GL-47 Interfund Segment Usage

Purpose

The purpose of this Quick Reference Guide (**QRG**) is to provide an understanding of how and why the Interfund Segment is used in the North Carolina Financial System (**NCFS**).

Introduction and Overview

In NCFS, the Interfund segment is a new segment in the chart of accounts that allows for the linking of transfers and due to/due from transactions. This linkage allows for transparency and traceability regarding these transactions.

In NCFS, it is important that agencies provide the correct interfund value that represents the other side of the transaction.

The NCFS Interfund segment is a mirror of the Budget Fund segment. Every value in the Budget Fund segment is also in the Interfund segment. Just like Budget Fund, each Interfund value (except for the default Interfund) is linked to a GASB fund number.

This relationship is what ultimately makes the Interfund segment so valuable. By using the correct Interfund segment to represent where transfers are going to or being received from, the agency, and ultimately OSC can match up transfers in and out by GASB to determine what should be consolidated and eliminated and what should remain.

Background

In NCAS, transfer accounts contained information in the account title that would allow users to have some idea where funds went to or came from. However, each account could contain different levels of detail such as just an agency name or a Budget Code, or possibly a Budget Code and fund. The inconsistent level of detail from agency to agency, account to account, made it difficult to review and reconcile transfers between Budget Codes and between agencies throughout the year, and at year end. This was uniquely apparent at year end when agencies were asked to review and balance transfers in and transfers out, so the OSC Statewide Accounting Division-Financial Reporting team could eliminate transfer amounts on a statewide level to produce the Annual Comprehensive Financial Report (ACFR).

To a lesser extent, year-end accruals for Due From (receivables), and Due To (payables) also had to be reconciled and balanced between agencies.

The Interfund segment was designed to assist with both scenarios. Additionally, the Interfund segment can be used with any account an agency chooses.

Intragency (Internal) Transfer Example

Internal agency transfer example: OSC is transferring $100,000 from Budget Code 14160 to Budget Code 24160. If the transfer is coming from Budget Fund 102003 OSC 1022 STATE FISCAL RECOVERY BC 14160 and going to Budget Fund 204903 OSC 2401 BEACON-HR PAYROLL BC 24160, while the agency would process this transaction through the Intercompany module, the accounting for this transaction would look like this: (this example does not contain specific values for AMU, Agency Program, Funding Source or Project, but the actual agency entry could).

Image

*Agency [..]	*Budget Fund [..]	*Account [..]	*Agency Mgmt Unit [.	*Agency Progra	*Funding Sourc	*Project [..]	*Inter Fund [..	*Future 1	*Future 2	*Future 3	*Currency	**Entered Debit	**Entered Credit
1400	102003	58100003	0000000	0000000	0000	0000000000	204903	0000	000000	00000	USD	100,000.00	
1400	102003	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD		100,000.00
1400	204903	48100003	0000000	0000000	0000	0000000000	102003	0000	000000	00000	USD		100,000.00
1400	204903	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD	100,000.00	

As you can see from this example, the Budget Fund from the transfer-out line, becomes the Interfund on the transfer-in line.

InterAgency (External) Transfer Example

Interagency transfer example (External): DOA is transferring $50,000 from fund 204518 DOA 2469 DOE SPECIAL GRANTS BC 24100 to DEQ to assist with an initiative. DEQ is receiving the funds into fund 205165 DEQ 2406 NRG -WEATHERIZATION PROG BC 24300. The accounting for this transaction would look like this:

Note: This example does not contain specific values for AMU, Agency Program, Funding Source or Project, but the actual agency entry could.

Image

*Agency [..]	*Budget Fund [..]	*Account [..]	*Agency Mgmt Unit [.	*Agency Progra	*Funding Sourc	*Project [..]	*Inter Fund [..	*Future 1	*Future 2	*Future 3	*Currency	**Entered Debit	**Entered Credit
1300	204518	58100001	0000000	0000000	0000	0000000000	205165	0000	000000	00000	USD	50,000.00	
1300	204518	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD		50,000.00
1600	205165	48100001	0000000	0000000	0000	0000000000	204518	0000	000000	00000	USD		50,000.00
1600	205165	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD	50,000.00	

For interagency transfers (external), the sending agency needs to know the Budget Fund the receiving agency will receive the funds into, or at a minimum, the Budget Code. If only the Budget Code is known, the sending agency can use the Budget Code's clearing Budget Fund. The clearing Budget Fund is the Budget Code number with a 0 in front. For example, the clearing Budget Fund for Budget Code 24100 is 024100 DOA 24100 CLEARING.

Note: If the transfer involves a 5 type or 7 type Budget Code; these Budget Codes contain Budget Funds related to separate GASB codes, so it is imperative the actual Budget Fund number be used to ensure the transfer is related to the correct GASB code.)

An example of an interagency transfer using the clearing Budget Fund as the Interfund would look like this:

Image

*Agency [..]	*Budget Fund [..]	*Account [..]	*Agency Mgmt Unit [..	*Agency Progra	*Funding Sourc	*Project [..]	*Inter Fund [..	*Future 1	*Future 2	*Future 3	*Currency	**Entered Debit	**Entered Credit	Co Da
1300	204518	58100001	0000000	0000000	0000	0000000000	024300	0000	000000	00000	USD	50,000.00		
1300	204518	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD		50,000.00	
1600	205165	48100001	0000000	0000000	0000	0000000000	024100	0000	000000	00000	USD		50,000.00	
1600	205165	11120000	0000000	0000000	0000	0000000000	000000	0000	000000	00000	USD	50,000.00		

Account Ranges Requiring a valid Interfund

The following account ranges of accounts **require** the use of a valid Interfund segment value that is not the default of 000000. In these cases, a fatal error will be displayed when the Interfund default of 000000 is used.

Transfer Accounts:

- 48000000-58099999
- 48100000-48199999
- 58100000-58199999
- 48400000-48499999

- 58400000-58499999
- 48C00000-48C99999
- 58C00000-58C99999
- 48F00000-48F99999
- 58F00000-58F99999
- 48S00000-48S99999
- 58S00000-58S99999
- 48T00000-48T99999
- 58T00000-58T99999
- 48U00000-48U99999
- 58U00000-58U99999
- 48P00000-48P99999
- 58P00000-58P99999

Due To/Due From Accounts:

- 11430000-11439999
- 11440000-11449999
- 21230000-21239999
- 21240000-21249999

Exceptions:

Interfund values are not required for accounts beginning with:

- 583 Reimbursements
- 588 Federal Transfers
- 488 Federal Transfers

- 582 Reimbursements

Report Listings of Interfund values

To obtain a list of Interfund values, agencies have two options.

1. **NC Master Report for Budget Fund Hierarchies (RPTRTR153)**
2. **NC Agency Chart of Account Values Report (RPTRTR135)**

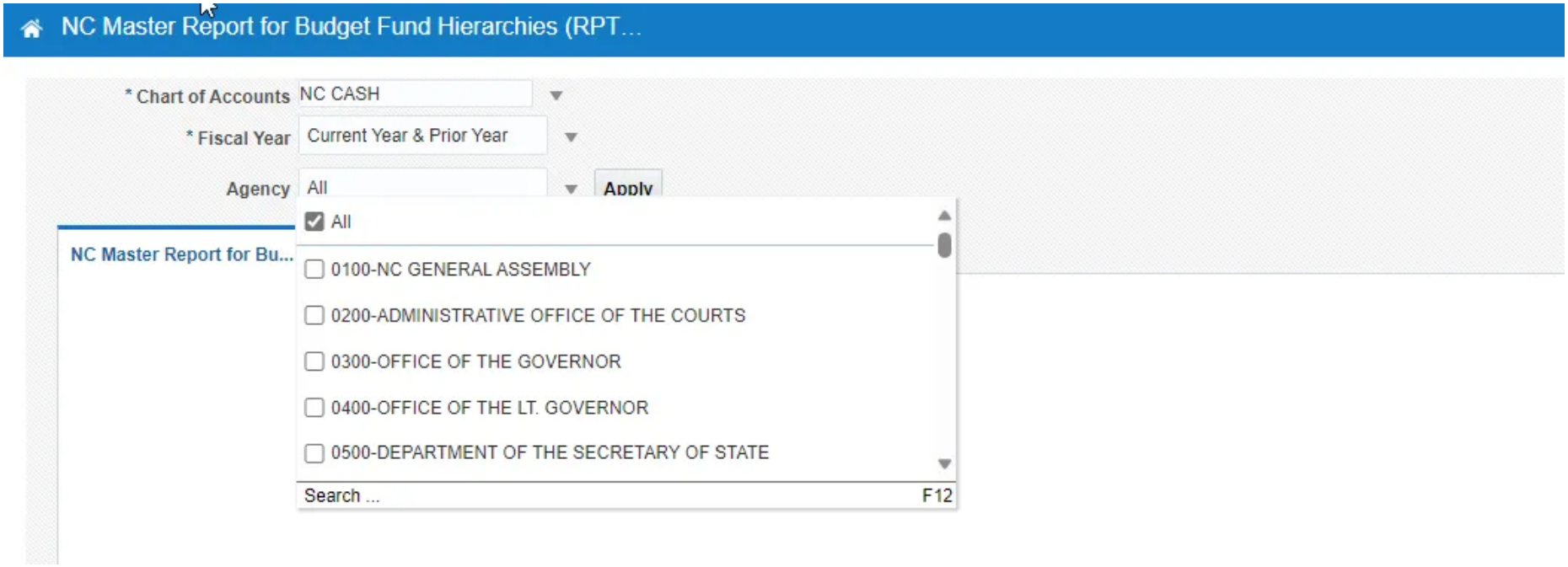
Option #1 - Because Interfund segments are also Budget Funds, a user can run the **NC Master Report for Budget Fund Hierarchies (RPTRTR153).**

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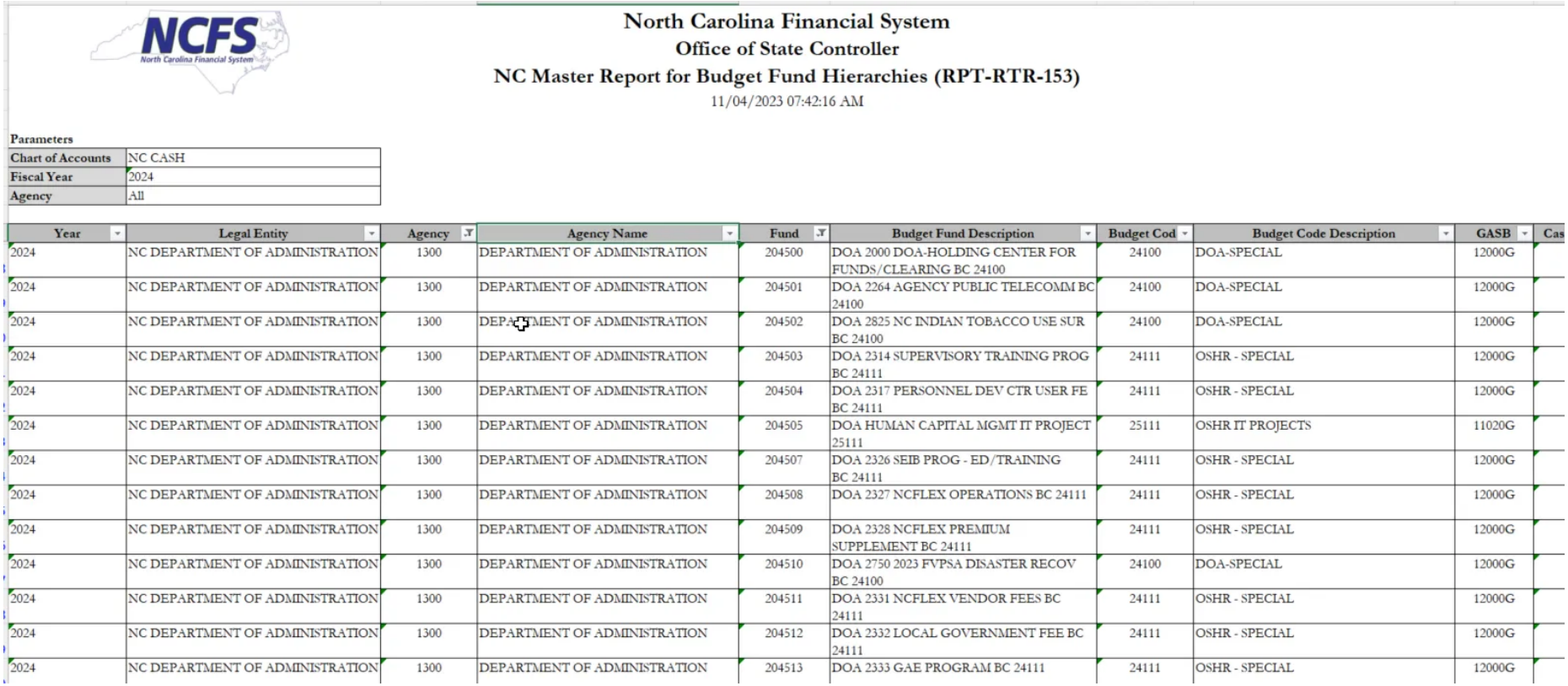


This report can be run for a particular agency, or all agencies.

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NC Master Report for Budget Fund Hierarchies (RPT...
* Chart of Accounts
NC CASH
* Fiscal Year
Current Year & Prior Year
Agency
All
Apply
NC Master Report for Bu...
All
0100-NC GENERAL ASSEMBLY
0200-ADMINISTRATIVE OFFICE OF THE COURTS
0300-OFFICE OF THE GOVERNOR
0400-OFFICE OF THE LT. GOVERNOR
0500-DEPARTMENT OF THE SECRETARY OF STATE
Search ...
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North Carolina Financial System
Office of State Controller
NC Master Report for Budget Fund Hierarchies (RPT-RTR-153)
11/04/2023 07:42:16 AM

Parameters

Chart of Accounts	NC CASH
Fiscal Year	2024
Agency	All

Year	Legal Entity	Agency	Agency Name	Fund	Budget Fund Description	Budget Cod	Budget Code Description	GASB	Cas
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204500	DOA 2000 DOA-HOLDING CENTER FOR FUNDS/CLEARING BC 24100	24100	DOA-SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204501	DOA 2264 AGENCY PUBLIC TELECOMM BC 24100	24100	DOA-SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204502	DOA 2825 NC INDIAN TOBACCO USE SUR BC 24100	24100	DOA-SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204503	DOA 2314 SUPERVISORY TRAINING PROG BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204504	DOA 2317 PERSONNEL DEV CTR USER FE BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204505	DOA HUMAN CAPITAL MGMT IT PROJECT 25111	25111	OSHR IT PROJECTS	11020G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204507	DOA 2326 SEIB PROG - ED/TRAINING BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204508	DOA 2327 NCFLEX OPERATIONS BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204509	DOA 2328 NCFLEX PREMIUM SUPPLEMENT BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204510	DOA 2750 2023 FVPSA DISASTER RECOV BC 24100	24100	DOA-SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204511	DOA 2331 NCFLEX VENDOR FEES BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204512	DOA 2332 LOCAL GOVERNMENT FEE BC 24111	24111	OSHR - SPECIAL	12000G	
2024	NC DEPARTMENT OF ADMINISTRATION	1300	DEPARTMENT OF ADMINISTRATION	204513	DOA 2333 GAE PROGRAM BC 24111	24111	OSHR - SPECIAL	12000G	

Notes:

- This report can be filtered for Agency, Budget Code, and detail Budget Fund.
- This report contains a column showing the GASB code.

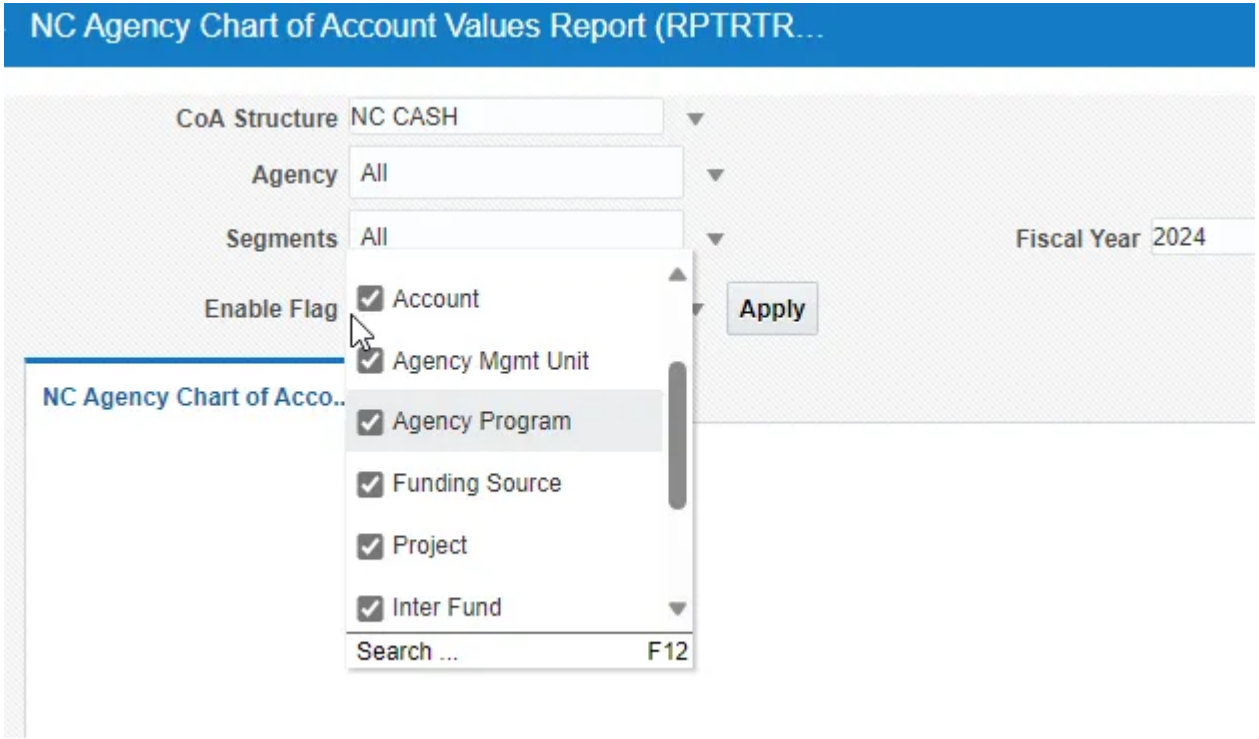
Option #2: Users can also run the **NC Agency Chart of Account Values Report (RPTRTR135)**.

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This report is designed to be run for all agency chart segments, or for individual ones. While some of the segments are agency-specific, the Interfund segment, however, shows all Interfund values for all agencies.

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When this report is run for the Interfund, it will look like this example:

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CASH							
el 4	Level 3	Level 2	Level 1	Child	Description	Enabled Flag	Star
	999999				BUDGET FUND	Y	
	999999	010099			NC GENERAL ASSEMBLY	Y	
	999999	010099	11000		GENERAL ASSEMBLY-GENERAL	Y	
	999999	010099	11000	011000	GENAS 11000 CLEARING	Y	
	999999	010099	11000	100001	GENAS 1000 GENERAL ASSEMBLY CONTROL FUND BC 11000	Y	
	999999	010099	11000	100002	GENAS 1110 SENATE BC 11000	Y	
	999999	010099	11000	100003	GENAS 1120 HOUSE OF REPRESENTATIVES BC 11000	Y	
	999999	010099	11000	100004	GENAS 1211 ADMINISTRATIVE BC 11000	Y	
	999999	010099	11000	100005	GENAS 1212 BILL DRAFTING DIVISION BC 11000	Y	
	999999	010099	11000	100006	GENAS 1213 LEGISLATIVE ANALYSIS BC 11000	Y	
	999999	010099	11000	100007	GENAS 1214 FISCAL RESEARCH DIVISION BC 11000	Y	
	999999	010099	11000	100008	GENAS 1215 BUILDING MAINTENANCE BC 11000	Y	
	999999	010099	11000	100009	GENAS 1216 FOOD SERVICE BC 11000	Y	
	999999	010099	11000	100010	GENAS 1217 INFORMATION SYSTEMS BC 11000	Y	
	999999	010099	11000	100011	GENAS 1218 STATE GOV. PERFORMANCE BC 11000	Y	
	999999	010099	11000	100012	GENAS 1219 PROGRAM EVALUATION DIVISION BC 11000	Y	
	999999	010099	11000	100013	GENAS 1220 LEGISLATIVE RESEARCH BC 11000	Y	
	999999	010099	11000	100014	GENAS 1230 INSTITUTE OF GOVERNMENT BC 11000	Y	
	999999	010099	11000	100015	GENAS 1900 COMMITTEES&OTHER RESERVES BC 11000	Y	

Notes:

- Child value is the Interfund value
- Level 1 is the Budget Code
- Level 2 is the agency parent (agency number with 99 on the end)
- Users can add a filter, allowing them to select specific Agency or Budget Code information
- Unlike RPT-RTR-153, this report will not show the GASB fund associated with the Interfund value

Interfund and Balance Sheet Accounts

Transfers initiated through the Intercompany module will apply the exact Interfund values for the transaction on the cash line. This will show cash balances to be distributed across various Interfund segments. When OSC prepares to close an accounting period, an interface will be run that will prepare an entry to move the balances from the cash lines containing Interfund values, back to the cash line with the default Interfund value.

Wrap Up

The Interfund segment is a vital part of the NCFS chart of accounts. It contains all Budget Fund values set up in the system for use when a valid interfund value is required. It allows for linking of funds transferred between Budget Funds within an agency or between agencies. It provides much greater certainty than natural account titles. It allows for more efficient reconciliation at any point in time.

Additional Resources

- Virtual Instructor-Led Training (vILT)
    - IC100c: Transfer Entry Creation and Receiving
- Web-Based Training (WBT)
    - GEN102c: North Carolina Chart of Accounts

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