

Transfer of Expenditure (TOE) Training

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Purpose of a Transfer of Expenditure

Purpose: To transfer actual expenditures from one GL account to another GL account.

Common reasons for TOEs

- A vendor payment was charged to an incorrect project or department.
- An employee's salary and benefits were charged to an incorrect project or department.
- An expenditure was charged to multiple GL accounts and the GL distribution is incorrect.

Cost Principles for Federal Programs

Expenditures charged, or transferred, to a federal program must meet all of the following cost principles under the OMB Uniform Guidance.

- Be necessary and reasonable for the performance of the Federal award
- Be allocable. A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with relative benefits received.
- Be accorded consistent treatment

POLICY: An expenditure cannot be partially charged to a Federal award unless there is documented justification for the percentage distribution and the distribution method is reasonable.

Accessing the TOE Form

The TOE form is posted online on the Fiscal Services webpage in two formats (PDF and Excel).

- In PDF

https://rscdd.edu/Departments/Fiscal-Services/Documents/FISCAL_FORMS/TOE%20Template%20-%20Protected%20Blank.pdf

Preparing a TOE

1. Enter the employee name, college and department who is submitting the TOE.
2. Enter the suggested posting Date.
3. Enter the total amount of expenditures you are requesting to transfer. The transfer total, total debits, and total credits should all equal.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
REQUEST FOR TRANSFER OF EXPENDITURES

TO: Accounting Department	Accounting Use Only Posting Reference: _____
FROM: Name College - Department Name	
Date: 	

NOTE: This is not a fund transfer form. Please check with the Accounting Department if you have any

Please transfer: \$ - in Expenditures

Fund XX	Project XXXX	TOPS XXXXXX	Department XXXXX	Object XXXX	Amount
DEBIT:					
(TO)					
TOTAL:					-
CREDIT:					
(FROM)					

Preparing a TOE (cont.)

4. Enter the GL account(s) where the expense is currently charged and the expense amount in the “CREDIT (FROM)” section.

5. Enter the GL account(s) where the expense will be transferred to and the expense amount in the “DEBIT (TO)” section.

Please note: If you’re transferring a negative expense (i.e. a credit), enter the GL account where the credit is currently charged in the DEBIT section, and the GL account where you want to transfer the credit to in the CREDIT section.

	Fund XX	Project XXXX	TOPS XXXXXX	Department XXXXX	Object XXXX	Amount
DEBIT:						
(TO)						
TOTAL:						-
CREDIT:						
(FROM)						
TOTAL:						-

Preparing a TOE (cont.)

General Rules:

- If transferring payroll expense, you must transfer salaries as well as the corresponding fringe benefits and health & welfare cost on the same TOE. You cannot transfer salaries only.
- You can only transfer payroll expense for one employee per TOE.
- If you need to prepare payroll TOEs for more than 15 employees, you can contact your assigned District Accountant. He/she may be able to help prepare and post these transfers through a batch process.
- Expense amounts included on the TOE should be based on actual expenditures (not estimated expenditures). Expense amounts should be taken from a GL00210 report or similar GL report, not a Cost of Position Worksheet.

Preparing a TOE (cont.)

General Rules:

- For **Federal projects**, when submitting payroll TOEs, you can transfer salaries and benefits related to 1 to 3 payroll cycles on a single TOE as long as the payroll cycles are in the same quarter. If transferring salaries and benefits that cross quarters, please complete 1 TOE for each quarter. The table below shows the payroll cycles included in each quarter.

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1A/B thru 3A/B	4A/B thru 6A/B	7A/B thru 9A/B	10A/B thru 12A/B

- For example: To transfer Jane Doe's salaries and benefits for 1B thru 4B, complete a TOE for 1B thru 3B and another TOE for 4B.

Preparing a TOE (cont.)

General Rules:

- For **Federal projects**, if transferring payroll expense after an Effort Certificate has been completed, your assigned Accountant can help prepare a Revised Effort Certificate.
- For **Federal projects**, an expenditure cannot be partially charged to a Federal award unless there is documented justification for the percentage distribution and the distribution method is reasonable. (For payroll TOEs, the Effort Certificate is documented justification.)
- For **Federal projects** for which we drawdown funds on a reimbursement basis, TOEs need to be submitted and expenses finalized for the drawdown period, before the drawdown is performed. This reduces the risk of overdrawing funds and non-compliance with federal requirements for cash management.
- For **Special projects**, if transferring expense from one award to another award, make sure you are coordinating with the project administrator of the other award. The current approval process only requires approval from the requesting project administrator.

Preparing a TOE

Payroll Items: _____
Payroll# (ex: 1A, 1B) Name of Employee Employee ID #

Other items: _____
PO# Check# Vendor ID Vendor Name

Reason for Transfer: _____

Requested By: _____
Signature Phone No.

6. For payroll transfers: enter the payroll cycle, employee's name, and employee's ID number. For vendor payment transfers: enter the voucher reference and vendor name.

7. Enter a reason for the transfer, sign the TOE as the requestor, and enter a office contact number we can use in case we have questions when processing your TOE.

Required Back-up

- GL0210 report or other detailed GL report showing the GL account(s) where the expense is currently charged and the reference number for the expenditure.
- For Federal projects, if requesting to transfer a portion of an expenditure, include documented justification for the percentage distribution.
- Revised Effort Certificate, if applicable.

Approval Process

For Funds 11, 13, 4x, 6x, 7x, 8x, the approval path for TOEs is:

Administrator > Area VP > VP of Administrative Svcs > Budget Analyst > Assist. VC of Fiscal Svcs

For **Special projects** (Funds 12, 33, or 74), the approval path for TOEs is:

Project Administrator > Resource Development Coordinator > Assigned District Accountant > Fiscal Services Manager

NOTE: The project administrator is responsible for verifying and approving the allowability of the TOE.

Review Tips

Accounting Department's review checklist:

- The TOE form has been completely filled out, including the expenditure reference fields.
- Total debit amounts and total credit amounts are equal.
- Expense amounts are actual expenditures and supported by an accompanying GL report.
- Payroll transfers include the corresponding fringe and health & welfare cost.
- TOEs affecting a Federal program include a Revised Effort Certificate (if applicable).
- TOEs that cross funds or change expense objects are appropriate.
- TOEs have been properly approved.

Questions?
