



## Accounting and Administrative Manual

### Section 100: Accounting and Finance

**Accounting for Mandatory and Nonmandatory Transfers**  
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#### General:

Transfers are accounting transactions between funds which are neither revenues nor expenditures. Therefore, transfers are in essence a movement of fund balance from one fund to another. The same account code is used for both sides of the transaction (e.g. debit 8452 and credit 8452). For financial reporting purposes, the University of Alaska classifies transfers as either mandatory or nonmandatory. Listed below are descriptions of the two types of transfer categories and their associated account codes.

Transfers use the 845x account code series. Transfers should not be confused with interdepartmental revenue and expense transactions. Generally, interdepartmental transactions are recorded by recharge centers or when one department performs a service for another department and there is a need to record "revenue". See A-04 "Accounting for Interdepartmental Revenue" in Section 100 in the University of Alaska Accounting and Administrative Manual for information about interdepartmental revenue.

#### Mandatory transfers:

Transfers required by external third parties or contractual agreements because of: 1) agreements relating to the financing of educational and auxiliary plant, or provisions for renewals and replacement of plant; 2) agreements to match gifts and grants to loan or other funds, 3) legally binding endowment or other agreements. Use account code 8451 for both the debit and credit. Examples are:

- Debt service payments
- Endowment earnings required by donor to be transferred to endowment principal
- Student loan fund matching

#### Nonmandatory transfers:

Transfers between funds and/or fund groups made at the discretion of the governing board or management.

Account code 8452 is used when one campus transfers a sponsored project, or portion of a project, to another campus. Includes situations where a department administers a program on behalf of the funding agency.



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Account code 8453 is used for voluntary additions to loan funds, plant funds, and endowment funds, and for contributions to other campuses where no direct benefit is received. Examples of transactions coded to account code 8453 are:

- Statewide provided funds to support campus activities or programs such as loss prevention activities and the campus' facility inventory process.
- UAF and UAS provide support to UAA for a conference
- Inflation proofing endowment funds
- Prepayment on debt

Account code 8455 is used for funding rollovers within the same fund group (e.g. unrestricted, restricted). An example of a transaction coded to account code 8455 is:

- Residual restricted funds rolled to the next grant period's fund number.

Account code 8456 is used for the excess (deficit) of revenue over (under) expenditures on fixed price contracts.

Account code 8457 is used when the unrestricted fund provides a subsidy for operations of a service/recharge center.

Account code 8458 is used for transfers from a department/unit for recovery of a portion of Facilities and Administrative recovery that has been waived.

Account code 8459 is used for transfers of revenue from Statewide Programs & Services to the MAU's. This account code is to be used by Statewide Finance only.