

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Accounting Services Department

TRANSFER DOCUMENTS (CT vs TV vs IV)

Three different documents can be used to effect a transfer of available budget between two accounts, depending on the circumstances. The three documents are Interdepartmental Cost Transfer Request (CT), Funding Transfer / Transfer Voucher (TV), and Intra-Institutional Voucher (IV).

INTERDEPARTMENTAL COST TRANSFER REQUESTS (CTs)

CTs should be used when specific costs have been identified as having posted to the wrong account. The effect of a CT is a reduction in expense for the account to be credited and an increase in expense for the account to be charged. If costs more appropriately belong on an account other than that which was originally charged, use of a CT will provide the desirable end result of having an accurate assessment of the actual costs for the activities of each of the accounts. There are a number of strict rules related to preparing CTs, as detailed in HSC OP 50.18. One requirement is that the misposted costs must be specifically identifiable on the account to be credited.

FUNDING TRANSFERS / TRANSFER VOUCHERS (TVs)

TVs should be used when one account needs to transfer funding to another account. No underlying expenses are affected by a TV. Instead, the account to be credited will show a funding transfer in (revenue source 98) and the account to be charged will show a funding transfer out (object 94). TVs are very useful in transacting fund sharing agreements involving income plan and general designated accounts. TVs are not allowed for federal grant funds and educational and general funds, as well as some other grant and contract funds.

INTRA-INSTITUTIONAL VOUCHERS (IVs)

IVs are only allowed for approved service departments (account 66xx-xx-xxxx) and initiate internal billing from one department to another. The resultant journal entries reflect a revenue credit to the service department account and an expenditure debit to the department account being billed. Service department billing rates are based on full cost recovery and should, over the long term, exactly cover all costs associated with providing goods or services through the service department.

In a limited number of cases, where none of these three options can properly account for a particular transaction, an institutional services IV can be prepared by Accounting Services. The institutional services IV charges an expense to the department account provided with goods or services and records a funding transfer in (revenue source 98) for the department account that provided the goods or services. This option usually only becomes necessary when specific costs cannot be identified to be transferred, when the department providing the goods or services is not and should not be an approved service department, and when the account to be charged is a federal grant account or an E&G account. Requests for institutional services IVs should be sent to the Managing Director of Accounting Services in memorandum form and should include the account to be credited, the account to be charged, the amount to be charged, a description of the goods or services provided, an indication of when the goods or services were provided, and signatures from authorized personnel for both the charge account and the credit account showing mutual agreement to the billing.