

### **3356-3-11.1 Budget transfers.**

- (A) Policy statement. The board of trustees will approve a policy for budget transfers within operating budget accounts and between university funds.
- (B) Purpose. Establish a policy for the transfer of university funds.
- (C) Parameter. The board of trustees will approve an operating budget for each fiscal year prior to the beginning of that fiscal year (July first). From time to time it will be necessary to transfer funds within and outside of the operating budget.
- (D) Definitions.
  - (1) “Auxiliary funds” - funding for enterprises that exist to furnish goods or services to students, faculty, or staff, or incidentally to the general public. Auxiliary enterprises generate revenue from fees that are directly related to the cost of the goods or services. University auxiliaries include the bookstore, Kilcawley center, housing services, parking services, intercollegiate athletics, Andrews wellness and recreation center, and the museum of labor and industry.
  - (2) “Budget transfers” - budget reallocations from one account to another account that will change the available balance of two or more budgets.
  - (3) “Designated funds” - unrestricted funds internally transferred from an operating budget for a specific purpose and available for expenditure in the current budget year and/or succeeding budget years.
  - (4) “General funds” - current unrestricted funds primarily sourced from student tuition and fees and state of Ohio appropriations and expended for instruction, student services, institutional support, maintenance and operations, and financial aid.
  - (5) “Institution-wide accounts” – university-wide accounts that are assigned to a unit or department for management that benefit the entire university.

- (6) “Inter-fund transfers” - budget transfers to and from accounts from different funds.
  - (7) “Operating budget” - general and auxiliary funds representing the operating activities of the university for a given fiscal year. Excluded from the operating budget are designated funds, plant and capital funds, restricted funds, endowments and funds functioning as endowments.
  - (8) “Operating Reserves” - funds functioning as endowments sourced from general and auxiliary funds that are specifically designated as the institution’s primary operating reserves to be used as contingency funds to support emergency budget shortfalls and/or unexpected operating deficits. These reserves also serve as the basis for maintaining long-term investments and positive financial ratios.
  - (9) “Signature authority” - a university employee who has been designated as a financial manager and given spending authority for a specific account(s) or fund(s).
  - (10) “Area division officer” - an executive officer of the university who maintains overall leadership for a particular division of the university. Area division officers include the president, provost, and vice presidents.
- (E) Procedures.
- (1) Budget transfers within operating budget accounts.
    - (a) Any reallocation of funds within the overall operating budget level established by the board of two hundred fifty thousand dollars or more will be reported as an information item at the next finance and facilities committee meeting.
    - (b) Signature authorities have authority to transfer operating funds within and among all accounts under their area(s) of responsibility, with the exception of:
      - (i) From permanent salary and fringe benefit accounts; and

- (ii) From institution-wide accounts.
  - (c) Transfers to permanent salary accounts for the purpose of creating new positions require the approval of the vice president for finance and administration or his/her designee.
- (2) Inter-fund transfers.
- (a) Inter-fund transfers of fifty thousand dollars or more, including year-end transfers, will be approved by the appropriate financial manager(s) and will be reported as an information item at the next finance and facilities committee meeting.
  - (b) Inter-fund transfers of one hundred thousand dollars or more for operating purposes or for any purpose other than a specific capital improvement project will be approved by the appropriate area division officer and by the board of trustees.
  - (c) Inter-fund transfers for specific capital improvements or construction projects will be approved by the appropriate area division officer and by the vice president for finance and administration. Inter-fund transfers for capital improvements or construction projects of five hundred thousand dollars or more will be approved by the board of trustees.
  - (d) Inter-fund transfers approved by the board of trustees as part of the operating budget approval or modification process will not be reported further.
  - (e) Transfers requiring the approval of the board of trustees but which are time-sensitive due to an emergency or other compelling reasons, may be authorized by the vice president for finance and business operations, or designee, and approved by the board of trustees at its next scheduled meeting. Retroactive approval by the board of trustees shall be limited to exceptional circumstances.

- (3) Operating reserve transfers.
- (a) The university shall maintain an operating reserve fund sourced from the general fund. Transfers into the general fund operating reserve will generally occur as part of the operating budget approval procedures outlined in rule 3356-3-11 of the Administrative Code (see university policy 3356-3-11, “Operating budget approval and modification”).
  - (b) It is a goal for the university’s auxiliary enterprises to also maintain separate operating reserve funds with targeted balances comparable to the general fund operating reserve in percentage terms.
  - (c) Transfers out of the operating reserve funds must be approved by the board of trustees regardless of the amount to be transferred.