

Interfund Loan Reporting Procedures

Purpose: Statewide Financial Statements Compliance Checklist Item #24 requires that all interfund loan balances at year-end be reported appropriately as interfund loans payable/receivable. These loans provide resources to other funds and are reciprocal in nature (i.e. include a repayment requirement). [Reference: GASB Codification of Governmental Accounting, and Financial Reporting Standards, 2005-06 Section 1800.102(a)(1).] For reporting purposes, these loan activities should not be classified as Transfers In/Out or other Expense, Expenditure/Revenue line item. Since FLAIR functionality records this activity as operating receipts and disbursements, entries must be posted to reverse the automated FLAIR postings in GL and record the interfund loan balances *either during the fiscal year¹ or at year-end²*.

Note: Interfund loans are treated similar to other interfund activity (i.e. due to/from's) and are assumed to be short-term in nature.

The following sample entries can be used as a guide for loans:

- between funds within an agency **OR**
- with other agencies (e.g. DFS's Trust Funds Control - 430000-20-2-732001)

ENTRIES FOR ACCRUALS POSTED DURING THE FISCAL YEAR¹

<u>DISTRIBUTING FUND:</u>	Loan Repaid Within Same Fiscal Year		Loan Partially Repaid Within the Fiscal Year		No Repayment During the Fiscal Year	
	<i>DR</i>	<i>CR</i>	<i>DR</i>	<i>CR</i>	<i>DR</i>	<i>CR</i>
GL 757XX or 759XX (Transfer Out)	100,000		100,000		100,000	
GL 122XX (Released Cash)		100,000		100,000		100,000
<i>To record loan funds distributed.</i>						
GL 162XX or 163XX (Due From)	100,000		100,000		100,000	
GL 757XX or 759XX (Transfer Out)		100,000		100,000		100,000
<i>To record receivable.</i>						
GL 121XX (Unreleased Cash)	100,000		50,000			
GL 657XX or 659XX (Transfer In)		100,000		50,000		
<i>To record repayment received.</i>						
GL 657XX or 659XX (Transfer In)	100,000		50,000			
GL 162XX or 163XX (Due From)		100,000		50,000		
<i>To clear initial receivable and revenue recorded.</i>						
<u>RECEIVING FUND:</u>						
GL 121XX (Unreleased Cash)	100,000		100,000		100,000	
GL 657XX or 659XX (Transfer In)		100,000		100,000		100,000
<i>To record receipt of loan funds from another fund or agency.</i>						
GL 657XX or 659XX (Transfer In)	100,000		100,000		100,000	
GL 352XX or 353XX (Due To)		100,000		100,000		100,000
<i>To record payable.</i>						
GL 757XX or 759XX (Transfer Out)	100,000		50,000			
GL 122XX (Released Cash)		100,000		50,000		
<i>To record repayment of loan funds .</i>						
GL 352XX or 353XX (Due To)	100,000		50,000			
GL 757XX or 759XX (Transfer Out)		100,000		50,000		
<i>To record loans payable.</i>						

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ENTRIES FOR ACCRUALS POSTED AT YEAR-END²

<u>DISTRIBUTING FUND:</u>	Loan Repaid Within Same Fiscal Year		Loan Partially Repaid Within the Fiscal Year		No Repayment During the Fiscal Year	
	DR	CR	DR	CR	DR	CR
GL 757XX or 759XX (Transfer Out)	100,000		100,000		100,000	
GL 122XX (Released Cash)		100,000		100,000		100,000
<i>To record loan funds distributed to another fund or agency.</i>						
GL 121XX (Unreleased Cash)	100,000		50,000			
GL 657XX or 659XX (Transfer In)		100,000		50,000		
<i>To record repayment received.</i>						
GL 162XX or 163XX (Due From)			50,000		100,000	
GL 657XX or 659XX (Transfer In)	100,000		50,000			
GL 757XX or 759XX (Transfer Out)		100,000		100,000		100,000
<i>Closing entry.</i>						
<u>RECEIVING FUND:</u>						
GL 121XX (Unreleased Cash)	100,000		100,000		100,000	
GL 657XX or 659XX (Transfer In)		100,000		100,000		100,000
<i>To record receipt of loan funds from another fund or agency.</i>						
GL 757XX or 759XX (Transfer Out)	100,000		50,000			
GL 122XX (Released Cash)		100,000		50,000		
<i>To record repayment made.</i>						
GL 657XX or 659XX (Transfer In)	100,000		100,000		100,000	
GL 757XX or 759XX (Transfer Out)		100,000		50,000		
GL 352XX or 353XX (Due To)				50,000		100,000
<i>Closing entry.</i>						