

This policy is current as of May 2026 and supersedes the version published on 3/31/2026.

Purpose

The following Statewide Accounting Policy has been established by the Comptroller General's Office to reduce errors, improve consistency and enhance reporting. This policy addresses the use of the cash transfer accounts in SCEIS—account range 6XXXXXXXXX.

Guidance and Use of Cash Transfer Accounts:

Governmental Accounting Standards Board (GASB) *Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, states that transactions to be reflected as transfers include: Operating Transfers, Debt Service Transfers, Investment Income Transfers, and Forgiveness of Interfund Debt. (For detailed definitions, see the **Additional Information/Definitions** section below.)

General Cash Transfer Requirements

- Consistent recording of transfer transactions and inclusion of supporting documentation is required. Transfer accounts should only be used for permanent cash transfers.
- Revenues that are being transferred per specific Provisos / Code Sections should not use the transfer accounts. The agency transferring the revenue should record a debit to the same revenue GL where the revenue was initially received and credit revenue for the agency receiving that revenue.
- Inter-fund loans should not be processed using a transfer account. These should be recorded using the loan receivable (1390010000) and loan payable (2090010000) accounts. Please refer to the *Statewide Journal Entry Policy* for additional information.
- The 6* series cash transfer accounts must be used correctly and must net to zero at the state level. In general, 62* accounts should be debited (cash moved out) and 61* accounts should be credited (cash moved in). The Comptroller General's Office continually monitors these accounts for **statewide** balancing.
- When using the transfer accounts, the impact on the cash accounts should be considered. To see the effect on the cash accounts, the document can be viewed using the **Simulate** option before posting (located under the Document in the Menu bar).
- Regardless of fund type, when using the 6* series cash transfer accounts, the actual cash movement is handled automatically by the system through the cash splitter account (GL 1000000000).

Cash Transfer Account Restrictions:

1. General Fund Cash Transfer Restriction

Because of the need to maintain alignment between General Fund cash and appropriations under the current SCEIS configuration — which utilizes General Fund appropriation cash (often referred to as “dummy cash”) to support agency spending of General Fund budget authorizations — the 6* series cash transfer GL accounts cannot be used with any 1* series fund (General Fund) for interagency or interfund transactions, i.e., cannot cross agencies or funds.

Recording cash transfers does not consume General Fund budget authority. Using them for cross-agency or interfund transactions would therefore create a mismatch between appropriations and cash.

Budgetary Impact Note

Recording transactions using the 6* series cash transfer accounts (6100010000 / 6200010000, etc.) does not consume or reduce budget authority in any fund type. These accounts are classified as Other Financing Sources (for inflows) and Other Financing Uses (for outflows) and are balance sheet in nature.

This distinction is especially critical for the General Fund because of the State’s requirement to maintain strict alignment between General Fund appropriations (budget authority) and actual cash availability. SCEIS uses “dummy cash” and budgetary control accounts to enforce appropriation limits. Using 6* series transfer accounts for cross-agency or interfund General Fund transactions would move cash without reducing the sending agency’s available budget authority. This would create a mismatch between authorized appropriations and available cash — a situation the system and policy are designed to prevent.

Therefore, the 6* series cash transfer accounts cannot be used with any 1* fund (General Fund) for transactions that cross agencies or funds. Intra-agency / intra-fund General Fund transfers remain permissible because they do not disrupt statewide budgetary alignment.

Correct Method for General Fund Cross-Agency / Interfund Cash Transfer Transactions:

- **Paying / Sending Fund (General Fund side):** Record an expenditure using GL 5170880000 – General Fund Transfer. *This consumes General Fund budget authority and reduces cash.*
- **Receiving Fund:** Record the corresponding revenue using the appropriate revenue GL (commonly GL 4890060000 – General Fund Approp Revenue Transfer). *This entry increases cash.*
- The cash movement is handled *automatically* by the system through the cash splitter account – GL 1000000000.

This process ensures proper budgetary control and alignment between General Fund appropriations and cash.

Examples of appropriate use of GL 5170880000 include:

- Transferring General Fund appropriations to Other Funds (including capital project funds) for intended spending or reimbursement, when legally authorized.
- Situations where the Appropriations Act or other legislation specifically directs that General Fund appropriations be spent from or reimbursed to Other Funds or agencies.

2. Component Unit Cash Transfer Restriction

With the implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, Universities and Colleges (including foundations), Housing Authority, Patriots Point, and Tuition Prepayments funds are reported as component units rather than as Business-Type Activities of the primary government.

Therefore, the 6* series cash transfer accounts cannot be used for transactions between the primary government and these component units, except for transfers that are entirely internal to the component unit itself. Cash exchanged between the primary government and these entities must be reported as revenue in the receiving fund and expense/expenditure in the paying fund.

Documentation

As with all journal entries, the documentation to be attached with each transfer entry should be appropriate and comprehensive enough for an outside auditor to understand the reason and nature of the transfer and why it is being recorded. This can include:

- A general description of the principal purpose of the transfer.
- For cross business area transfers, a copy of communications with the transferring to/from agency regarding agreement on transfer, timing and amount.
- When the transfer is mandated by a proviso or law, provide the proviso or law relevant to the transfer.

Internal Controls

Month-end procedures should be established to determine that transfer accounts are properly recorded and that intra-agency balances net to zero within each agency.

Agencies recording transfer activity with other agencies need to obtain documentation and approval from the other agencies to verify that the offsetting entry is approved, valid and that the transactions balance at the state level.

Agencies may combine 6* series cash transfer accounts with non-transfer accounts in a single journal entry. **However, the 6* series accounts within each document must net to zero.**

Agencies must also ensure strict compliance with the **Transfer Account Restrictions** above and verify use of GL 5170880000 for all applicable cross-agency General Fund outflows. Agencies should reconcile any cross-agency General Fund activity using the General Fund Cash Transfers Report prior to month-end close.

Additional Information

GASB 34 Transfer Definitions:

- **Operating Transfers** – the delivery of resources from one accounting fund to another accounting fund or from one agency to another agency in order to facilitate the continuation of programs and services required to be conducted by that fund or agency.
- **Debt Service Transfers** – the delivery of resources from the agency/fund responsible for funding repayment of debt to the agency/fund responsible for delivering payment to the debt holders.
- **Investment Income Transfers** – Income from investments held by one fund for which the income is to be used by another fund. The transfer of the income to the recipient fund should be reported as an interfund transfer. (GASB 34 ¶13,15, and 112)
- **Forgiveness of Interfund Debt** – action taken by an agency/fund which recognized the lack of collectability of the outstanding balance on an interfund loan. If repayment of the loan is not expected within a reasonable time, the interfund loan balance should be reduced in order to affect the reporting of a transfer. This is extremely rare in occurrence. Contact the Comptroller General’s Office for assistance.

Most Commonly Used Transfer Accounts

6200010000	OPERATING TRANSFER OUT (DEBIT) Used to record the permanent outflow of cash <u>to</u> another fund, agency, or program.	This account should always have a debit balance
6100010000	OPERATING TRANSFER IN (CREDIT) Used to record the permanent inflow of cash <u>from</u> another fund, agency, or program.	This account should always have a credit balance

Related Policies & Procedures

- [Statewide Journal Entry Policy](#)
- [General Fund Cash Transfers - BOBJ Report Guidance](#)
- [SCEIS Simulation Procedures](#)
- [Capital Projects Cash Management – Transfer Journal Entry Examples](#)