

## FAS Guide to Transfer Object Codes

### **Important: Restriction on Transfers That Debit or Credit a Restricted Fund:**

University policy prohibits movement of income from a restricted fund (gift or endowment) to any other fund whether restricted or unrestricted. In other words, you may not use transfer object codes to debit or credit a restricted fund when the other side of the transfer is a different restricted fund or an unrestricted fund.

You may use transfer codes to move money within the same restricted fund to a different tub, org, activity, subactivity, and/or root.

If you wish to allow a different department or school to use a restricted fund, you cross-validate the fund to them, and credit their tub/org, using the appropriate income transfer code below and the same fund on both sides. The other tub/department then charges the expenses to your fund. See page 2 on how to cross-validate a fund and some common transfer scenarios.

When transferring funds between orgs or tubs, both parties must agree whether it should be an income or expense transfer, and use the same object code.

Object Code	When to use?
<b>5910</b> -Income Transfer for Subvention/Support, <b>INTRATUB</b>	Transfer of funding within a department, or with another <b>FAS</b> department or tub, including SEAS (Tub 325).
<b>5920</b> - Income Transfer of Operating Income, INTRATUB	The FAS uses this object code for the transfer of subventions to/from affiliate tubs (110, 310, 325, 340, 355, 385,400, and 415). <b>Do not use this object code.</b> Any journals in this object code generated by someone outside the FAS Office of Finance will not be uploaded, or reversed if found to have been entered.
<b>5921</b> - Income Transfer of Operating Income, <b>INTERTUB</b>	Transfer of income to or from a <b>non-FAS</b> tub or Central Admin dept (e.g. FAS to SPH, HBS, GSD, Office of the President and Provost to us). This includes transfers to Tub 420 (FIFI); FIFI is not consolidated with the FAS at year end, and therefore the transfers must be done using 5921.
<b>8921</b> Expense Transfer for Subvention/Support, Internal	Transfer of a lump sum of expenses either within or outside of the FAS. This code can be used <b>only</b> when it is not feasible to use the original object codes of the expense (e.g., a large number of transactions in 10-20 object codes accumulated over a period of time). It can <b>never</b> be used when a restricted source of funding (sponsored, gift, endowment) is on one or both sides of the transaction.

There are additional expense transfer object codes (8922-8929) that are for the use of Tub Financial Offices **only**. Departments may not use object codes 8922-8929 without the permission of the FAS Office of Finance. Please call Maureen Rekrut 5-0690 to discuss.

**How to Transfer Restricted Funding:**

- Department A wants to give Department B a certain amount of money to fund an activity from a restricted fund that they manage:
  - Dept. A cross-validates fund to Department B
    - Send cross-validation requests to [appsec@fas.harvard.edu](mailto:appsec@fas.harvard.edu), with a cc to Linda Kuros, [l\\_kuros@harvard.edu](mailto:l_kuros@harvard.edu)
    - Include a brief explanation as to how the fund will be used
    - Linda Kuros will review to ensure that intended use complies with fund terms, and authorize Applications Security to process the cross-validation
  - Once cross-validated, do a journal using object code 5910 within the fund
    - Dr Dept. **A** org, Dept. A fund
      - Cr Dept. B org, Dept. A fund
  - Department A should check in with Department B periodically to ensure that Department B has not overspent their funding, and to determine if there are any funds unspent after the activity ends.
  - Once the activity ends, Department A should
    - transfer back any unspent funds by preparing a journal to:
      - Dr Dept. **B** org, Dept. A fund
        - Cr Dept. **A** org, Dept. A fund
    - Send a request to [appsec@fas.harvard.edu](mailto:appsec@fas.harvard.edu) to close (tighten) the cross-validation of the fund to Department B.

**Examples of “Right” and “Wrong” Transfers**

- **Scenario #1:** Celtic Department wants to give History \$10,000 to support a conference using their endowment fund #501501. History is using their own endowment fund #512512 for the conference. History asks Celtic to transfer the money into #512512.

Transfer Is Ok	Transfer is Not Ok
DR 370-30760-5910-501501    \$10,000 CR 370-31960-5910- <b>501501</b> \$10,000	DR 370-30760-5910-501501    \$10,000 CR 370-31960-5910- <b>512512</b> \$10,000

- History **must** spend the money from fund #501501; they **cannot** spend it against 512512. To understand the spending on the conference a whole, History will need to use some combination of activity and subactivity.

=====

## FAS Guide to Transfer Object Codes

- **Scenario #2:** Celtic Department wants to give History \$10,000 to support a conference using their endowment fund #501501. History is using a UD fund for their conference costs, and asks Celtic to transfer the money into 018001.

Transfer Is Ok	Transfer is Not Ok
DR 370-30760-5910-501501    \$10,000 CR 370-31960-5910- <b>501501</b> \$10,000	DR 370-30760-5910-501501    \$10,000 CR 370-31960-5910- <b>018001</b> \$10,000

- History must spend the money from fund #501501; they cannot spend it against 018001. To understand the spending on the conference a whole, History will need to use some combination of activity and subactivity

=====

- **Scenario #3:** Celtic Department wants to give History \$10,000 to support a conference using their endowment fund #501501. History is using a UD fund for their conference costs, and asks Celtic to transfer the money into 018001. The departments discuss alternatives, as they cannot transfer using these funds and the transfer object code, and they agree to use natural expense object codes rather than a transfer code. In this scenario, History has already incurred \$7,500 in Travel (7650), and \$5,000 in Catering (8060).

Transfer Is Ok	Transfer is Not Ok
DR 370-30760- <b>7650</b> -501501    \$7,500 DR 370-30760- <b>8060</b> -501501.....\$2,500 CR 370-31960- <b>7650</b> -018001    \$7,500 CR 370-31960- <b>8060</b> -018001    \$2,500	DR 370-30760- <b>7650</b> -501501    \$10,000 CR 370-31960- <b>7650</b> -018001    \$10,000
In this case, DFFs and line descriptions should be used to describe the transactions being moved. This transfer is essentially an “Adjustment” going across departments.	

- Because “natural” expense object codes are used, the transaction can debit a restricted fund and credit a UD fund. However, one can only transfer using natural object codes up to the amount actually incurred in expenses. Thus, if History has only incurred \$7,500 in travel costs, and Celtic is funding \$10,000, the travel object code of 7650 can only be credited in History for \$7,500, and the remaining \$2,500 must come from other object code(s) that has expenses related to the activity being funded. History cannot end up with a credit balance in an expense object code because of funding by another department.

## FAS Guide to Transfer Object Codes

=====

- **Scenario #4:** Celtic Department has a UD fund #019200 that they will use for the transfer. History is using a UD fund for their conference costs, and asks Celtic to transfer the money into 018001.

Transfer Is Ok	Transfer is Not Ok
DR 370-30760-5910-019200 \$10,000 CR 370-31960-5910- <b>018001</b> \$10,000	

- History **can** spend against the 018001 fund, as it is acceptable to transfer money between two unrestricted designated funds, or from/to unrestricted and unrestricted designated funds.