OP 62.27: Interdepartmental Transfers of Costs

DATE: September 11, 2013

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish a uniform procedure for processing interdepartmental cost transfers for non-sponsored funds. Cost transfer policy for sponsored projects and cost share funds is set forth in OP 65.04.

REVIEW: This OP will be reviewed in August of odd-numbered years by the managing director of Financial Services & Tax (FST) with substantive revisions forwarded through administrative channels to the vice president for administration & finance and chief financial officer.

POLICY/PROCEDURE

1. Definition

An interdepartmental cost transfer is initiated when the expense of a FOP is removed and transferred (charged) to another FOP.

2. Procedure

a. Cost transfers may be initiated by either the department charged or the department credited using the Financial Transaction System (FiTS) (http://FiTS.texastech.edu/). All cost transfers must be processed through FiTS with the exception of cost transfers that need to re-classify (change) the account code only or those that involve multiple charts of accounts, which will still require submission on the Cost Transfer Request Form located at http://www.depts.ttu.edu/fst/forms/.

b. All interdepartmental cost transfers must be submitted for processing within two months from the date the original document was processed.

c. The electronic submission and/or the form must be completed including a complete description of the reason for the transfer and the signature/electronic signature of both account managers. Explanations should be full and complete.

d. For those that are required to be submitted on the Cost Transfer Request Form:

(1) If multiple accounts are involved, continuation sheets or attachments may be used.

(2) When possible, a copy of the original document creating the cost, e.g., voucher, invoice, etc., should be attached. If a copy of the original document cannot be
furnished, the original document number should be inserted in the space provided. If no number is given, the explanation should state why.

(3) Each account manager should keep one copy and the original forwarded, with attachments, to FST for entry.

3. **Special Requirements for Encumbered Funds**

If a transfer applies to encumbered funds that have not been paid, Purchasing and Contracting should be requested to divide the encumbrance between the accounts involved.