

Restricted Funds Transfer Policy

For Restricted Funds to Unrestricted Funds: Funds are recorded as restricted because of spending restrictions imposed by a donor or source from outside the university. For this reason, funds initially recorded as restricted should be spent in the restricted fund in which they are recorded. However, in some instances, the restriction may be minimal and only require that the funds be used in a particular program, department or college with no accounting or reporting back to the donor required. For funds with such loose restrictions, a transfer to an unrestricted account may be allowable with appropriate documentation.

For such a transfer from restricted to unrestricted funds, a memo or email must be submitted to Budget Services. This communication should contain the following:

- the name of the restricted fund,
- the fund/organization codes,
- the restrictions that are associated with this fund,
- the reason for the transfer of the money, and
- the reason why it does not violate donor wishes.

The memo must be signed by the appropriate Department Head, Dean or approved financial liaison or, if email is used, the email must be initiated by any of these parties. If the approved financial liaison is initiating the email, the appropriate Department Head or Dean responsible for oversight of the restricted funds should be copied. The BCO document number must be provided to identify the transaction submitted through Banner Finance. These transfers will then be evaluated on a case-by-case basis.

Please note that a budget transfer should not be attempted in lieu of a Department Error Correction (DEC) form. A DEC should be used when an expense or expenses have been charged to an unrestricted fund and should have been charged to the restricted fund.

For Restricted Funds to Restricted Funds: In some instances, transfers between two restricted funds are allowable, again if the restrictions of both funds are not violated by such a transfer and if no donor reporting is required by either fund. The documentation outlined above should be submitted and the transfer will be evaluated and approved on a case-by-case basis.

Please note that the above procedures also apply to restricted plant funds.

For Unrestricted Funds to Restricted Funds: Because funds can only be classified as restricted by an outside source, under no circumstances will transfers be allowed from unrestricted to restricted funds.

Original Policy: 10-1-2005

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