Appendix B: Detailed Guidance on Object Code Usage for Internal Transfers

Part I: Operating Income Transfers

The table below provides a list of income transfer object codes and their recommended usage. The object codes that are used for assessments are further discussed in the University's Administrative Assessments Policy.

Used with transfers where income is moved within a fund or from one fund to another and **where, as a result, the expenditures are recognized in the unit receiving the funds.** The same code must be used for both sides of the journal entry.

Code	Description	Recommended Use
4351	Gift Transfers, Intra-Fund^ Current Use Gifts	Gift transfers within one tub and fund. Used to change org, activity, sub-activity or root only (i.e., must net to zero by tub and fund). *Note: Current Use Gifts are initially credited to object code 4350, which is a "Central Only" code and may not be transacted to by tubs.*
4411	Treasurer's Distribution Transfers, Intra-Fund^ Treasurer's Distr on Endow	Treasurer's Distribution transfers within one tub and fund. Used to change org, activity, sub-activity or root only (i.e., must net to zero by tub and fund). *Note: The Treasurer's Distribution is initially credited to object code 4410, which is a "Central Only" code and may not be transacted to by tubs.*
4531	GOA Interest Transfers^Interest Income, GOA, Tub Net Assets	Used to transfer GOA interest income to the appropriate 33-digit string, generally within one tub/fund. Interest income on restricted funds must be used in accordance with donor terms, and generally may not be transferred out of the fund. Restricted fund interest income coding for tub, org, activity, subactivity, or root may be changed using this object code. This object code must always net to zero. *Note: Interest income is initially credited to object code 4530, which is a "Central Only" code and may not be transacted to by tubs.*
5910	Income Transfer for Subvention/Support, INTRATUB	Used for transfers of income within a tub or multi-tub school[1]. An income transfer is used when the transfer is a funding source for a current year activity. In this case, the department receiving the funding transfer recognizes the expenses for the activity being supported, and therefore incurs the full University assessment[2] on these expenses. Both the debit/charge and credit must be booked to this code. *Notes:* *– This is the default transfer object code used for intratub income transfer activity.* *– This object code may **not** be used to transfer an operating surplus or deficit from one fund to another. Such transactions must be transferred below the line using the 9300+ range of object codes, if permitted (see Section C).* *– **This object code may not be used for transfers** where a restricted gift or endowment fund is on one side of the entry while the other side of the entry is a different fund (either unrestricted or restricted). The section of this policy entitled "Transfer considerations for restricted funds" contains further information on how to transfer monies to or from restricted funds.*

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[1] An example of a multi-tub school is FAS, which consists of eight distinct tubs (e.g., FAS Core, the College, FAS Continuing Education, Athletics, etc.). Other multi-tub schools include HKS, HBS and HMS. Tubs that comprise a multi-tub school (e.g., FAS Core or the College) are expected to use the appropriate intratub income transfer code (e.g., 5910 or 5920) with other tubs within its multi-tub school, but 5921 for transfers with tubs outside of its multi-tub school. Any tub that is not part of a multi-tub school is expected to use 5921 for all of its income transfers with other tubs (e.g., GSD would use 5921 for income transfers with the College or with HLS).

[2] The University assessment covers the costs of Central Administration and is charged to all of the schools and business units outside of Central Administration.

Part I, continued: Operating Income Transfers

Code	Description	Recommended Use
5920	Income Transfer of Operating Income, INTRATUB	Used for transfers of income within a tub or multi-tub school. An income transfer is used when the transfer is a funding source for a current year activity. In this case, the department receiving the funding transfer recognizes the expenses for the activity being supported, and therefore incurs the full University assessment on these expenses. *Notes:* - *Transfer object code 5910 is the default object code used for intratub income transfer activity. Individuals booking intratub income transfers must contact their tub financial office for guidance on when transfer object code 5920 may be used.* - *This object code may __not__ be used to transfer an operating surplus or deficit from one fund to another. Such transactions are transferred below the line using the 9300+ codes, if permitted (see Section C).* - **This object code may __not__ be used for transfers** *where a restricted gift or endowment fund is on one side of the entry while the other side of the entry is a different fund (either unrestricted or restricted)*. *The section of this policy entitled "Transfer considerations for restricted funds" contains further information on how to transfer monies to or from restricted funds.*
5921	Income Transfer of Operating Income, INTERTUB	Used to record income transfers between tubs. An income transfer is used when the transfer is a funding source for a current year activity. In this case, the department receiving the funding transfer recognizes the expenses for the activity being supported, and therefore incurs the full University assessment on these expenses. Both the debit/charge and credit must be booked to this code*.* *Note:* **This object code may __not__ be used for transfers** *where a restricted gift or endowment fund is on one side of the entry while the other side of the entry is a different fund (either unrestricted or restricted)*. *The section of this policy entitled "Transfer considerations for restricted funds" contains further information on how to transfer monies to or from restricted funds.*
5922	Income Transfer for Academic Initiatives Fund, INTERTUB	Used to record the annual Academic Initiatives Fund (AIF) tub-level assessment. The AIF assessment is calculated based on a formula that considers the tub's a) year-end endowment assets and b) non-sponsored, non-student salaries and wages (50% each).
5930	Administrative Fees to Income, Internal, INTRATUB	Used for income transfers within a tub or multi-tub school to cover administrative costs. In particular, used to record tub-level assessments on endowment income. Both the debit/charge and credit must be booked to this code.

Part II: Operating Expense Transfers (A21 Activity Required)

The table below provides a list of expense transfer object codes and their recommended usage. The object codes that are used for assessments are further discussed in the University's Administrative Assessments Policy.

Used with transfers of expenses within a fund or from one fund to another and **where, as a result, the expenditures are recognized in the unit being charged/debited**. The same code must be used for both sides of the journal entry.

Code	Description	Recommended Use
6432	Transfer of Graduate Tuition and Fee Grants, Internal GENERAL	Used to transfer graduate student tuition and fees from one Harvard unit to another.
6442	Transfer of Graduate Stipend Grants, Internal, GENERAL	Used to transfer graduate student stipend support from one Harvard unit to another. Use this object code for stipends or fellowships only; do not use for transfer of salaries.
6490	Recovery of Scholarships and Awards, GENERAL	Used to record student support from external sources (e.g., the Broad Institute, MIT, affiliated hospitals). Do not use to record transfer of funds from other Harvard units. Do not use for salary recoveries, use 6230 instead.
7632	GOA Interest Transfers^Interest, Other, Internal	Used to transfer GOA interest expense to the appropriate 33-digit string, generally within one tub/fund. Interest expense transferred to restricted funds must comply with donor terms. This object code must always net to zero.

Note: Interest expense is initially charged to object code 7630, which is a "Central Only" code and may not be transacted to by tubs. |
| 8921 | Expense Transfer for Subvention/Support, Internal | When transferring expenses from one unit to another, use the specific relevant expense object codes(s). When it is impractical to record the reimbursement in the original object codes where the expenses were incurred, this code may be used for the reimbursement (e.g., where the reimbursement is for a group of expenses, such as sharing the costs of a conference). Also used for various fees/service center recoveries. Both the debit/charge and credit must be booked to this code. An expense transfer is used to allocate current year costs to the unit(s) that are benefiting from the activity. The allocation of expenses determines who bears the cost of the related University Assessment.

*Note: **This object code may not be used for transfers** where a restricted gift or endowment fund is on one side of the entry while the other side of the entry is a different fund (either unrestricted or restricted). Section 4 of the procedures in this policy contains further information on how to transfer monies to or from restricted funds.* |
| 8922 | Transfer of Admin Fees, Internal, GENERAL | Used for administrative assessments against various types of funds. In particular, used to record tub-level assessments on gift expenses. Both the credit to the unit assessing the fees and the charge to the fund assessed must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.).

Note: Gift assessments must be calculated based upon expenses incurred in the gift fund. |
| 8923 | Space/Occupancy Fees to Expense, Internal, GENERAL | Used for space/occupancy allocations to various types of funds. Both the credit to the unit allocating the costs and the charge to the fund must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.). |
| 8924 | Transfer of Overhead, Internal, GENERAL | Used for overhead allocations to various types of funds. Both the credit to the unit allocating the costs and the charge to the fund assessed must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.). |

Part II, continued: Operating Expense Transfers			

Code	Description	Recommended Use
8925	Transfer of Faculty Start-up/Research Costs, Internal, GENERAL	Used for allocations of faculty start-up and research costs to various types of funds. Both the credit to the unit allocating the costs and the charge to the fund must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.).
8926	Transfer of Departmental Administrator/Office Support Costs, Internal, GENERAL	Used for allocations of departmental administrator and office support costs to various types of funds. Includes administrative costs incurred by one department that is performing administrative services on behalf of another department. Both the credit to the unit allocating the costs and the charge to the fund must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.).
8927	Transfer of Instructional Support Costs, Internal, GENERAL	Used for allocations of instructional support costs for teaching fellows/assistants to various types of funds. Both the credit to the unit allocating the costs and the charge to the fund must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.).
8928	Transfer of Faculty Recruitment/Relocation Costs, Internal, GENERAL	Used for allocations of faculty recruitment and relocation costs to various types of funds. Both the credit to the unit allocating the costs and the charge to the fund must utilize this code (i.e., since debits and credits to this code must net to zero, the balance of this code must always be zero.).

Salaries must be transferred using the original salary object code. If the fringe allocation is not suppressed within a salary transfer journal entry, related fringe costs will automatically be transferred within the current fiscal year. When prior year salaries are transferred, the fringe allocation must be suppressed within the transfer journal entry, and the fringe must be manually calculated and transferred in order to ensure the correct prior year fringe rate is used (rather than the current year fringe rate).

The following codes are NOT transfer object codes and are expected to be used for external recoveries, as described below.

Code	Description	Recommended Use
6230	Recovery of Salaries+Wages, GENERAL	Used to record recoveries for salary costs from external sources (e.g., Medical area hospitals).
6370	Recovery of Employee Benefits, GENERAL	Used to record recoveries for fringe benefit costs from external sources (e.g., Medical area hospitals).

As an exception, the salary recovery codes are also used for the capitalization of compensation costs to construction-in-progress (CIP) or work-in-progress equipment (WIP) projects. The following entries indicate how compensation costs would be capitalized to a CIP project.

To capitalize wages:
Object code 6230 (Recovery of Salaries + Wages, General) is credited and 1460 (CIP, CIP Salaries Capitalized) is debited.

To capitalize fringe benefits:
Object code 6370 (Recovery of Employee Benefits, General) is credited and 1461 (CIP, CIP Benefits Capitalized) is debited.

For a WIP project, the entries would be similar but with debits to WIP object codes instead of CIP object codes. There are separate WIP object codes for debt-financed, non-sponsored and sponsored WIP equipment:

1140	Equip, Debt-financed, WIP
6811	Non-Sponsored Work in Progress^Equip >=$5000
6812	Sponsored Work in Progress^Equip >=$5000

There are no WIP equipment object codes specific to capitalized salaries and benefits.

Part III: Non-Operating Transfers

The non-operating transfer object codes are used for transfers that are non-operating in nature. Examples of non-operating transfers include:

- Transferring the entire balance of a fund to another fund based upon a donor request or because the fund is being closed out to another fund
- Transferring monies between fund groups, including transfers to establish unrestricted undesignated (UD) reserves or other UD fund balances
- Transferring the net surplus or deficit of a particular activity
- Transferring an amount to correct a prior-year non-sponsored, non-restricted donor fund transaction (Note: Corrections to prior-year expenses in **sponsored or restricted donor funds** must be transacted through the specific expense object code(s), not the non-operating transfer object codes.)
- Any other transfers that should not affect each unit's operating results

<u>Note:</u> **This object code may <u>not</u> be used for transfers where a restricted gift or endowment fund is on one side of the entry while the other side of the entry is a different fund (either unrestricted or restricted), unless it is a funding entry for a CIP or WIP project.** The section of this policy entitled "Transfer considerations for restricted funds" contains further information on how to transfer monies to or from a restricted fund.

When using non-operating object codes, the net of the transfer must be zero within the non-operating object code range.

The code chosen for each line of the entry is based on the other side of the entry – that is, where the funds are going to or coming from. For example, when transferring a fund balance from an unrestricted undesignated fund to an unrestricted designated fund, the entry would be as follows:

DEBIT   Object code: **9301** *Transfers to/from Unrestricted Undesignated (UU) Balances*   Fund: **UD** (e.g., 000002)
CREDIT Object code: **9302** *Transfers to/from Unrestricted Designated (UD) Balances*   Fund: **UU** (e.g., 000001)

Individuals booking transfers are encouraged to contact their tub financial office for guidance to ensure appropriate use of the non-operating object codes. Note that only those individuals whose responsibility includes use of the non-operating transfer object codes will be able to process non-operating transfers.

Code	*Description*
9300	GOA Transfers within Fund Groups (*Note: Both the debit/charge and credit are expected to be booked to this object code.*)
9301	Transfers to/from Unrestricted Undesignated Balances
9302	Transfers to/from Unrestricted Designated Balances
9303	Transfers to/from Unexpended Endow Fund Balances
9304	Transfers to/from Current Use Gift Balances
9305	Transfers to/from Non-federal Sponsored Grant Balances
9306	Transfers to/from Non-federal Award Balances
9307	Transfers to/from Federal Grant+Contract Balances
9308	Transfers to/from Construction Gift Balances
9309	Transfers to/from Student Loan Funds
9310	Transfers to/from Fac+Staff Loan Funds
9312	Transfers to/from Other GOA Balances