

Transfer Budgeting

Transfer budgets (Option 4 in the Budget Revision System) are necessary when moving budget authority from one fund to another fund. Anytime budget authority is moved between two different funds it is necessary to also move the cash so the fund balances remain positive. Because a cash entry is involved it is important to know the rules associated with the source of funds. (Transferring funds within the same fund can be accomplished via an Option 1 revision.)

Questions to consider:

- Is the need for the transfer associated with a specific expenditure?
 - In most cases it is preferable to move the expense via cost transfer or labor redistribution rather than moving the budget.
 - If the transfer is related to a service being provided, the department providing the service should collect the revenue via an Intra Institutional Voucher Form.
- Is one or both of the funds associated with a grant (fund starting with 21, 22, 23) or grant match??
 - Transfers on grant funds are rare and must be initiated by ORS or SPAR.
 - Match fund transfers must be initiated by SPAR and comply with both the grant agreement and source of funds original intent.
- Is one or both funds a state fund?
 - Transfers on state funds are rare and typically only occur to facilitate reporting requirements for grant matches.
 - Prior approval form FST is required prior to processing state transfer revisions as the impact to the state appropriation must be considered.
- Is the transfer between 2 different fund classes (The fund class is defined by the first 3 digits of a fund number)?
 - Generally, transfers between funds classes are not allowed as funds are grouped into classes for reporting and control purposes.
 - Even within fund classes the source of funds must be verified. Comingling of different types of revenue (e.g. 2 different types of fees) is generally unallowable as the use is restricted to the purpose which it was collected.
- Is there an available fund balance?
 - Fund balance must be available since a cash entry to move the cash to a new fund will occur.
 - Public Folders>TTU Finance>Fund Balance Reports>FI025 – Revenue Expense Budget by Fund List/Report- Supplies the fund balance in relation to the funds budget commitments.
 - Public Folders>TTU Finance>Fund Balance Reports>FI009-Statement of Changes in Fund Balances by Fund – Supplies the beginning and ending uncommitted fund balance for a specified fiscal year.

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How to code a transfer revision

Transfer revisions utilize transfer budget account codes that start with 8##. The fund giving the transfer will have a positive transfer out code with an offsetting expense or revenue adjustment. The fund receiving the transfer will have a negative transfer in code with an offsetting increase to the expenditure budget.

Possible transfer combinations:

| Transfer funded from existing expense budget | Transfer funded from revenue | Transfer funded from prior year fund balance |
|---|---|---|
| Fund Giving Transfer: Move budget from expense code to transfer out code | Fund Giving Transfer: Increase budget with 5## revenue code to transfer out code | Fund Giving Transfer: Increase budget with 5Z8 code to transfer out code |
| - 7## or 6## Budget pool | + 5## Budget pool | + 5Z8 Budget pool |
| + 8A3 Transfer Out Budget Pool | + 8A3 Transfer Out Budget Pool | + 8A3 Transfer Out Budget Pool |
| Fund Receiving Transfer | Fund Receiving Transfer | Fund Receiving Transfer |
| - 8A1 Transfer In Budget Pool | - 8A1 Transfer In Budget Pool | - 8A1 Transfer In Budget Pool |
| + 7## or 6## Budget Pool | + 7## or 6## Budget Pool | + 7## or 6## Budget Pool |

Include justification in the description section of the Budget Revision explaining the intended use of the funds and why they need to be transferred.