Appropriation Transfers

Objective

To transfer funds from one appropriation account to another appropriation account.

Policy

Transfers are allowed to comply with legislative requirements, statutory instructions, or to accommodate the movement of operational money between programs by agency management. If transferring funds between programs as defined in MS 16A.285, both the agency and the executive budget officer (EBO) should refer to Policy 0307-03, Intra-Fund Transfers Between Programs for further instructions.

All transfers have an anticipated and an actual component. Anticipated transfers allow an agency to allot and encumber funds equal to the anticipated transfer amount in the receiving (To) appropriation. The anticipated transfer will prevent the allotting and encumbering of funds equal to the anticipated transfer amount in the sending (From) appropriation. Agencies must ensure that anticipated appropriation transfers **precede** actual appropriation transfers.

The Minnesota Management & Budget (DOF) checks that anticipated transfers of an equal or greater amount have been approved and processed for each actual transfer processed by agencies.

The anticipated transfer must be approved by the **From** agency's EBO before actual transfers are processed. Agencies need only internal agency approval to process actual transfers. The anticipated and actual transfers must use the same accounting code block

Anticipated and actual transfers, both outgoing and incoming, must match by fund, organization, appropriation unit, document type code, and amount. While anticipated transfers may exceed actual transfers, actual transfers **must not exceed** the originating anticipated transfers. If entering a TA will exceed the amount that has already been approved under an AT, process a new AT to increase the total to the amount needed before entering the TA.

All anticipated transfers (AT) and actual transfers (TA) must include a transfer type code. The transfer type code for the TA must be the same as the transfer type code for the AT. Corrections are required where the transfer codes for the ATs and TAs do not match.

Types of Appropriation Transfers:

CODE	NAME	DESCRIPTION

D	Departmental Earnings	Transfer of funds for dedicated receipts that are collected by one agency for expenditures by another agency.
L	Legislative Advisory Commission (LAC)	Transfer of funds from LAC contingent accounts to agency accounts. DOF will initiate these transfers upon authorization by the LAC.
R	Reprogramming	Transfer of funds between budget programs under the authority of MS 16A.285.
S	Salary Supplement	Transfer of salary supplement funds to agencies. DOF use only.
O	Other	All other transfers that do not fall under one of the other specified codes.

There are a few transfer type codes designed to "correct" previous transfers. They must be used to reverse the original transfer or reduce the previous transfer amount. These codes are used when the wrong coding was entered or the original transfer amount too large. If the original transfer was less than the amount it should have been, enter a new document for the difference using the transfer codes from the original transfer. If correcting transfers are not handled properly an appropriation inquiry could be misleading. Instead of reducing the original transfer it may look like a new transfer to move funds back to the original account. The following are the valid correction transfer type codes:

Types of Correction Appropriation Transfers:

CODE	NAME	DESCRIPTION
M	LAC Correction	To correct LAC transfers. This code is for DOF use only.
T	Salary Supplement Correction	To correct salary supplement transfers. DOF use only.
C	Correction	To correct erroneously processed transfers that do not fall under one of the other specified correction codes.

Listed below are examples of how to "correct" transfer documents:

Original transaction:

	FROM:					TO:					
FY	**FUND**	**AGCY**	**ORG**	**UNIT**	**FY**	**FUND**	**AGCY**	**ORG**	**UNIT**	**TYPE**	**AMOUNT**

| 02 | 100 | G99 | 0000 | 100 | 02 | 100 | G99 | 0000 | 200 | O | 10,000.00 |

Scenario 1
Original transaction should have been $15,000. Process transfer documents for the $5,000 difference.

FROM: **TO:**

FY	FUND	AGCY	ORG	UNIT	FY	FUND	AGCY	ORG	UNIT	TYPE	AMOUNT
02	100	G99	0000	100	02	100	G99	0000	200	O	5,000.00

Scenario 2
Original transaction should have been $7,500. Process transfer documents for the difference using the transfer type code "Correction". The "from" and "to" sides should stay the same.

FROM: **TO:**

FY	FUND	AGCY	ORG	UNIT	FY	FUND	AGCY	ORG	UNIT	TYPE	AMOUNT
02	100	G99	0000	100	02	100	G99	0000	200	C	2,500.00

Scenario 3
Original transaction used the incorrect "to" account string information. Reverse the original transaction and then process the correct transaction.

FROM: **TO:**

FY	FUND	AGCY	ORG	UNIT	FY	FUND	AGCY	ORG	UNIT	TYPE	AMOUNT
02	100	G99	0000	100	02	100	G99	0000	200	C	10,000.00

FROM: **TO:**

FY	FUND	AGCY	ORG	UNIT	FY	FUND	AGCY	ORG	UNIT	TYPE	AMOUNT
02	100	G99	0000	100	02	100	G99	0000	300	O	10,000.00

Forms

FI-00521 - Anticipated Transfer of Appropriation (AT)

FI-00522 - Transfer of Appropriation (TA)

General Procedures

Step #	Actions to be Performed	Responsible Party
1.	Prepare an Anticipated Transfer of Appropriation form for the full amount of the anticipated transfer. The form should include a brief explanation and the legal authority for the transaction.	Agency
2.	Verify that funds are unallotted in the "from" appropriation account.	Agency
3.	Enter the anticipated transfer document into MAPS, note the document number on the form, and follow internal agency procedures for approvals.	Agency
4.	Send the Anticipated Transfer form to agency's EBO and retain a copy for agency records.	Agency
5.	Review the transfer authority and the explanation to confirm compliance with legislative intent.	Minnesota Management & Budget, EBO
6.	If approved, sign the form, approve the document in MAPS, and forward the form to the Minnesota Management & Budget, Budget Operations Unit.	Minnesota Management & Budget, EBO
7.	File Anticipated Transfer of Appropriation form.	Minnesota Management & Budget,

Step #	Actions to be Performed	Responsible Party
		Budget Operations Unit
8.	Enter actual transfer documents into MAPS and follow internal agency procedures for approvals. The amount of the actual transfers must not exceed the amount of the approved anticipated transfer.	Agency
9.	Review agencies' anticipated transfers of appropriations and transfers of appropriations to ensure compliance with policy.	Minnesota Management & Budget, Financial Reporting-Internal Control

Procedures for Corrections

Step #	Actions to be Performed	Responsible Party
1a.	Prepare an Anticipated Transfer of Appropriation form for the amount needed to reduce the original anticipated transfer. The "from" and "to" sides of the transaction should be identical to the original. The form should indicate one of the "correction" transfer type codes, a brief explanation, and the legal authority for the transaction.	Agency
2a.	Verify that funds are unallotted in the "to" appropriation account.	Agency
3a.	Continue with the process listed above at step 3.	Agency

See Also

MAPS Operating Policy and Procedure 0307-03 - Intra-Fund Transfers Between Programs
MAPS Form FI-00575 Intra-Fund Transfer Between Programs memorandum

MAPS Operating Policy and Procedure 0305-01 - Balance Forward Amounts
MAPS Form FI-00520 Appropriation Balance Forward