

CFR-4-06 Internal fund transfers

CFR-4-06.01 Introduction

The University assigns responsibility for the management of funds to the colleges and departments. The proper recording of funds on The University's financial reports governs the use of fund transfers. All university funds must be used for obligations related to their intended purpose.

CFR-4-06.02 Definitions

A fund transfer is the moving of resources from one fund to another fund. A fund is the highest level of university accounting. Funds can be unrestricted for their use (general funds, auxiliary funds) or restricted for a specific purpose (sponsored programs, contracts, endowments, plant, or agency).

CFR-4-06.03 Principles

Because not all fund transfers are acceptable, guidelines have been developed to assist colleges in determining which funds can and cannot be transferred. The following principles are used to determine the appropriateness of a fund transfer:

1. Each fund must be used for its intended purpose. Funds should not be co-mingled under most circumstances. Instead, expenditures appropriate to each fund should be charged directly to that fund. The primary objective is to place the correct expenditure in the correct fund.
2. The stewardship obligation of fund owners, combined with the decentralized nature of The University, makes it especially important that users of the financial system recognize their responsibility for the funds entrusted to them. The college is responsible for reviewing fund descriptions to ensure that all funds are used for their intended purpose.
3. The central University, acting on behalf of the users of the financial system, reports transfer information annually to the Board of Trustees. The purpose of these reports is to illustrate correct classification of funds and compliance with spending restrictions. The actual transfers of funds, therefore, are the exception rather than the rule and are subject to a high level of scrutiny given their non-routine nature.

CFR-4-06.04 Allowable fund transfers

The following transfers are allowable under most circumstances:

1. Transfers between unrestricted general funds to unrestricted auxiliary or sales & services funds. (2xxxxx to 3xxxxx speedtypes)
2. Transfers between unrestricted funds to unrestricted plant funds. (2xxxxx to 7xxxxx speedtypes)
3. Transfers from current restricted funds to plant funds, if it is in accordance with donor stipulations or as stated in the Board approved restrictions. (4xxxxx or 6xxxxx to 7xxxxx speedtypes)
4. Unused endowment income to principal. Unused endowment income can be added to principal each year. Note that amounts transferred to endowment principal funds are invested in perpetuity and are unavailable for current use.
5. Residual funds in a fixed-price contract (5xxxxx speedtype) to a departmental restricted fund or principal investigator restricted fund (6xxxxx speedtype) if allowed by the contract. The total overhead for the contract (if applicable) will be charged prior to the transfer of funds.
6. Consolidating restricted funds that are similar in nature.
7. Endowment income in one fund can be transferred to another endowment income fund if the funds have similar purposes (4xxxxx speedtypes).
8. Fund transfers between similarly restricted funds are permissible to clean up deficits in those funds.
9. Fund transfers to or from campus reserves as required by accounting principles or as directed by Finance & Administration management.

CFR-4-06.05 **Unallowable fund transfers**

The following transfers are unallowable under most circumstances:

1. Between unrestricted general funds (all 2xxxxx speedtypes) including departmental cost sharing to a sponsored program (23xxxx speedtype). Transfers within these speedtypes must be a budget transfer processed through the Office of Resource Analysis and Budget.
2. Between unrestricted funds and restricted funds such as endowments, grants and contracts, Research Foundation, or other restricted funds. The University is not permitted, except under circumstances approved by the Board of Trustees, to change the restriction of its own funds.
3. Endowment principal to any other fund unless specifically stated in the Board-approved restriction.
4. Endowment income from any endowment fund that specifically states that unused income is reinvested to principal. Some donors make this condition explicit because they want additional income generated in future years.
5. Transfers into a Foundation endowment. Transfers from the Foundation to The University require approval from the Foundation in accordance to their policies located at <http://www.uakron.edu/busfin/treasurer>.
6. Transfers to or from agency funds (9xxxxx speedtype) unless for student activity support which is monitored and approved by the VP for Student Affairs or designee.
7. Residual funds from a fixed-price contract (5xxxxx speedtype) cannot be transferred to another sponsored program or contract (5xxxxx speedtype).

If a reallocation of funds is required for one of the above unallowable categories, expenditures should be recharged to another fund.