

**WMU Accounting Services**  
**Accounting Procedures – Internal Transfers**

Hello Group,

We thought we would send out a reminder of how to handle funds transferred and charged inside the University.

Accounting standards require us to handle our “internal customers” in a specific way. An “internal customer” would be a department (cost center) or unit that is part of the University. Accounting standards dictate that transactions within an organization must be eliminated in order to not inflate an organization’s revenues and expenses.

At the University, we do this by utilizing the 8997 account code to charge things (printing, postage, FM billings, etc.) between departments and by utilizing 8995 and 4995 to transfer funds between departments. For a department providing a good or service within the University, they should book the revenue to 8997, and the department being charged should book an expense to the appropriate account code. A department that wants to transfer funds to another department in order to fund a project or eliminate a deficit should use 8995 in the department receiving the funds and 4995 in the department sending the funds. At the end of the year, this ensures the University can eliminate the transactions that the accounting standards don't allow us to include in our university-wide consolidated financial statements while still giving us a vehicle to track those internal revenues and transfers for managerial purposes.

This does not apply to the correction of an error. To correct an error, the department that was incorrectly charged should back the expense out of the account code that was originally used, and the correct account code should be used in the correct department. This is the same methodology that is used to move payroll expense from one department to another.

If you have any questions you can send an email to [acnt-contactus@wmich.edu](mailto:acnt-contactus@wmich.edu)