

***Standard Operating Procedure for Transferring University Dollars to the Foundation*****Purpose**

Ohio University must not divert public dollars to private. University funds may not be transferred to the Foundation except for instances identified in this Standard Operating Procedure.

**Procedure****I. Allowable****A. Solicitation Services**

A University cost center may be debited in natural account 763900 when crediting a Foundation cost center for solicitation services. These services may be described as “Annual Fund Chargebacks for Phonathon and Direct Mail” and are processed on Internal Billing Authorization forms.

**B. Accounting Corrections**

An accounting correction may be processed to debit a University cost center and credit a Foundation cost center relative to a specifically identified original transaction (in part or entirely) when:

1. the accounting correction is in compliance with the Sixty (60) Day Rule
2. the original transaction posted in the current fiscal year and the accounting correction will also be posted in the current fiscal year, and
3. the expense from the original transaction is an appropriate (allowable) expense for a University cost center.

An accounting correction of an internal billing must reverse the original transaction, post a debit to a new cost center, and post to the original credited cost center combined with an internal transfer natural account.

[Click here to see a example transactions.](#)

**II. Not Allowable**

Unless an activity is included in the above section (I. Allowable) the activity is not allowable. Specific activities identified as not allowable are:

**A. Donations**

Donating dollars from a University cost center to a Foundation cost center is not allowable.

**B. Revenue Sharing**

Moving dollars from a University cost center to a Foundation cost center, under the guise of revenue sharing, is not allowable.

### **C. Deficit Coverage**

Moving dollars from a University cost center to a Foundation cost center to cover an existing or anticipated deficit in a Foundation cost center is not allowable.

### **D. Services Provided**

When a department provides services, the billing can not credit a Foundation cost center, except as allowed in section I.A. above.

## **III. Fundraising Expenditures**

Expenditures (facility rental, professional services, refreshments, etc.) for activities to raise funds for the Foundation, may be charged to a University cost center using the applicable A-21 backoff expense natural account.

## **IV. Alternatives available when University funds may not be transferred to the Foundation**

### **A. Involves a Dean's or Vice President's Cost Center**

This alternative may be applicable when an expenditure is only allowable on Foundation cost centers; for example alcohol or flowers.

1. process an actual transaction to move dollars from a Dean's or Vice President's discretionary Foundation cost center, to the target Foundation cost center
2. process a budget transaction to move budget dollars from a University cost center associated with the target Foundation account, to the Dean's or Vice President's operating cost center
3. expend from the target Foundation cost center

### **B. Involves the Foundation match fund (0003)**

This alternative allows University dollars to support a Foundation project.

1. process a budget transaction to move budget dollars from a University cost center, to a University fund type and organization combined with fund 0003 and the target Foundation project (0xx.0003.xxxxx.xxxxx.FNxxxxxxx)
2. expend from the cost center that received the budget dollars

## **V. Controller Review**

An Internal Billing Authorization form or Accounting Correction form that reflects a scenario not specifically addressed in this document will be given to the University Controller for review.

## **VI. Example Transactions**

### **A. Examples associated with section I.B. above**

#### **1. Correcting a PCard Transaction**

Finance approved a PCard transaction (paying Kinko's for copying services) that debited 100.4400.21010.531000.FN2103458, which is a Foundation cost center. Finance later determined the charge should have been costed to a University cost center. These are the cost centers used on the accounting correction:

- Debit 010.0000.21010.531000.UN2103663 Finance
- Credit 100.4400.21010.531000.FN2103458 Finance

## 2. Correcting an Internal Billing

Printing Resources prepared an internal billing to charge Finance for copying services. Finance provided a Foundation cost center for the charge. These are the cost centers used on the internal billing:

- Debit 100.4400.21010.531000.FN2103458 Finance
- Credit 010.0000.20750.040166.000000000 Printing Resources

Finance later determined the charge should have been costed to a University cost center. These are the cost centers used on the accounting correction to: (a) reverse the original transaction, and (b) post to the correct cost centers and natural accounts:

- (a) Debit 010.0000.20750.040166.000000000 Printing Resources
- Credit 100.4400.21010.531000.FN2103458 Finance
- (b) Debit 010.0000.21010.531000.UN2103663 Finance
- Credit 010.0000.20750.990166.000000000 Printing Resources

[Click here to return to section I.B.](#)

## VII. Associated Standard Operating Procedures

- Internal Billings for Services Provided in Prior Year and Accounting Corrections of Prior Year Activity
- Revenue Recognition
- Sixty (60) Day Rule for accounting corrections

If there is an activity that isn't addressed anywhere above, and you think it should be, please email a detailed description to [mccall@ohio.edu](mailto:mccall@ohio.edu) for review. This SOP is subject to change.

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