



Financial Transaction SOP: Financial Processing, Transfer of Funds

SOP Owner: Financial Processing Manager

Version Number, Date Revised: 3, 11/17/11

Date Implemented:

Approval(s):

Updates

Date	Section	Change
11/17/2011	6.Procedure / Business Rules graphics p.5	Changed graphic to reflect correct object codes.

Standard Operating Procedure

1. Purpose

The Transfer of Funds (TF) e-doc is used to transfer funds between accounts. **Note:** the TF e-doc is not for moving / shifting costs between accounts; for these types of transactions, you would use a Distribution of Income and Expense (DI) e-doc.

Examples of common use at CU:

- Provide funding from the Dean or a Director for designated priorities (faculty research, professional development, etc.)
- Transfer department or college support for an event such as a conference or symposium
- Fund construction projects and, where applicable, return unused funds at end of project
- Provide funding for: CU priorities, shortfalls, and new initiatives
- Establish or add funding to any funds functioning as endowment (FFE)
- Fund equipment reserves.
- Transfer funds so units can fulfill their obligations for debt service.

2. Scope

- Business Service Centers / Financial Transaction Centers (old: BSCs; new: FTCs)
Note: the two administrative BSCs will still be called BSCs.
- Department / Unit finance managers
- Department administrators
- Financial specialists
- Central finance (accounting / budget) staff
- Fiscal Officers (FO) **Note:** any reference to FOs in an SOP is understood to include primary and secondary delegates.



3. Prerequisites (Forms / Tools)

- Basic knowledge / training on KFS
- Basic understanding of Financial Processing transactions (requires a “Financial Processing, Overview” SOP and tutorial: will also cover scanning / attaching and transaction descriptions / line-item descriptions)
- Understand where it’s appropriate to transfer funds **from** and **to**
- Understand transfer object codes
- Must be able to select the correct object codes (understanding object sub-types is necessary)

4. University Policy

Current:

- 3.14 [Business Expenses](#)
- 3.7 [Accounting: System Structure and Transactions](#)
- 4.2 [Transaction Authority and Payment Approval](#)
- 4.7 [Retention of University Records](#)

5. Responsibilities

- Requestor: a proposed, optional, additional step whereby a request for a TF is sent to a KFS-user who has the authority / ability to initiate the e-doc (“Initiator”). Requestor is not a KFS-user role, it is locally delegated authority. Requestor role is: an individual within local units who has been identified by the organization as having the authority to request a TF.
- Initiator: Initiator is responsible for preparing a TF and must understand the institutional need for a TF financial transaction. (This individual may or may not be the same as the Requestor.)

Before initiating a TF transaction on behalf of the university, it is the responsibility of the Initiator to assess whether the proposed transaction is in support of the university’s mission.

- Other roles:
 - A. Within unit
 - Both fiscal officers—account **to** and account transfer **from** are responsible for approving the TF and understanding applicable policies, inherent business rules, and KFS.
 - B. Central only
 - C&G processor (specific to C&G accounts). The review step for will be required if the transaction includes a C&G account.



Note: either the department receiving funds (transfer **to**) or the department sending funds (transfer **from**) can initiate the TF.

The following guidelines must be adhered to:

- In cases where the Initiator and Requestor are not the same person, the Initiator ensures that the Requestor has the authority to request a TF transaction.
- Any necessary prior approvals have been acquired.
- The transaction is Cornell-allowable.
- The transaction is,
 - in furtherance of the university missions,
 - ordinary and reasonable,
 - within planned budgetary constraints,
 - in compliance with any funding designations and / or guidelines,
 - in compliance with appropriate university policies and procedures, and in compliance with operating unit guidelines.
- There is appropriate documentation. *Best Practice recommendation:* attach back-up / relevant documentation whenever possible; in situations where documentation is not attached, clearly indicate where back-up documentation is located.

6. Procedure

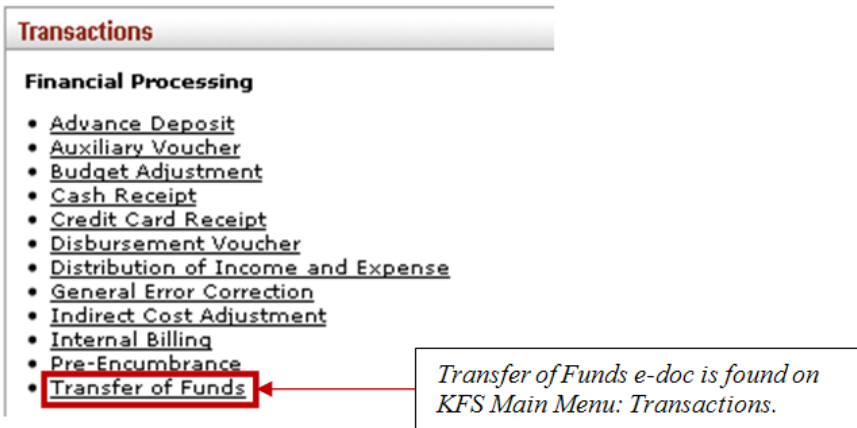


Figure 1 – KFS Financial Processing Transactions menu

Transfer of Funds (TF) e-doc has only the standard financial transaction tabs and does not have any unique tabs of its own.



Kualo financial systems

12/14/2009 02:32 PM (Oracle9i)

Logged in User: rld46

Transfer Of Funds

Doc Nbr: 10000665 Status: INITIATED
Initiator: rld46 Created: 12:10 PM 10/20/2010

Document Overview

* Description: Explanation:

Org. Doc. #:

Financial Document Detail

Total Amount:

Accounting Lines

From		* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0.00	add

To		* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0.00	add

General Ledger Pending Entries

Notes and Attachments (0)

Ad Hoc Recipients

Route Log

Figure 2 - Transfer of Funds e-doc

Business Rules

- There must be at least one accounting line in the **from** section and one accounting line in the **to** section.
- The total in the **from** section must equal the total in the **to** section in the Accounting Lines tab.
- \$0 accounting line amounts are not allowed (applies to all FP e-docs).
- Negative amounts can not be used.
- The KFS automatically generates cash object code offset entries as defined by the information entered into the document.
- This e-doc is restricted to object sub-type of non-mandatory transfer.
 - **From** accounting lines with an object sub-type of non-mandatory transfer must balance with **to** accounting lines with an object sub-type of non-mandatory transfer.
- Certain object codes will be restricted.
- Object codes representing assets, liabilities, and fund balances (as indicated by the object code's object consolidation) may not be used.



Transfer Of Funds ?

Doc Nbr: 212681	Status: ENROUTE
Initiator: ifm333	Created: 02:28 PM 11/17/2011

Document was successfully submitted. [expand all](#) [collapse all](#)
* required field

Document Overview ▼ hide

Document Overview

* **Description:** Research funding for Dean's initiatives

Org. Doc. #: **Explanation:**

Financial Document Detail

Total Amount: 1,000.00

Accounting Lines ▼ hide

Accounting Lines ? hide detail

From

	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
1	IT Ithaca Campus	E504121 DEANS OPERATING ACCOUNT		8000 Transfer Out - to Current Operating				1,000.00	
									Total: 1,000.00

Line Description

To

	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
1	IT Ithaca Campus	E703011 TANG, A - START-UP		7000 Transfer In - from Current Operating				1,000.00	
									Total: 1,000.00

Line Description

General Ledger Pending Entries ▶ show

Notes and Attachments (0) ▶ show

Ad Hoc Recipients ▶ show

Route Log ▶ show

send ad hoc request
reload
close
copy

Figure 3 - Transfer of Funds example

Accounting Lines ▼ hide

Accounting Lines ? hide detail

From

	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
1	IT Ithaca Campus	E504121 DEANS OPERATING ACCOUNT		8000 Transfer Out - to Current Operating				1,000.00	
									Total: 1,000.00

Line Description

To

	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
1	IT Ithaca Campus	E703011 TANG, A - START-UP		7000 Transfer In - from Current Operating				1,000.00	
									Total: 1,000.00

Line Description

General Ledger Pending Entries ▼ hide

General Ledger Pending Entries ?

Seq #	Fiscal Year	Chart	Account Number	Sub-Account	Object	Sub-Object	Project	Doc Type	Balance Type	Obj. Type	Amount	D/C
1	2012	IT	E504121	----	8000	---	-----	TF	AC	TE	1,000.00	D
2	2012	IT	E504121	----	1000	---	-----	TF	AC	AS	1,000.00	C
3	2012	IT	E703011	----	7000	---	-----	TF	AC	TI	1,000.00	C
4	2012	IT	E703011	----	1000	---	-----	TF	AC	AS	1,000.00	D

Figure 4 – Transfer of Funds example, General Ledger Pending Entries tab (Note the TE and TI object types.)



- Transfer Codes [see Chart, below, for current codes; these will be updated]

FROM	TO	Fund Group = 43X, 46X, 472, 473	Fund Group = 470, 471	Fund Group = 25X	Fund Group = 331, 332, 333, 334, 342	Fund Group = 335	Fund Group = 427 Medical College
	CREDIT						
	DEBIT						
Fund Group = *43X, 46X, 472, 473		*Prior Year 736X/236X Current Year 745X/245X	745X/245X	**Prior Year 737X/237X Current Year 744X/244X	742X/242X	742X/242X	752X/252X
Fund Group = 470, 471		***745X/245X	***745X/245X	N/A	N/A	***742X/242X	NA
Fund Group = 25X		744X/244X	N/A	744X/244X	744X/244X (331 Not Allowed)	744X/244X	752X/252X
Fund Group = 331, 332, 333, 334, 342		742X/242X	742X/242X	744X/244X (331 Not Allowed)	742X/242X	742X/242X	752X/252X
Fund Group = 335		(242X)/(742X)	(242X)/(742X)	(244X)/(744X)	(242X)/(742X)	N/A	N/A
Fund Group = 427 Medical College		752X/252X	752X/252X	752X/252X	752X/252X	N/A	N/A

*Use 736X/236X when transferring prior-year account balances to/from operating funds (fund groups 43X, 46X).

** Use 737X/237X when transferring funds from operating accounts (fund groups 43X, 46X) to funds functioning as endowments (FFE; fund group 25X).

Note: 732X/232X used for debt services (DFA only)

Figure 5 – Transfer Code Chart (Chart contains current CU transfer codes and will be updated)

Transfers are not allowed between Unrestricted (UR), Temporarily Restricted (TR), and Permanently Restricted (PR) accounts without approval from the Division of Financial Affairs (exception: fund group 335 - refer to chart). Transfers between TR accounts with similar donor restrictions are allowed. For transfers between PR accounts, contact [Restricted Gift, Invested Funds and Bank Accounting](#).

Observations

- TF has a “from” section and a “to” section: **from** is the place that’s providing the resources that are being moved; **to** is the area receiving the transfer of funds being processed.

Notes

- When the TF journal is saved, the system changes the object codes to object code types: TE (debit object code) and TI (credit object code); this is only applicable to the TF e-doc.
- Transfers to and from endowment will be revisited after the endowment module analysis and implementation are complete.



- Procedures for transfers related to the sale of a Capital Asset between units (which is new functionality for Cornell) will be addressed in the Capital Asset Management (CAM) “Transfer” e-doc SOP; however, the sale of a Capital Asset between units illustrates that there is a valid use for transfer object codes to / from C&G accounts. (Example: an asset is sold between departments and one of the accounts is a C&G account; a CAM e-doc is used to record the movement of the asset, but a TF e-doc would be used to move the associated funds.)

Workflow

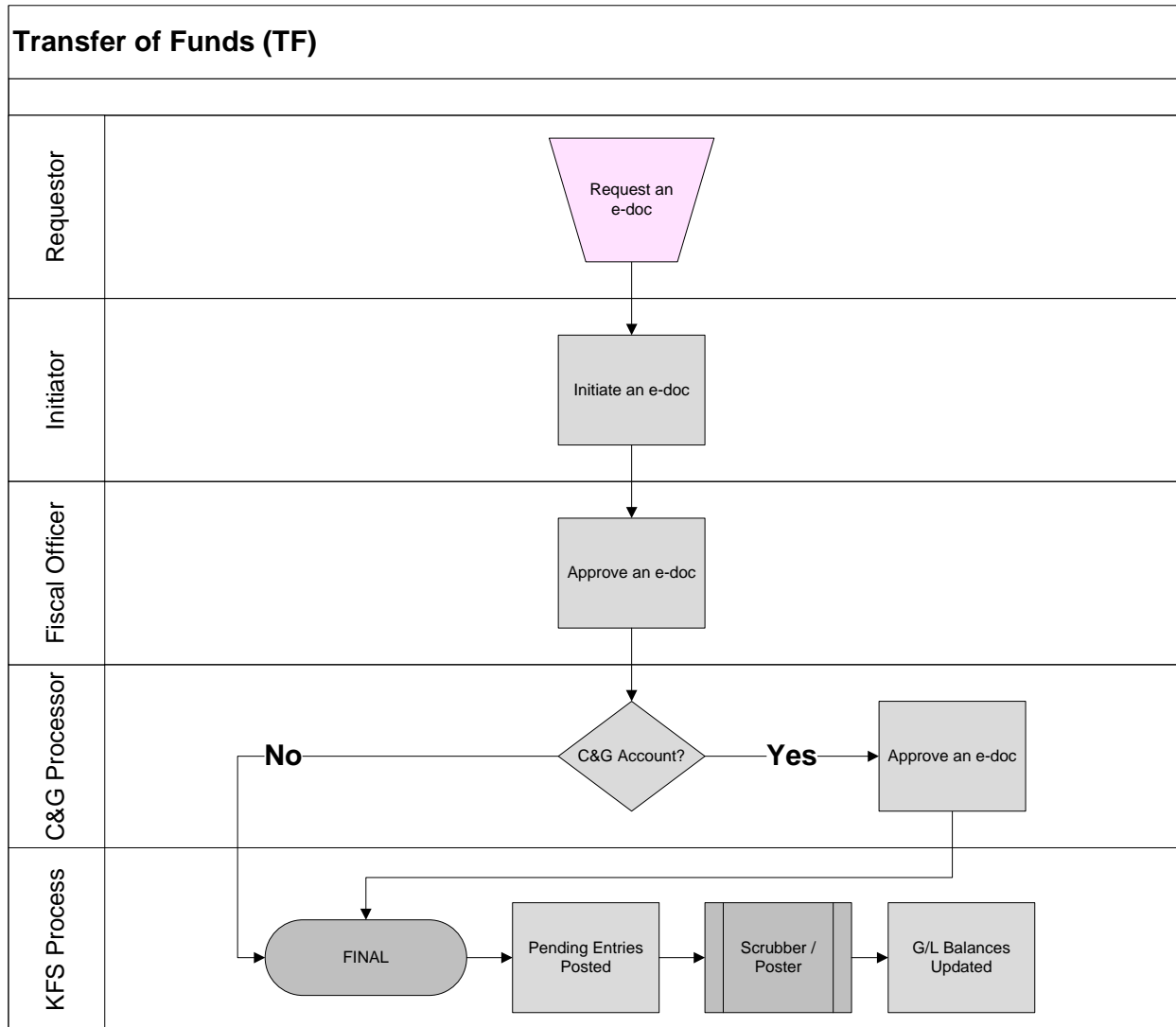


Figure 6 - Transfer of Funds workflow



7. **Definitions**

- Non-mandatory transfer
- KFS at CU: Chart of Accounts
- KFS at Cornell Glossary
- Old World / New World, Definitions, Helpful Information

8. **References**

- KFS “Basics” tutorials
- KFS “FP: Transfer of Funds” tutorial