



**Financial Transaction SOP: Financial Processing, Transfer of Funds**

SOP Owner: Financial Processing Manager  
Version Number, Date Revised: #4, 12/22/22  
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.
12/22/22	All	Updated links.

**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](#)
- 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

**Transactions**

**Financial Processing**

- Advance Deposit
- Auxiliary Voucher
- Budget Adjustment
- Cash Receipt
- Credit Card Receipt
- Disbursement Voucher
- Distribution of Income and Expense
- General Error Correction
- Indirect Cost Adjustment
- Internal Billing
- Pre-Encumbrance
- **Transfer of Funds**

*Transfer of Funds e-doc is found on KFS Main Menu: Transactions.*

*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.



The screenshot displays the Kuali financial systems interface for a 'Transfer Of Funds' document. The document is titled 'Transfer Of Funds' and is in an 'INITIATED' status. The document number is 10000665, and the initiator is rld46. The document was created on 12/10/2010 at 12:10 PM. The interface includes a 'Document Overview' section with fields for Description, Org. Doc. #, and Explanation. Below this is the 'Accounting Lines' section, which is divided into 'From' and 'To' sections. Each section has a table with columns for Chart, Account Number, Sub-Account, Object, Sub-Object, Project, Org Ref Id, and Amount. The 'From' section has one line with an amount of 0.00, and the 'To' section also has one line with an amount of 0.00. At the bottom of the interface, there are buttons for submit, save, blanket approve, close, cancel, and copy.

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 cannot 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** ?

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

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

Document Overview ▼ hide

<b>Document Overview</b>	
<b>* Description:</b> Research funding for Dean's initiatives	<b>Explanation:</b>
<b>Org. Doc. #:</b>	
<b>Financial Document Detail</b>	
<b>Total Amount:</b>	1,000.00

Accounting Lines ▼ hide

<b>Accounting Lines</b> <span style="float: right;">? <a href="#">hide detail</a></span>									
<b>From</b>									
	* 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	
<b>Line Description</b>									
								<b>Total: 1,000.00</b>	
<b>To</b>									
	* 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	
<b>Line Description</b>									
								<b>Total: 1,000.00</b>	

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

<b>Accounting Lines</b> <span style="float: right;">? <a href="#">hide detail</a></span>									
<b>From</b>									
	* 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	
<b>Line Description</b>									
								<b>Total: 1,000.00</b>	
<b>To</b>									
	* 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	
<b>Line Description</b>									
								<b>Total: 1,000.00</b>	

General Ledger Pending Entries ▼ hide

<b>General Ledger Pending Entries</b> <span style="float: right;">?</span>												
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]

TO FROM	CREDIT	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
	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 [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**

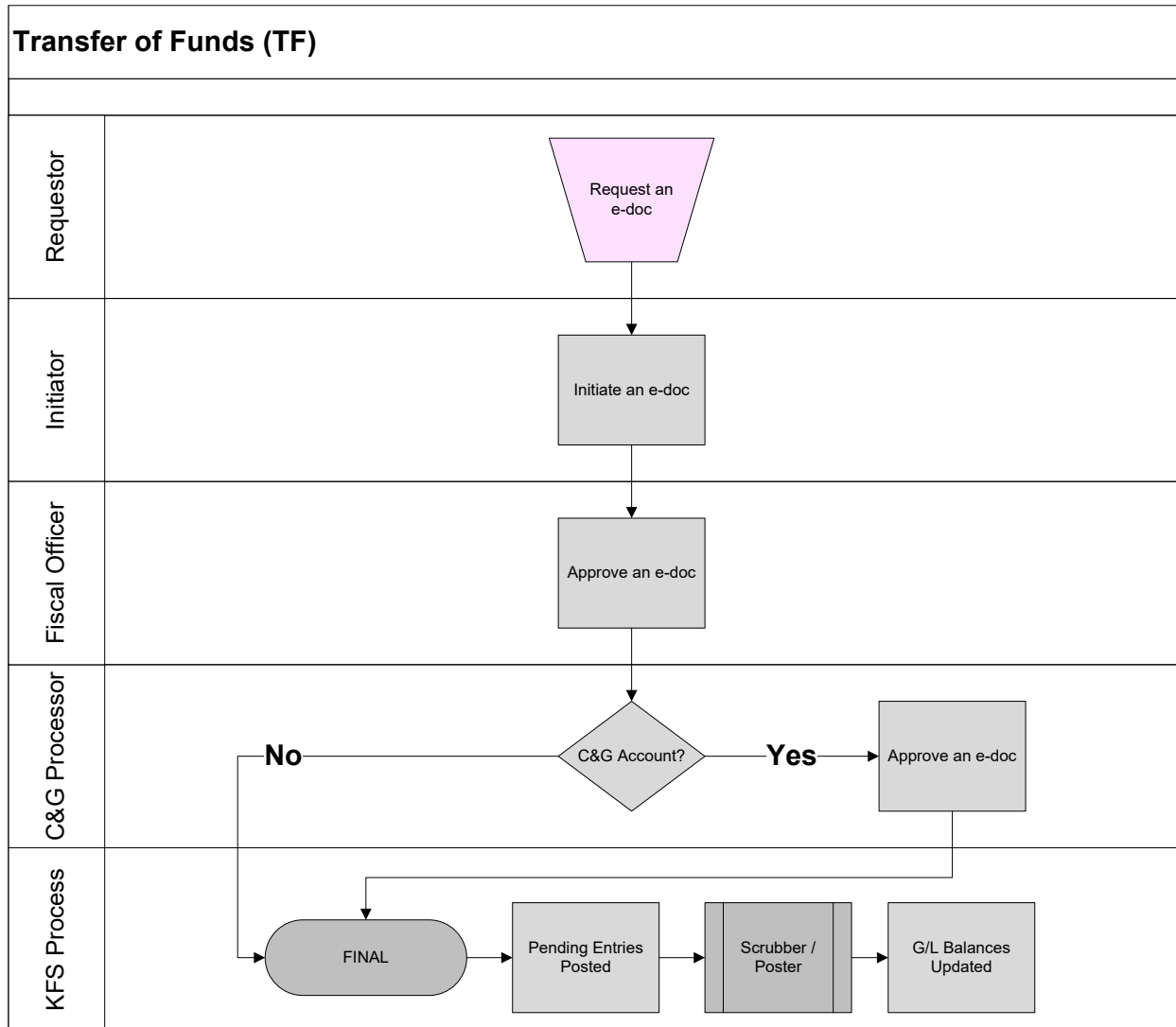


Figure 6 - Transfer of Funds workflow

**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