

Guidelines for using budgeted operating transfers, account 52x8040x

Budgeted operating transfers are used only in the general fund and under limited conditions. In federal and other funds, an agency can do either a nonbudgeted operating transfer or an equity adjustment, as appropriate, instead.

(1) Budgeted operating transfers are sometimes authorized in statute. An agency should provide appropriate statutory reference for this type of transaction.

(2) Budgeted operating transfers are also used in place of prior period adjustments between general and federal or other funds (where general owes a federal or other fund; see note). An agency's match-rate can be adjusted by doing a budgeted operating transfer from general to federal or other funds.

(3) Budgeted operating transfers can also be used for indirect cost draws between general and federal or other funds.

Note. Since equity adjustments that reduce cash do not use budget authority, they are generally not used in the general fund. However, an equity adjustment can be done in certain circumstances. For example, if an agency must refund prior year revenues to an extent that adversely affects their budget, an equity adjustment is an appropriate option (contact your BFM budget analyst). [SDCL 4-8-26](#) provides statutory authority for refunds.