services
BB	Travel / In State
CC	Travel / Out State
DD	Current Expense
EE	DP Current Expense
FF	DP Capital Outlay
GG	Non-DP Capital Outlay
HH	Other Charges / Pass Thru
LL	COGS
NN	Cost Accounts
TA	T&A Disbursements
TR	Transfers

For expenditure transfers involving other State areas outside of Human Services, the Division must transfer expenditures from the Division's side following the above procedures. If expenditures are transferred to the Division from an outside

State area, the Division should work with the other area, if possible, so that the above Expenditure transfer procedures are followed.

The expenditure transfer procedures requiring transfers to be done using the same object code groupings do not apply to transfer transactions that are processed to correct object code errors.

Circumstances exist where expenditures generate revenue from accounting systems other than FINET such as the Title XIX billings to the Department of Health through the USSDS system. If this type of expenditures is transferred on FINET, there is the potential that these expenditures may be moved into an area that will generate additional federal revenue creating the possible problem of double billing. Divisions must be careful that any associated revenue is appropriately considered in the transfer process in order to ensure that transfers are properly performed for federal, budgetary, and GAAP purposes.