




Budget Transfers




AURORA
Finance



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?




BT versus JV

- 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)




BT versus JV

- 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
 - **BP0008**: Transfer to/from other position, e.g. employee position
 - **BP0009**: Transfer to/from other organization code




Expense Budget Transfer

Have you ever asked yourself why an expense account shows **U** for unfavorable...when there is money in the fund overall?

No Budget set-up

01 Period Ending:Nov-2009		Nov-2009		O/S	YTD Total	YTD Fiscal	Budget	Budget
Code	Title	Month Actual	Nov-2009 YTD Actual	Commitments	Activity	Budget	Variance	Fav/Unfav
Materials and Supplies								
706710	Other Materials & Supplies	47	578.98	0	578.98	0	-578.98	100.00 %U
706711	Teaching Supplies	0	0	0	0	5,000.00	5,000.00	100.00% F
Subtotal		0	578.98	0	578.98	0	4,421.02	
TotalExpenses		47	578.98	0	578.98	5000	4,421.02	




Expense Budget Transfer

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.


Fund 123456 U of M Admin Orgn 345678 Fun Support Fund Type 01		Nov-2009		O/S	YTD Total	YTD Fiscal	Budget	Budget
Period Ending:Nov-2009		Month Actual	Nov-2009 YTD Actual	Commitments	Activity	Budget	Variance	Fav/Unfav
Materials and Supplies								
706710	Other Materials & Supplies	47	578.98	0	578.98	1,000.00	421.02	42.1% F
706711	Teaching Supplies	0	0	0	0	4,000.00	4,000.00	80.00% F
Subtotal		0	578.98	0	578.98	0	4,421.02	
TotalExpenses		47	578.98	0	578.98	5000	4,421.02	

Newly Adjusted Budgets



Expense Budget Transfer


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)



Income Budget Transfer


- 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)




Income Budget Transfer

- 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. 😊




Income Budget Transfer

Exercises 3, 4 & 5




Salary Budget Transfer

- 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



Salary Budget Transfer

- 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!

