



uOttawa

L'Université canadienne
Canada's university

Financial Transactions Guide

Financial Resources

Version – May 1st, 2020

FINANCIAL TRANSACTIONS

Two types of registers are maintained in the financial system, namely the budget and the general ledger. The budget data is initiated at the beginning of the year, whereas the general ledger contains financial transactions like deposits, salaries, invoice payments and other accounting transactions made throughout the year. To maintain these two registers, **budget transfers** are done to make changes to the budget, and **journal entries** are used to make changes to the general ledger.

The section below differentiates two types of transactions at the University.

a) Budget transfers

A budget transfer is a financial transaction used to adjust or to change fund allocations in the effective budget and/or the base budget during the fiscal year. It can involve transferring funds from one unit to another or from one expense/revenue account to another.

It is also possible to make a transfer to increase the expense and revenue budget to account for revenue that was not included in the initial budget forecast. In order to be approved by the Financial Planning Service, these transfers require supporting documents justifying the new revenue.

Faculties and services can initiate transfers; however, the Financial Planning Service must approve them before being posted to both the FAST and Banner financial systems.

Transfers affecting regular salary accounts must refer to the actual position number so that available funds can be properly tracked under the "Current Year Budget by Position" in Fast, Finance Reporting.

For the transfer request to be processed by the Financial Planning Service, the funds in question must be available.

A budget transfer should not be made to correct an accounting error in a journal entry, a payroll entry, an invoice, a deposit, etc. The original transaction must be reviewed to determine the appropriate type of correcting transaction required.

Budget transfers are only allowed within the same fund types (ex. 1000 funds). If you have to transfer an amount to another fund, you must use a journal entry and the proper transfer accounts (See Section b)i) Interfund transfers)

For the steps involved in making budget transfers in the financial system, consult the [Guide de l'utilisateur – Virements et interrogation des données](#) (only available in French).

b) Journal entries

Journal entries are financial transactions in the general ledger and include posting error corrections and year-end adjustments.

For the steps involved in preparing journal entries in the financial system, follow the mandatory training on [Journal entries and general ledger](#).

The following section differentiates types of journal entries.

(i) Interfund transfers

Since budgetary transfers between different types of funds are not permitted, a **journal entry** using transfer accounts 597xx and 797xx is required. It is important to use the correct transfer accounts for both revenues and expenses (See **Appendix 1**).

Example: Transfer from operating fund to trust fund

F	O	A	P	A	L	Debit	Credit	Description
1000	110833	79741	1001	-	-	\$3,000	-	Trsf to Trust Fd
81190	310999	59711	4530	-	-	-	\$3,000	Trsf from Oper. Fd.

When the journal entry is posted to the general ledger, the faculty or service having received the funds might, depending on the circumstances, have to complete a **fund transfer** to increase the revenue and expense budget in order to make the funds in question available for budget control purposes.

(ii) Internal recovery

Internal recovery entries are required when a faculty/service charges another faculty/service for goods or services. Although this represents an income for the unit offering the goods or services, it does not represent an income for the University as a whole. It is therefore important to include this type of income in internal recovery accounts in order to ensure the quality of the financial data presented in the University's annual budget and financial statements.

The internal recovery accounts and their associated expense accounts are listed in **Appendix 2**. For example, if a faculty wants to charge another faculty for printing costs, it must increase (credit) the revenue account 51041 in its FOAP and increase (debit) the other faculty's FOAP with the 7100x expense account with a journal entry in Banner.

Example: Internal recovery of costs from the operating fund to a research fund

F	O	A	P	A	L	Debit	Credit	Description
211051	170799	71062	2001	-	-	\$994.10	-	Lab. Supplies
1000	170106	51042	1001	-	-	-	\$994.10	Recovery Supplies
211065	170399	71421	2001	-	-	\$581.09	-	Monthly internet fees
1000	170106	51053	1001	-	-	-	\$581.09	Recovery internet

(iii) Labour redistributions

The financial system does not allow journal entries using salary accounts except in the 69xxx accounts. When a correction is required on a salary account, a labour redistribution must be prepared.

The steps involved in completing labour redistributions in the financial system, are available in the [Guide de l'utilisateur - Redistribution des salaires](#) (only available in French).

APPENDIX 1 – INTERFUND TRANSFER ACCOUNTS

Since budgetary transfers between different types of funds are not permitted, a **journal entry** using transfer accounts 597xx and 797xx is required. It is important to use the correct transfer accounts for both revenues and expenses.

* The new “environmental tax” represents a percentage of the transportation cost charged to the faculty/service and transferred to a capital fund for “green” initiatives and environmentally friendly projects. This will take effect starting May 1st, 2020 using transfer accounts 59201 and 79201.

ACCOUNT	ACCOUNT TITLE
Revenues	
59201*	Transfer from environmental tax
59711	Transfer from operating fund
59712	Transfer from ancillary enterprises
59721	Transfer from research fund
59722	Transfer from research fund – Research time stipends (RTS)
59723	Transfer from in-kind donations – Canadian Foundation for Innovation (CFI)
59724	Transfer from research fund – overhead costs
59741	Transfer from trust fund
59761	Transfer from endowment fund
59762	Transfer - internal matching
59791	Transfer from capital fund
Expenses	
79201*	Transfer to environmental tax
79711	Transfer to operating fund
79712	Transfer to ancillary enterprises
79714	Transfer to operating fund – Overhead costs
79721	Transfer to research fund
79722	Transfer to research fund – Research time stipends (RTS)
79723	Transfer to in-kind donations – Canadian Foundation for Innovation (CFI)
79724	Transfer to research fund – Overhead costs
79741	Transfer to trust fund
79744	Transfer to trust fund – Overhead costs
79761	Transfer to endowment fund
79762	Transfer - internal matching
79791	Transfer to capital fund

APPENDIX 2 – INTERNAL RECOVERY ACCOUNTS

Description - Expense	Expense account	Recovery account	Description - Recovery
Salaries and employee benefits			
Academic salaries	61 69001/69201:03/ 69301	51001	Academic salary External contract academic salary
Support staff salaries	63 6901x/69204:69207	51002	Support salary External contract support salary
Employee benefits	65, 66 et 67 69021 6922x	51003	Employee benefit External contract employee benefits
Physical resources, utilities and property taxes			
Maintenance	704	51017	Building maintenance
Rental	702	51018, 51019	Rental building
Water	7121x	51020	Water
Fuel oil	7122x	51021	Fuel oil
Electricity	7124x	51022	Electricity
Natural gas	7127x	51023	Natural gas
Property taxes	7220x	51024	Property taxes
Equip. & office furniture - purchase, rental & mtce			
Furniture and equipment rental	706	51031	Equipment rental
Furniture and equipment purchase (less than 5K\$)	707	51032	Equipment purchase
Furniture and equipment maintenance	708	51033	Equipment maintenance
Security system maintenance	70875	51034	Security system
Supplies			
Printing	710xx	51041	Printing
Supplies	7103x, 7106x, 7107x, 7108x, 7109x	51042	Supplies
Communications			
Postage	7191x	51049	Postage
Courier	7190x	51050	Courier
Long distance calls	7140x	51051	Long distance calls
Telephone	7141x	51052	Telephones
Internet	7142x	51053	Internet
Travel			
Taxis and parking	71116	51059	Parking
Travel and Field trips	711xx	51060	Field trips
Professional fees			
Professional fees	718xx	51067	Professional fees
External security	71805	51035	External security
Interest and bank fees			
	723	51075	Interest
Other expenses			
Items for resale	7355x	51080	Items for resale
Insurance	713	51074	Insurance
Commissions and royalties	721	52983	Commissions and royalties
Staff training	729	51078	Staff training
Collection fees	725	51076	Collection fees
Protection fees	73583	51079	Protection fees
Overhead fees	726	51077	Overhead
Other expenses - Operations	735	529	Recovery - Operations