TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 50.29, **Use of Internal Purchase Funding Transfer**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish the policies and outline the procedures related to the transfer of funds between departments or accounts.

REVIEW: This HSC OP will be reviewed on May 1 of each even-numbered year (ENY) by the Director of Accounting Services with recommendations for revisions forwarded to the Executive Vice President of Finance by June 1.

POLICY/PROCEDURE:

1. **Policy.**

   a. An Internal Purchase Funding Transfer (IPFT) may only be used for non-mandatory transfers from one FOP to another for professional services (agreements/contracts between departments for services), continuing professional education (payments between departments for CME and CNE), and other internal purchases of goods or services.

   b. Transfers for general funding support should be processed on a budget revision via the Budget Revision System.

   c. IPFT transactions involving State funds (funds 10xxxx, 11xxxx, 12xxxx, 9Dxxxx, 9Exxxx, and 9Fxxxx), Federal funds (funds 21xxxx), Agency funds (funds 80xxxx), and certain other current restricted funds cannot be submitted on an IPFT. Contact Accounting Services for assistance in processing these types of transactions.

   d. IPFTs are not to be used to transfer expenses between FOPs normally processed on an interdepartmental cost transfer request (see HSC OP 50.18) or to transfer revenues normally processed on a budget revision or journal voucher.

2. **Procedure.**

   a. The Financial Transaction System (FiTS) IPFT (Internal Purchase Funding Transfer) module should be used to submit all IPFT requests. The FiTS can be accessed directly at https://fits.app.texastech.edu/index.gsp or via the WebRaider portal, F&A Work Tools tab, Finance Channel under Accounting Services. Detailed instructions for using the FiTS are located at http://www.fiscal.ttuhsc.edu/fsm/fitstraining.aspx. An IPFT request may be initiated by either the department receiving the payment (Transfer In) or the department being charged (Transfer Out).

   The following timelines should be observed when submitting IPFTs in FiTS.

   1) Month end close occurs on the 10^{th} day of the subsequent month. If an IPFT is submitted between the 1^{st} and the 9^{th} day of the month, the preparer must include a comment in the Comments section of the Questions Attachments Comments tab to indicate the transfer needs to be processed in the prior month, otherwise the transfer may be processed in the month the request is received in the Accounting Services queue.

The IPFT must be in the Accounting Services queue by the next to last business day prior to month end close, otherwise the request will be processed in the current month. The request will be processed in the current month if the request is received on the 10th or the last business day prior to the 10th.

2) IPFTs received at fiscal year-end must be submitted in accordance with HSC OP 50.30 Year-End Close Processes and Deadlines. IPFT requests received after the published year-end processing deadline per HSC OP 50.30 will not be processed unless approval is granted by the Director of Accounting Services. The substance of any IPFT request will be evaluated with respect to compliance with related policies, and with respect to materiality to the Annual Financial Report (AFR).

3. **Responsibilities.**

a. Accounting Services

Fund manager approval is required for all IPFTs in FiTS. Accounting Services is responsible for a secondary proprietary review of IPFTs (except as noted in paragraph 4) below.

1) If the IPFT is deemed to be in compliance with this policy, the request will be approved.

2) If the IPFT is deemed to be noncompliant with this policy, the request will be rejected and the preparer will be notified of the concern(s) via the comments added to the Comments section of the Questions Attachments Comments tab of the FiTS. Accounting Services will not follow up on rejected IPFTs. The preparer must re-submit the request once all issues have been addressed.

3) The IPFT request, including justifications, attachments, comments, and approvals, will be retained within the FiTS as documentation to support the transfer.

4) Accounting Services cannot provide reasonable assurance for IPFT requests involving CMHC funds since adequate supporting documentation is not provided due to HIPPA/privacy laws associated with inmates receiving treatment from TTUHSC departments. Therefore, these IPFTs are not reviewed by Accounting Services.

b. Principal Investigator/Fund Manager

1) Fund Manager approval is required for all IPFTs in FiTS. Fund Managers should ensure that IPFTs include the correct FOPs, amounts and adequate supporting documentation to justify and support the transaction.

2) Compliance with this TTUHSC policy is the responsibility of Fund Managers for all funds, as well as Principal Investigators (PIs) for sponsored project funds. Fund Managers and PIs should arrange for the periodic review of detailed charges to their respective funds. Such review should be followed by the immediate processing of any charges, transfers or appropriate adjustment. Further, the PI is responsible for ensuring that only allowable and allocable costs are expensed against sponsored projects (See HSC OP 65.04). Additional Fund Manager responsibilities are contained in HSC OP 50.03.