



Memorandum – Internal Rationale Documentation

Date: July 27, 2015
From: Janet Garland, Senior Financial Analyst
To: Finance Managers
Subject: Interfund Transfers Between Campuses

Purpose:

To document when interfund account codes are appropriate for transactions between campuses' GPO funds.

Rationale:

If costs are being either reimbursed or shared between campuses' General Purpose Funds (GPO), a **Journal Voucher** using interfund account codes should be used.

488100 – Transfer in from GPOF / 988100 Transfer out to GPOF

UBC Vancouver and Okanagan maintain separate and distinct budgets. Using interfund account codes for transferring of funds or reimbursing of expenses allows budgets to remain separate, but it also allows Finance to track these transactions and determine if they should form part of an annual system-wide transfer. If these transactions are recorded directly to the revenue or expense account code, it becomes nearly impossible to track them.

If you are aware of a contract or agreement that exists for the recurring transfer of amounts or reimbursement of expenses, please advise your Finance Manager so it can be reviewed.

This process is effective immediately.

Examples of some scenarios you may encounter:

- Invoice is paid by Vancouver but 100% of the cost is a UBCO expense or vice versa – JV using Expense codes
- Revenue is deposited into a PG in Vancouver but should have been to a PG in Okanagan – JV using Revenue account codes
- Invoice is paid by Vancouver but a portion of the cost is a UBCO expense or vice versa – JV using interfund account codes 488100 and 988100. (Note: 100% of the expense would be reflected in expenses by the Campus that paid with an offset Transfer In amount)

UBC Vancouver supports this method of accounting and therefore we are anticipating consistency between campuses. However, many Vancouver departments while they can process their own journal vouchers, they cannot process journal vouchers that use interfund account codes. JV's utilizing interfund account codes can only be processed by central payment and procurement services. This may serve as a deterrent to some Vancouver units utilizing them, and also lead to the assumption that interfund account codes cannot be used. If you notice transactions in your project grants coded directly to revenue or expenses, please advise your Finance Manager to rectify the situation.