

## **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

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