Budget Transfers

Session Objectives

At the end of this session, you will be able to:

- Create a budget transfer
  - Expense
  - Income
  - Salary

- Copy an in progress budget transfer

- Approve / Disapprove a transfer

- Monitor the status of your transfers
Budget Transfers Defined

- What is a budget transfer?
  - Used to establish “spending power” in a FOP or transfer the “spending power” from one FOP to another.
  - Does not touch actual expenses or revenue
  - Subject to final approval of Budget Accounting office for operating funds.

BT versus JV

- How do you know if you’re to create a journal voucher or a budget transfer?
  - Are you trying to move an actual expense or move/allocate budget to pay for expenses?
  - Is this for a particular invoice or charge, or just a lump sum to be used at the receiver’s discretion?
  - Are expenses being moved between funds?
Complete a journal voucher when:

- Moving a particular expense / revenue between your own Organization codes
- Moving a particular expense between your Organization code and that of another faculty/unit (contact Budget Accountant)
- Clearing up an over expended Fund – moving expenses from the over expended fund to another fund that has budget available.
- Correcting the account for income or expenses. (i.e. 706710 to 706711)

Complete a interdepartmental charge (type of JV) when:

- You are charging another faculty/unit for a good/service provided. You must use (1) an income fund and (2) internal revenue account to record the fees.
BT versus JV

- Complete a **budget transfer** when:
  - You want to move budget between your own fund and organization codes
  - You want to give another faculty/unit funds/budget to spend (completed by your Budget Accountant)

BT Reference Codes

- Budget Transfers require reference codes
- Most common codes are:
  - **BP0007**: Transfer to/from other “cost centre,” e.g. account code
  - **BP008**: Transfer to/from other position, e.g. employee position
  - **BP0009**: Transfer to/from other organization code
Have you ever asked yourself why an expense account shows U for unfavorable...when there is money in the fund overall?

### Solution:
Submit a budget transfer to correct the unfavorable line by moving “budget” from within the same FUND or from somewhere else in the faculty/unit.
Exercises 1 & 2

Income Budget Transfer

- If setting up budget for received or anticipated revenue, you need to know the following:
  - Revenue ONLY allowed on certain types of funds.
    - Operating Funds – Fund Type 11 only
    - Special Purpose and Research Funds – Fund Types 28 & 30

Example: You would complete an income BT for a 12200 fund (Sales & Service funds) and 12800 (Gifts for Operating fund)
Revenue budget for the year must equal the expenditure budget.

E.g.: When you add $5000 to an income account (5xxxxx), you must ALSO add $5000 to an expense account (7xxxxx).

When increasing/decreasing revenue & expense budgets, BT descriptions must include the following 3 pieces of information:

1. Who the $ was received from – person, company, government? (no acronyms!)
2. Why was the $ received – salary expense recovery for John Doe? Ticket/registration sales? Donation for upcoming conference?
3. What will the $ be used for – to pay expenses?
Income Budget Transfer

- **Bad Description:**
  TMFF Donation to the faculty

- **Good Description:**
  Expense recovery from the Too Much Fun Foundation (TMFF) to be used to cover office expenses incurred while promoting fun.

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**Exercises 3, 4 & 5**
Salary Budget Transfers are required every time an employee:

- Gets a re-class and changes position number
- Changes jobs within your faculty
- Receives a job with your faculty (new hire)
- Changes “tracks” as in tenure track to tenured
- Receives an Academic Promotion (Assistant Prof to Prof)
- Receives a step increase
- Receives a contract increase
- Receives anomaly or merit increases

Things to remember with salary budget transfers:

- Utilize the Budget by Position report to ensure you accurately remove/change employee budget
- You can only move YTD Totals – cannot move what isn’t there
- Include position # and employee #s when dealing with salaries
- Remember to check and ensure FTE counts are correct
- Only utilize FTE field if adding/subtracting from the total FTE!
Income Budget Transfer

Exercises 6 & 7

BT Assistance

- **Budget Accounting Office**
  → Budget Accountant listing available at umanitoba.ca/admin/financial_services/budgrant/staff_listing.html

- **Aurora Finance Customer Service**
  480-1001 → Ext 1 - Security Assistance
  → Ext 2 - Application Assistance
  aurora_finance@umanitoba.ca
Thank you!