UCONN

UNIVERSITY OF CONNECTICUT

# Office of Budget and Planning

## Transfer of Funds, Budget Adjustments and Single-Sided Budget Adjustments

*When to use them and how they impact the budget process*

# Introduction

- The goal of this class is to discuss the role of the following eDocs in the budget process:
  - Transfer of Funds (TF)
  - Budget Adjustment (BA)
  - Single Sided Budget Adjustment (SSBA)

- For new employees it is recommended that you take "KFS – Introduction to KFS" which is offered by Finance Systems.
  - http://fiscaltraining.uconn.edu for future training classes

# Terminology

University Supported Permanent Funds– Budget loaded into your account on July 1st in object codes 4100 (FY Permanent Budget) and 4101 (FY Fringe Rate Adjusted Budget) .

Permanent Funding – Combination of University Supported Permanent Funds and permanent transfers in and out of accounts.

Permanent Transfers – Transfers that will impact your current fiscal year available balances as well as your University Supported Permanent Funds for the following fiscal year.

One-Time Transfers – Transfer that will impact your current fiscal year available balances but will not impact your University Supported Permanent Funds for the following fiscal year.

# Permanent Funding Example

*Actual income received and actual expenses affect available funds, not what was budgeted. Only Perm Transfers will affect Perm Funding for the following year.*

| Activity Description | Object Code/Description | Budget Amount | Actuals Amount |
|---|---|---|---|
| University Supported Perm Budget | 4100 - FY Permanent Budget (BO use only) | 500,000 | 500,000 |
| Transfer In | 3207 - 2Ledger Perm Trans In (Outside Unit) | 200,000 | 100,000 |
| **Total Income** | | **700,000** | **600,000** |
| | | | |
| Personal Services | 5110 - Regular Payroll Classified | 300,000 | 150,000 |
| Fringe Benefits | 5610 - Fringe Benefits - Classified (5110) | 283,500 | 141,750 |
| Expense | 6235 - Postage | 1,500 | 850 |
| Transfer Out | 3307 - 2Ledger Perm Trans Out (Outside Unit) | 115,000 | 50,000 |
| Transfer Out | 3308 - 2Ledger One-Time (Within Unit) | - | 50,000 |
| **Total Expense** | | **700,000** | **392,600** |

| Summary of Current Year Available Funds | |
|---|---|
| Perm Funding | 500,000 |
| Perm Transfers In | 100,000 |
| Expenses | (292,600) |
| Perm Transfers Out | (50,000) |
| One-Time Transfer Out | (50,000) |
| **Available Funds** | **207,400** |

| Summary of Next Year's Perm Funding | |
|---|---|
| Perm Funding | 500,000 |
| Perm Transfer In | 100,000 |
| Perm Transfer Out | (50,000) |
| 4100 for Following Year | 550,000 |

# Transfer of Funds (TF)

*The TF eDoc is used to transfer funds between accounts.*

- Funds should only be transferred between accounts that have the same fund source (see appendix A).
- The correct transfer object code (3xxx) should be used when indicating where the funds are coming “From” and going “To”. Expense/Revenue object codes cannot be used.
- Both sides of the transaction “To/From” must net to zero.

# Transfer of Funds (TF) Object Codes

*TF eDocs should always use a Transfer Object Code on both the "To" and "From" sides of the transaction. The correct code to use is based on if the account is 2-Ledger, and whether it is a permanent transfer or one-time.*

| **2-Ledger - Permanent** | **Transfer In** | **Transfer Out** |
|---|---|---|
| Within the Same School/College/Unit | 3206 | 3306 |
| Outside the School/College/Unit | 3207 | 3307 |
| | | |
| **2-Ledger - One-Time** | | |
| Within the Same School/College/Unit | 3208 | 3308 |
| Outside the School/College/Unit | 3209 | 3309 |
| | | |
| **Non 2-Ledger Accounts** | | |
| Within the Same School/College/Unit | 3200 | 3300 |
| Outside the School/College/Unit | 3201 | 3301 |

# Transfer of Funds (TF) eDoc Example

Document Overview [hide]

**Document Overview**

| | | | |
|---|---|---|---|
| * Description: | SAMPLE TF Description here | Explanation: | SAMPLE explanation for TF here |
| Organization Document Number: | | | |

**Financial Document Detail**

Total Amount: 1,000.00

**Transfer of Funds Detail**

Generate BA Indicator: ☐

Accounting Lines [hide]

**Accounting Lines** [hide detail]

**From** [import lines]

| | * Chart | * Account | Sub-Account | * Object | Sub-Object | Project | Org Ref Id | * Amount | Actions |
|---|---|---|---|---|---|---|---|---|---|
| add: | UC University of Connecticut | | | | | | | 0.00 | add |
| | Line Description | | | | | | | | |
| 1 | UC University of Connecticut | 2922560 Budget and Planning | | 3307 2Ledger Perm Transfer-Out (Outside Unit) | | | | 1,000.00 | bal inquiry, refresh, delete |
| | Line Description | | | | | | | | |

Total: 1,000.00

**To** [import lines]

| | * Chart | * Account | Sub-Account | * Object | Sub-Object | Project | Org Ref Id | * Amount | Actions |
|---|---|---|---|---|---|---|---|---|---|
| add: | UC | | | | | | | 0.00 | add |
| | Line Description | | | | | | | | |
| 1 | UC University of Connecticut | 2922620 Controller | | 3207 2Ledger Perm Transfer-In (Outside Unit) | | | | 1,000.00 | bal inquiry, refresh, delete |
| | Line Description | | | | | | | | |

Total: 1,000.00

# Transfer of Funds (TF)

*Completing a TF moves Actual funds, but will not adjust the original budget.*

- The original budget may need to be adjusted if the TF was not initially included, in order to use the budget as an accurate forecasting tool.

- If the original budget needs to be adjusted as well, there are several actions that may need to be completed, depending on if <u>both</u> the "To" and "From" account budgets need to be adjusted:
  - Using the "Generate BA Indicator" box in the TF eDoc
  - Completing a BA eDoc
  - Completing an SSBA eDoc

- Adjusting the budget for both the transfer and expenditure object codes, in conjunction with completing the actual transfer, will ensure the budget can continue to be used as an accurate forecasting tool.

# Transfer of Funds (TF)

*Completing a TF and selecting the "Generate BA Indicator" box will adjust the budget for the transfer object codes in both the "To" and "From" accounts, and it will adjust the budget for the expense object code for the "To" account.*

- Once the "Generate BA Indicator" box is selected, a field will populate requiring the expense object code for the "To" side of every line in the document. This will adjust the budgeted amount in that expense object code.

- The BA indicator will not adjust the "From" account's expense object code. A separate SSBA is needed to complete this step.

- The "Generate BA Indicator" should only be selected for transfers when both the "To" and "From" account budgets should be adjusted.

# Budget Adjustment (BA)

*Budgets can be reallocated throughout the year through a BA eDoc.*

- BAs can update accounts and object codes to reflect changes from what was originally budgeted, in order to use the budget as a forecasting tool.
- BAs can only be used when both the “To” and “From” sides of the transaction net to zero.
- A BA should only be completed for when both the “To” and “From” account budgets should be adjusted.

# Single Sided Budget Adjustment (SSBA)

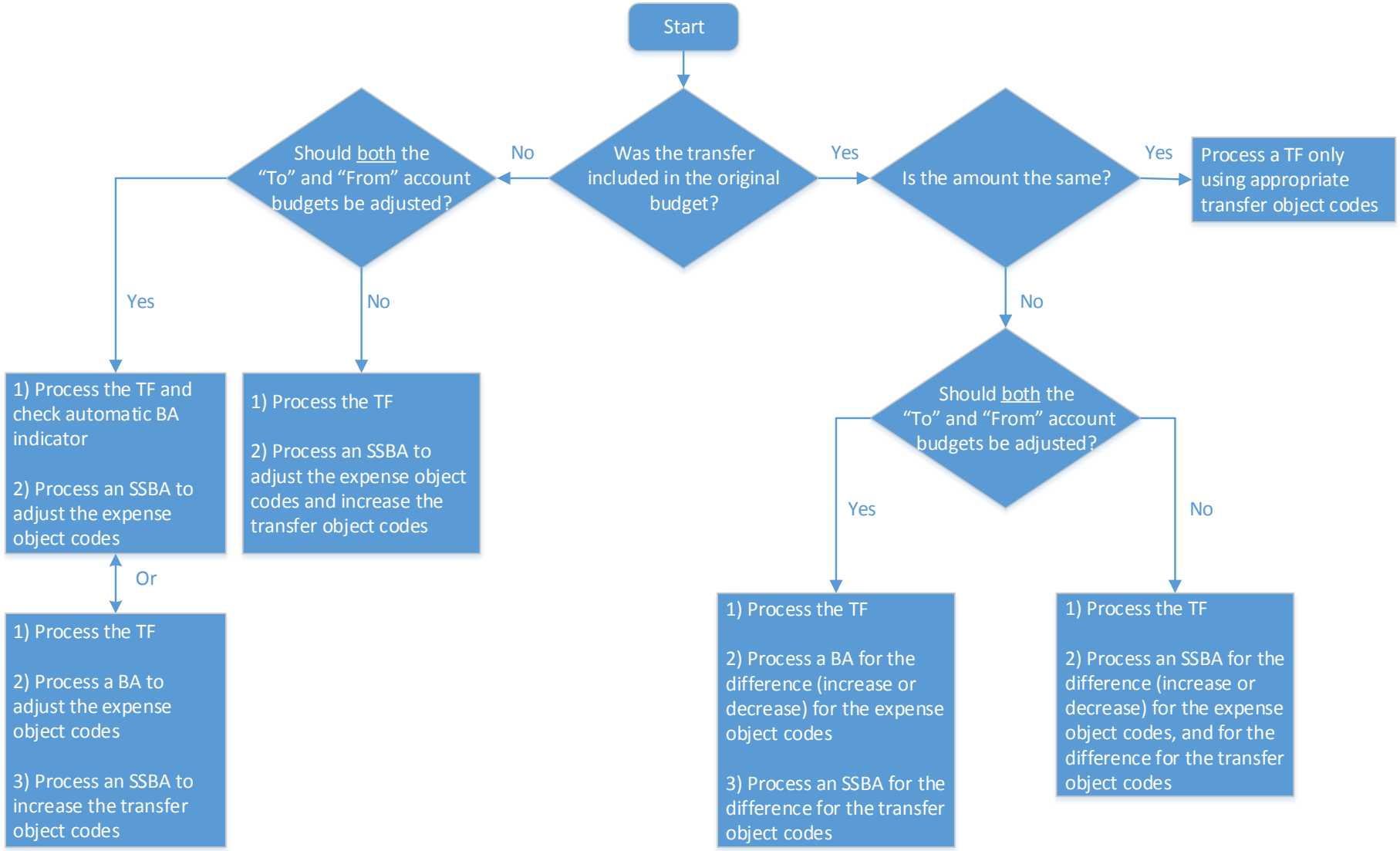
*Budgets can also be reallocated throughout the year through an SSBA eDoc.*

- An SSBA does not need to be balanced on the “To / From” sections of the eDoc. Only one section of the accounting line “To / From” needs to be completed on an SSBA.

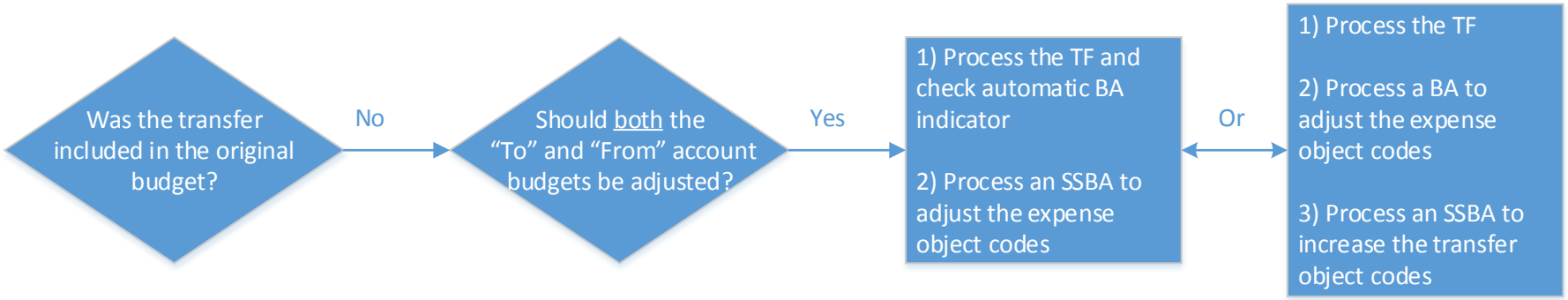
- When used in conjunction with the “Generate BA Indicator,” SSBAs can be used to update the “From” account’s expense object code.

- When the “Generate BA Indicator” is not selected, and when both the “To” and “From” account budgets do not need to be adjusted, an SSBA should be used.

# Transfer of Funds (TF) – Flow Chart



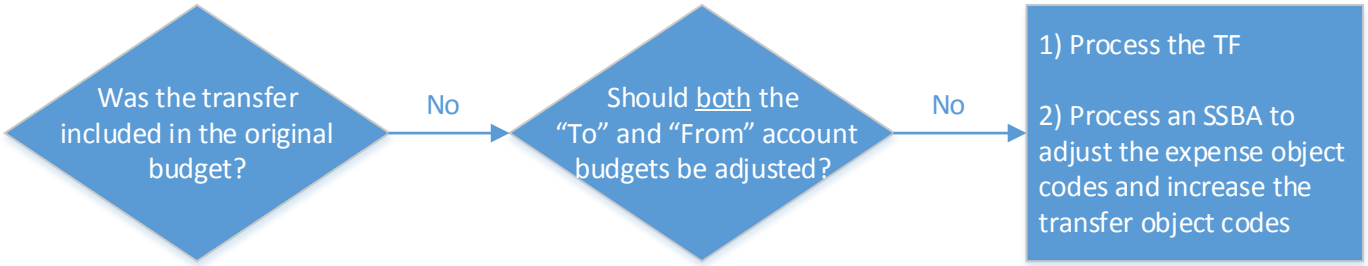
# Transfer of Funds (TF) – Process




- Selecting the "Generate BA Indicator" box will adjust the budget for the transfer object codes in both the "To" and "From" accounts, and it will adjust the budget for the expense object code for the "To" account.

- If you decide not to use the BA indicator, you will need to use an SSBA to adjust both transfer object codes, because both the "Transfer In" and "Transfer Out" amounts will be increasing, and therefore the amounts will not net to zero.

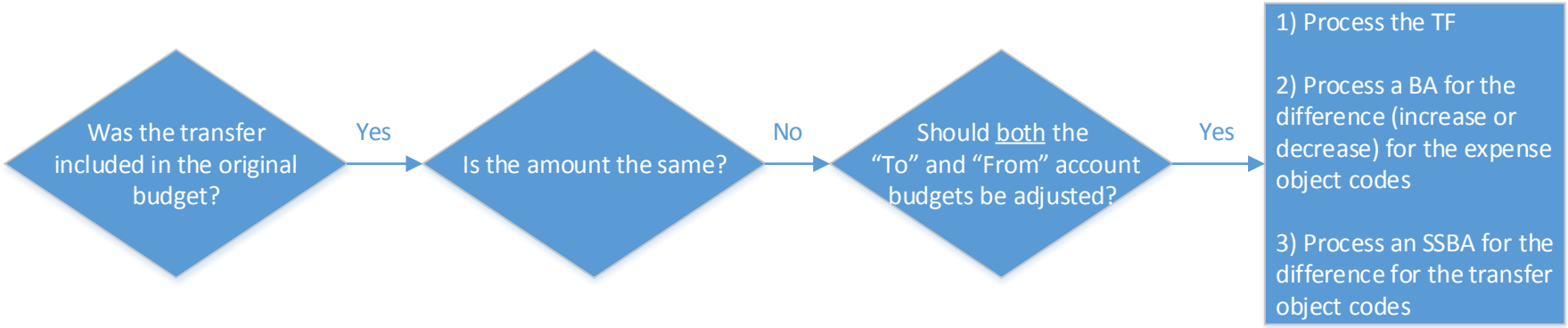
# Transfer of Funds (TF) – Process




- If both the "To" and "From" account budgets should be adjusted, the SSBA will have two parts:
  1. Increasing or decreasing the appropriate expense object codes.
  2. Increasing either the Transfer In or Transfer Out object code.

- Both of these parts can be done in the same SSBA eDoc.

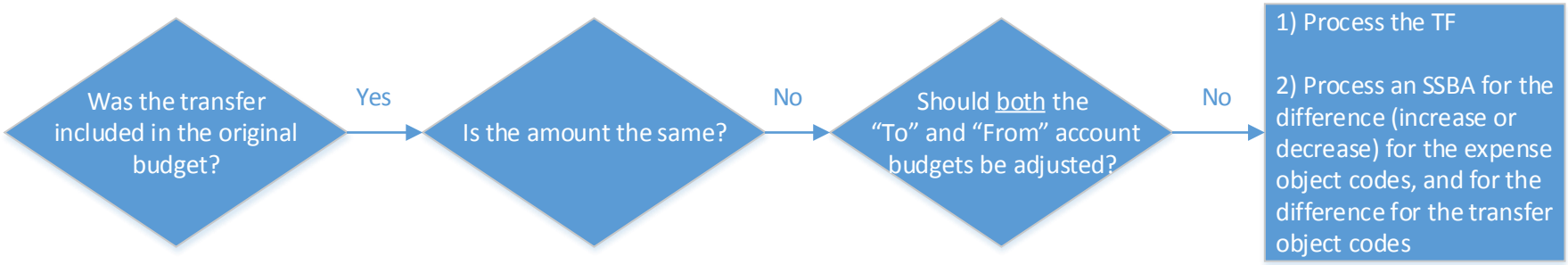
# Transfer of Funds (TF) – Process




- If both the "To" and "From" account budgets should be adjusted, an SSBA is needed to adjust the transfer object codes. The "Transfer In" and "Transfer Out" amounts will either both be increasing by the difference that was not originally budgeted, or both be decreasing by the difference, and therefore the amounts will not net to zero.

- *Tip: If you would like, you can complete Step 2 in the blue box above in your SSBA eDoc, instead of completing the additional BA eDoc. This is your choice, but will accomplish the same thing. This portion of the SSBA needs to net to zero.*

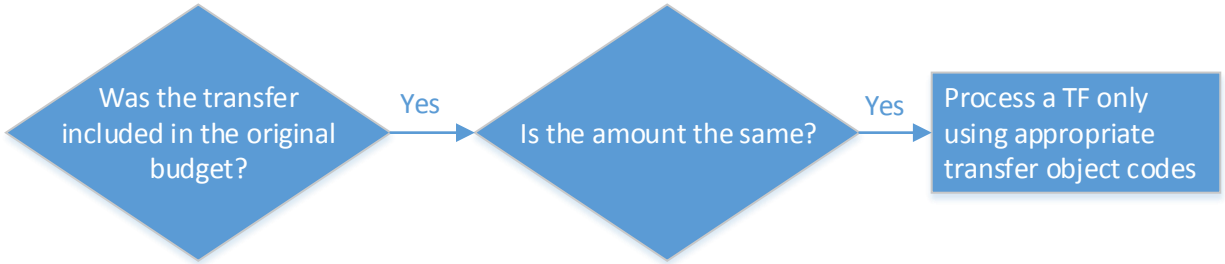
# Transfer of Funds (TF) – Process




- If both the "To" and "From" account budgets should NOT be adjusted, the SSBA will have two parts:
  1. Increasing or decreasing the appropriate expense object codes by the difference in what was originally budgeted.
  2. Increasing or decreasing either the Transfer In or Transfer Out object code by the difference in what was originally budgeted.

- Both of these parts can be done in the same SSBA eDoc.

# Transfer of Funds (TF) – Process




- If the transfer has already been budgeted for the correct amount, no budget adjustment is necessary. The TF eDoc will move the actual funds.

Questions?

# Appendix A

## Allowable Intrafund Transfers Between Sub-Funds

| Sub-Fund | Sub-Fund Description | Fund Group | Restricted or Unrestricted? | Allowable Transfers To/From |
|---|---|---|---|---|
| OPAUX | Operating Fund – Auxiliary Enterprises | CU | Unrestricted | OPAUX; OPOTF; OPOTP |
| OPOTF | Operating Fund – Non-State/Tuition Fiscal Accts | CU | Unrestricted | OPOTF; OPAUX; OPOTP |
| OPOTP | Operating Fund – Non-State/Tuition Project Accounts | CU | Unrestricted | OPOTP; OPAUX;OPOTF |
| OPTUI | Operating Fund – State/Tuition Funded 2-Ledger Accounts | CU | Unrestricted | OPTUI |
| UNRSF | Unrestricted Sponsored Programs Fiscal Account | CU | Unrestricted | UNRSF; UNRSP |
| UNRSP | Unrestricted Sponsored Programs Project Accounts | CU | Unrestricted | UNRSP; UNRSF |
| RSNSF | Restricted NonSponsored Programs Fiscal Accounts | CR | Restricted | RSNSF; RSNSP |
| RSNSP | Restricted NonSponsored Programs Project Accounts | CR | Restricted | RSNSP; RSNSF |
| RSTSP | Restricted Sponsored Programs (TF's in RSTSP should be only be done by Sponsored Programs staff) | CR | Restricted | RSTSP |