

## Funding Transfer and Budget Amendment Process and FAQ

### Summary

The university has moved to a resource allocation model (RAM) within the general fund (SL001/SL100) in an effort to:

- 1) Maintain a systematic mechanism for tracking funding allocations and roll forward balances
- 2) Make those allocation amounts and sources more transparent

And

- 3) Allow units to prepare holistic budgets during the initial planning phase each year

The key difference in this model is that we are no longer dependent on matching expenditure budget amounts and budget scenarios in order to determine funding allocation types or total amount. This is now done through funding allocations and transfers to each unit, seen through an accounting entry.

Please see Resource Allocation Model summary and budgeting FAQ for more information on the allocation model.

### Resource Allocation Account Definitions for Funding Transfers

Funding Category	Account #	Account Description	Definition / Purpose
Base	570904	Permanent Funding Transfer	Permanent (base) transfers of funding between departments on campus. Use for both the transfer in - (CR) - as well as the transfer out - DR. Transfers need to net to 0 in this account across all campus departments. Corresponds to PERM budget scenario in the old planning model
One-Time	570951	One-Time Funding Transfer	One-time transfers of funding between departments on campus. Use for both the transfer in - (CR) - as well as the transfer out - DR. Transfers need to net to 0 in this account across all campus departments. Corresponds to TRNSFR budget scenario in the old planning model

There are two accounts that you will use on a Funding Transfer. You will use 570904 if you are requesting a permanent transfer and 570951 for a one-time transfer. You will use the same account on both sides of the transfer. Requests less than \$50K need to be approved by the AVP/Dean and requests \$50K and above will need to be approved by the VP of the Division. Historically, to move funds from one department to another “Department A” would request a budget transfer. That budget transfer moved authority to spend from “Department A” to “Department B”. With the resource allocation model, areas will need to use a Funding Transfer to move revenue within the actuals ledger to facilitate the transfer. See “Funding Transfer Request Instructions” for more information.

Budget Amendments are used to adjust the plan contained in the budget ledger, and will be used in a limited capacity. Requests less than \$50K need to be approved by the AVP/Dean and requests \$50K and above will need to be approved by the VP of the Division. All requests for Budget Amendments will be reviewed and processed by University Budget and Fiscal Planning. Approved amendments will be processed as part of the mid-year close process. If you have extenuating circumstances please reach out to UBFP. See “Budget Amendment Request Instructions” for more information.

## **FAQ**

### **How will I receive funding from central or my division?**

A resource allocation will be received in the form of revenue either in 570904 if the funding is a permanent adjustment or 570951 if the funding is one time. During the budget cycle, you should plan for these funds in the revenue account and the use of the funding in the expense accounts.

### **What if I want to transfer funds from one department to another?**

A funding transfer is requested in the form of revenue either in 570904 if the funding is a permanent adjustment or 570951 if the funding is one-time. You will follow the funding transfer request instructions.

### **When is it appropriate to request a budget amendment?**

A budget amendment is requested when you receive a new resource allocation that you had not previously planned. Example of this would be if you receive funding from the Chancellor's Office for a grant and you would like to plan how you anticipate spending these funds. Budget amendments should not be used to make minor tweaks to your budget plan, such as small adjustments between O&E accounts.

### **What about roll forward budgets? How do I use these funds or move around from one department to another?**

Roll forwards will continue to be posted to SL100 by University Budget & Fiscal Planning, which will serve as a proxy for distribution of SL001 fund balance (Balance Sheet item). The main changes are that roll forward balances will no longer need to be moved from SL100 in order to spend, the balance by department within SL100 will remain in SL100, and each year the balance will be updated by University Budget & Fiscal Planning by taking the beginning balance plus or minus the actual change in net assets (revenues, including funding allocations, less expenditures) from the previous year.

SL100 transfers can be requested using 570951 only, as the funds in SL100 are one-time reserve funds. You can transfer roll forward balances between departments to allow those areas to overspend their SL001 funding.

### **Will this apply to all funds? Or just SL001?**

Currently this model just applies to SL001 and SL100. Many funds on campus are unique to units and funded by revenues generated, in which case this model doesn't apply. Introducing this funding model in SL001 will have the added benefit of making reports more comparable across funds in these cases. There are a limited number of funds across campus that this model could be applied to, such as Lottery funds, and the university likely will implement this model in those funds in the future assuming the implementation in SL001 is successful.

### **Can I use a funding transfer instead of an expenditure transfer?**

Expenses should be recorded in the department who is incurring the expense. If the expense was not initially charged to the department that is responsible for the expense it should be moved via an expenditure transfer. Thus, a funding transfer request would not be a suitable alternative in this instance.