

UNIVERSITY CONTROLLER'S OFFICE STANDARD OPERATING PROCEDURES

ACCOUNTING PROCEDURES FOR FUNDING TRANSFERS

July 1, 2018

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1. Definition of Funding Transfers

Funding transfers (exclusively for internal use) are the flow of funds from one chart string (general ledger or projects) to another. Funding transfers have a similar impact as revenues (transfers in) and expenses (transfers out) but from an institutional perspective, transfers do not represent “real” revenues or expenses and must net to zero at the University level.

2. Purpose of the Funding Transfers Accounting Procedures

The purpose of implementing the funding transfer accounting procedure is to:

- Ensure adherence with Generally Accepted Accounting Principles (GAAP).
- Standardize and promote the consistent accounting treatment for funding transfers across the University.
- Ensure that internal transfers of funds do not increase the total University revenues or expenses, or misstate the operating results of any University unit.
- Properly allocate resources across different chart segment values – such as Unit-Division-Organization, Location, Fund Type or Business Line.
- Some examples of Funding Transfers are:
 - Providing funds to an academic unit to cover the expenses of a special event,
 - Moving current year funds for current repair and replacement needs in plant funds,
 - Moving a balance to close a deficit in GL or Projects,
 - Moving funds to a designated fund type such as Faculty start-up funds
- Transfers are:

- NOT intended to re-class revenues or costs from one general ledger string to another.
- NOT permitted on sponsored projects.
- Funding from donors (i.e., restricted gifts) cannot be commingled with other unrestricted funds. If a gift is in deficit, it is required that expenses are moved out. **Do not transfer funding in.**

3. Recording of Funding Transfers

Funding transfers are to be recorded using the following guidelines:

- Funding transfers between projects, between projects and general ledger and general ledger to general ledger must be recorded using a general ledger journal or project cost journal.
- When recording a funding transfer between or within fund types, find the correct account value by using the [Transfer Account Matrix](#) found on the Controller’s website. These values are not valid in PeopleSoft and RU Marketplace.

Sample portion of the Transfer Account Matrix

Transfer Matrix for All Fund Types		100	110	145	150	190	160 & 165	120 & 130
		Unrestricted Operating General	Unrestricted Operating Auxiliary	Unrestricted Medical Contracts State of New Jersey	Future Use to be Cleaned up in FY19	Unrestricted Cost Share	Internally Designated Faculty and Internally Designated General	Unrestricted Endowment Principal Quasi Type 3B and Unrestricted Endowment Operating Quasi Type 3B
100	Unrestricted Operating General							
110	Unrestricted Operating Auxiliary							
145	Unrestricted Medical Contracts State of New Jersey			90190			90200	90500
150	Future Use to be Cleaned up in FY19							
190	Unrestricted Cost Share							
160 & 165	Internally Designated Faculty and Internally Designated General			90200			90202	90501
120 & 130	Unrestricted Endowment Principal Quasi Type 3B and Unrestricted Operating Quasi Type B			90500			90501	90502

- The same funding transfer account must be used on all lines of the journal entry to ensure the transaction will net to zero by account.
- All general ledger journal transfers require a second approval by the University Controller’s Office.
- Journal entries that do not balance, or that do not have the same single funding transfer account on all lines of the journal entry, will be rejected.

- There should be only one purpose per funding transfer journal with a detailed description at the journal entry and the journal line level.

The funding transfer account values in the table below have been created to facilitate the funding transfer journals.

Transfer Account	Transfer Account Description
90190	Transfers Within Unrestricted Operating
90200	Transfers Between Operating and internally Designated Funds
90202	Transfers Within Internally Designated Funds
90400	Transfers Between Plant and Operating Funds
90401	Transfers Between Plant and Internally Designated Funds
90402	Transfers Within Plant/Capital Funds
90500	Transfers Between Unrestricted Endowment and Operating Funds
90501	Transfers Between Unrestricted Endowment and Internally Designated
90502	Transfers Within Unrestricted Endowment Funds
90503	Transfers Between Unrestricted Endowment and Plant Funds
90506	Transfers Between Unrestricted Endowment and Contributions
90508	Transfers Within Endowment Principal and Operating Funds
90602	Transfers Within Contributions
90603	Transfers Within Contributions and Plant/Capital Funds
90020	Transfers Mandatory Transfers Debt Service
90030	Transfers Mandatory Transfers Deferred Maintenance Costs
90199	Transfers Year End Balances

4. Examples of Funding Transfers

Examples of funding transfers are listed below:

- Providing funds to an academic unit to cover the expenses of a special event.
- Moving current year funds for current repair and replacement needs into plant funds.
- Moving a balance to close a deficit in the general ledger or projects.
- Moving funds to a designated fund type, such as faculty funds start up.

Example General Ledger to Project Transfer:

The example below shows a General Ledger to Projects transfer. In this example, funds are being transferred between Fund Types 100 (Unrestricted Operating General) and 180 (Unrestricted Capital Projects), using Transfer Account 90400 (Transfer between Plant and Operating Funds).

Refer to [Transfer Account Matrix](#) and find the intersection of the 2 Fund Types as shown in the example below.

Transfer Matrix for All Fund Types		150	120 & 130	210 & 220	230 & 240	700 & 710	180 & 610	620	900	650
		Unrestricted Internally Designated	Unrestricted Endowment Principal Quasi Type 3B and Unrestricted Endowment Operating Quasi Type 3B	Term Endowment Principal & True Endowment Principal	LTIP Endowments & Separately Invested Endowments	Restricted Endowment Operating Term & True & Quasi Type 3A and Restricted Endowment Principal Quasi Type 3A	Unrestricted Capital Projects and Restricted Capital Projects	Restricted Debt Service	Net Investment in Capital Assets	Contributions Gifts
100	Unrestricted Operating General	90200	90500	NOT AVAILABLE FOR TRANSFERS			90400	90401	NOT AVAILABLE FOR TRANSFERS	
110	Unrestricted Operating Auxiliary									
145	Unrestricted Medical Contracts State of New Jersey									
190	Unrestricted Cost Share									
150	Unrestricted Internally Designated	90202	90501	NOT AVAILABLE FOR TRANSFERS			90401	NOT AVAILABLE FOR TRANSFERS		
	Unrestricted Endowment Principal Quasi Type 3B and									

Example project journal entry:

ORACLE® Create Uncosted Nonlabor Expenditure Batch

*Business Unit: Rutgers BU *Expenditure Batch: 6/20/2018
 *Source: Oracle Fusion Projects Batch Description:
 *Document: Miscellaneous Expenditure Worksheet Status:
 Accrual Batch:

Expenditure Items

Changed Item	Error Message	*Expenditure Item Date	Person Name[...]	Person Number[...]	Human Resource Assignment[...]	*Project Name[...]	*Project Number[...]
▲		6/20/2018					204557

*Task Number[...]	*Expenditure Type[...]	Expenditure Organization[...]	Nonlabor Resource[...]	Nonlabor Resource Organization[...]	*Quantity	Work Type	Billable	Capitalizable
200	90400	74562056176			1,000.000			

Unmatched Negative Item	Expenditure Comments	Raw Cost Debit Account[...]	Raw Cost Credit Account[...]
	Transfer Example	745.6205.6176.3020.100.5054 90400.0000.000.00000	745.6205.6176.3020.180.5054 90400.0000.000.00000

Example general ledger journal entry:

Journal Batch: Example Transfer | Show More

Journal Batch: Example Transfer
 Description: Example Transfer
 * Accounting Period: JUN-18
 Balance Type: Actual
 Attachments: None

Source: Manual
 Approval Status: Required
 Funds Status: Not attempted
 Batch Status: Unposted
 Completion Status: Incomplete

Journal | Show More

Journal: Example Transfer
 Description: Example Transfer
 Ledger: Rutgers Ledger
 * Legal Entity Name: The State University of New Jersey
 * Accounting Date: 6/21/2018
 * Category: Adjustment

Currency: USD - US Dollar
 Conversion Date: 6/21/2018
 Conversion Rate Type: User
 Conversion Rate: 1
 Inverse Conversion Rate: 1

Journal Lines

Actions View Format + - X Print Detach Wrap

Line	* Account	Currency	Entered (USD)		Conversion		Accounted (USD)		Unit of Measu
			Debit	Credit	Da Ty	In Ra	Debit	Credit	
3	745.6205.6176.3020.100.7000.90400.0000.000.000000	USD - US Dollar	1,000.00		6...	U..	1 1	1,000.00	
1	745.6205.6176.3020.180.7000.90400.0000.000.000000	USD - US Dollar		1,000.00	6...	U..	1 1		1,000.00

5. Reporting on Transfers

There are two reports available to review and reconcile transfers. The reports can be accessed via the Oracle financial management system by following the paths listed below under the "Tools" tile.

- Tools/Reports and Analytics /Shared Folders/Custom/RU Custom/Reports/ATC Reports/RU GL 085
- Tools/Reports and Analytics /Shared Folders/Custom/RU Custom/Reports/PGM Reports/RU PJ 084

6. Resources and Support

Please send inquiries or questions regarding the new Funding Transfers procedure to the Financial Management Help Desk:

- Phone: (848) 445-2100
- Email: finance_helpcenter@finance.rutgers.edu