

Department of Finance and Administration – Policy 18
Interunit Journals
(Revised July, 2012)

Introduction and Background

1. Interunit Journals (IUJ) serve the purpose of recording expense/expenditure and revenue transactions between state agencies and departments. This Policy Statement revises the previous policy statement on this topic that was approved in October of 1993.

Applicability and Effective Date

2. This Policy Statement is issued by the Department of Finance and Administration in accordance with the authority granted under T.C.A. § 4-3-1007 and is effective upon approval. Institutions of the University of Tennessee and the Tennessee Board of Regents are excluded from this Policy Statement.

Definitions

Billing Department – Issues bills following the provision of services or products. Generally this department recognizes revenue.

Paying Department – Pays bills for the receipt of services or departments. Generally this department recognizes expense/expenditure.

General Rules

3. To assist in avoiding negative budgetary impacts, interdepartmental activity should be accounted for within the month that it occurs, with the following exceptions. To reduce the volume of small dollar transactions, departmental billings should be processed in accordance with Paragraphs 4 and 5.

4. No IUJs shall be processed for \$1000.00 or less, unless it is necessary for a department's fiscal year-end budgetary closing.

5. IUJs of the same nature and between the same departments for less than \$1000.00 may be accumulated and may be processed quarterly once the cumulative amount exceeds \$1000.00.

Processing Timeline

6. All IUJs shall be processed within three (3) working days after receipt.

Documentation

7. The initiating department should attach sufficient and appropriate documentation so that any reviewer readily understands the accounting event.

Dispute Resolution Process

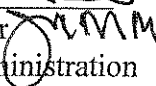
8. If the involved departments cannot agree on the billing, the dispute should be brought to the Division of Accounts' attention within the quarter that the accounting event occurred. The Division of Accounts will review the impact of the billing on the State's annual financial reporting. If there is no impact, the billing will not be processed.

Exceptions

9. Exceptions to this Policy Statement should be submitted in writing to the Director of Statewide Accounting, Division of Accounts, for review and approval.

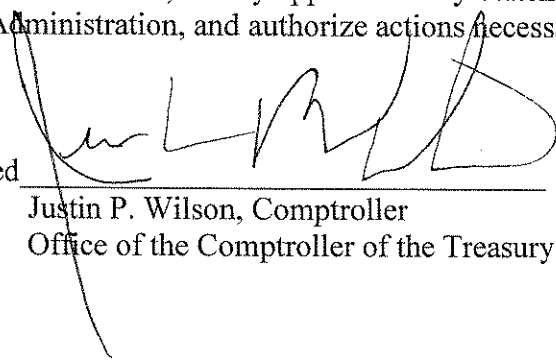
Approval of the Commissioner of Finance and Administration

I, Mark A. Emkes, hereby approve Policy Statement 18 of the Department of Finance and Administration, and authorize actions necessary to implement its requirements.

Signed Mark A. Emkes Date 6-29-2012
Mark A Emkes, Commissioner 
Department of Finance & Administration

Approval of the Comptroller of the Treasury

I, Justin P. Wilson, hereby approve Policy Statement 18 of the Department of Finance and Administration, and authorize actions necessary to implement its requirements.

Signed  Date 7-2-12
Justin P. Wilson, Comptroller
Office of the Comptroller of the Treasury