

TEXAS SOUTHERN UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Fiscal Affairs
AREA: General Accounting

NUMBER: 03.07.05

TITLE/SUBJECT: Expenditure Redistribution and Correction

I. POLICY STATEMENT

1. When a university department reimburses another department for goods or services provided by a non-service unit of the university, the transaction must be recorded through the use of an Interdepartmental Order form (IDO) or journal entry. The IDO or journal entry will credit the service provider's cost center and will charge the procuring department's cost center. When a university department needs to correct an expenditure which has posted against a cost center or account improperly, the appropriate process to make this correction depends on the type of transaction (payroll or non-payroll) and the type of funds involved (all state, all local, or state and local). The matrix below indicates the appropriate process to use for each type of expenditure correction:

<u>Type of Expenditure Correction</u>	<u>Type of Funds</u>	<u>Process/Document</u>	<u>Submit Form To</u>
Non-payroll	Local to local	Journal Entry	General Accounting
	State to state	Journal Entry	General Accounting
	State to local	Voucher payable to TSU	Accounts Payable
	Local to state	Voucher payable to Comptroller	Accounts Payable
Payroll	All	Payroll Redistribution	Payroll

2. Both payroll and non-payroll redistributions must include adequate documentation to indicate when and where the expense originally posted. Payroll redistributions require adequate documentation in the form of a Banner report for the pay periods being reallocated, while non-payroll redistributions require a printout or Excel listing from Banner with the transaction or balance underlined.
3. Expenditure corrections must conform to this policy; those not meeting the standards described will not be processed.

II. PURPOSE AND SCOPE

The purpose of this policy is to define the allowable and appropriate method for university departments to use to reimburse another department for goods or services provided by a non-service unit of the university, or to correct an expenditure which has posted to the incorrect cost center or account.

III. DEFINITIONS

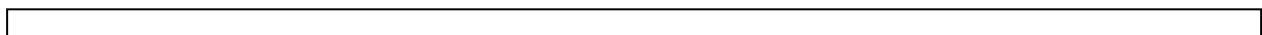
- A. Non-service Units: All university departments not specifically authorized as service centers.
- B. Service Centers: Service departments from which university departments may obtain goods or services via non-cash transactions called Service Center Requisitions.

IV. POLICY PROVISIONS

LIMITATIONS ON TYPES OF TRANSACTIONS ALLOWED

The following restrictions apply to expenditure redistributions and corrections:

1. Acquisition of goods and services from authorized university service centers should be made on a service center request which is typically processed via an Interdepartmental Order (IDO) form. However, high volume transactions, such as postage, long distance, and telephone charges may be processed on a journal entry form without an IDO.
2. A journal entry may not be used for payroll redistributions and adjustments. The Payroll Redistribution process must be used for those transactions.
3. Equipment and furniture transfers between university departments are not financial transactions; therefore, journal entries may not be used to document such transfers. The appropriate Property Management forms must be used.
4. Redistributions or corrections charging (debiting) state-appropriated funds are only allowed when the charge is reimbursable under state purchasing guidelines. Only expenditure accounts may be used with these redistributions.
5. In accordance with good business practices, the university requires departments to reconcile cost centers on a monthly basis. Consequently, all units must process redistributions and corrections within ninety (90) days of the transaction date. At the end of the fiscal year, the time frame is shortened to meet the end-of-year processing cycle.
6. Prior fiscal year payroll and non-payroll redistributions will not be permitted. Redistribution of contract and grant expenditures must be processed in accordance with the rules provided by the Office of Research Financial Services.
7. All expenditure corrections and redistributions for sponsored project cost centers must be approved by the Office of Research Financial Services before they are processed.
8. It is the certifying signatory's responsibility to ensure that expenditure transfers to a different FOAPAL are appropriate and in compliance with the requirements or restrictions of the fund.



V. APPROVALS

Christina Ordonez-Campos, CPA

Controller

Kenneth Huewitt

Vice President of Administration & Finance/CFO

[Handwritten Signature]

President

Effective Date 5/9/2018

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