

How to handle deficit balances

(Listed in order of preferred process method)

- 1) Move **expenses** off an index/fund/org in deficit balance via EPET (Electronic Payroll Expense Transfer) or ENPET (Electronic Non-Payroll Expense Transfer), commonly referred to as [Cost Transfer](#):

The EPET and ENPET systems are designed to improve accuracy and efficiency in cost transfer transactions. Both systems allow a department to move expenses from the index associated with the fund/org that is in a deficit to an appropriate index/fund/org with an available balance.

This method is **preferred** because it maintains the expense audit trail of the original source document for the expense, which is an important factor of moving expenses off/to a restricted or sponsored research fund.

Contact: [BFS OPAFS-Cost Transfer](#)

- 2) Sponsored Research Fund: To handle a deficit balance on a sponsored research fund, the department may create a **budgetary** journal, using the **EMF** approval template, if:
- the original allocation has yet to be processed (document number (D#) starts with BA)
 - [rebudgeting](#) is needed (document number (D#) starts with BE)

(The D# format is generally: the first two characters described above, followed by the first 3 characters of the index prefix, ending with a 3 digit sequential number – i.e. *BABFS123 is a budget allocation D# for a BFS index*)

****One exception: you cannot move funds that are restricted (such as participant support costs, or NIH restrictions) on sponsored research funds without agency approval.**

Contact: [OPAFS accountant](#) for guidance ([click here](#) to search for the accountant by fund)

- 3) Non-sponsored **same fund/different org**: Transfer **expense budget** allocation to a non-sponsored research fund/org that is in deficit **from the same fund**, but a **different org that has an available balance**. The department needs to have financial authority of both organizations, allowing the department to execute the budget transfer on their own using the: [Online Transfer of Funds](#) tool. Contact: [Your local VC Business Office](#)
- 4) Non-sponsored **different fund/different org**: Swap **budget** allocation between different funds and orgs. The table below displays an example of an actual Transfer of Funds (TOF) entry. The document number starts with “T”.

For budgeted core funds, execute a budget swap involving available budget in a different core fund. *For example:* If a department has a deficit in fund 69750A, but has available allocation in fund 99100A, they can execute a budget swap with their VC office or another department in their division that has available budget in funds 69750A and 99100A. **The VC office needs to be included in the coordination of this process.** The budget entries in each fund need to net to zero. In this example, a budget transfer would be initiated as follows:

NOTE	Seq#	Class	A	Index	Fund	Orgn	Acct	Prog	Lctn	Debit	Credit	+/-	Description
Dept	001	B014	A	ABC1234	69750A	416xx1	63xxxx	44xxxx		3,000.00	0.00	-	Swap for SOFI Funds
VC	002	B014	A	BCD1234	69750A	436xx0	63xxxx	43xxxx		0.00	3,000.00	+	Swap for SOFI Funds
VC	003	B014	A	BCD4567	99100A	436xx0	63xxxx	43xxxx		3,000.00	0.00	-	Swap for SOFI Funds
Dept	004	B014	A	ABC5231	99100A	416xx1	63xxxx	44xxxx		0.00	3,000.00	+	Swap for SOFI Funds

Contact: [Your local VC Business Office](#)

- 5) Move **expenses** via an online financial journal voucher: Move **expenses** from the index/fund/org that is in a deficit to an **appropriate** discretionary index/fund/org via a financial journal. This method should only be used when an ENPET or EPET is not possible. The audit trail is not retained. Moving expenses using a financial journal should be limited to unrestricted funds; or **Gift to Gift fund** or **Gift to Non-sponsored fund** (Gift funds use account 638097 and the GFT approval template).

Contacts:

- Non-sponsored research fund [General Accounting](#)
- Gift fund Regentsgiftindex@ucsd.edu

If trying to move expense involving a Sponsored project fund, please contact your [OPAFS accountant](#) for guidance