**Internal Sponsorships FSS/PPS No. 03.27**

 **Issue No. 5**

 **Effective Date: 12/15/2021**

**Next Review Date: 02/01/2023 (E2Y)**

**Sr. Reviewer: Director, Accounting**

**POLICY STATEMENT**

Texas State University is committed to promoting proper budgetary control.

1. **DEFINITIONS**
	1. Internal Sponsorship – collaborative funding provided from one Texas State department or other organizational unit to another Texas State department or other organizational unit to support events or activities that are separate and apart from normal academic functions of the institution and that directly involve or benefit students, alumni, or the public.
	2. Restricted Funds (Other Than Sponsored Programs) – those sources of funding restricted to purpose or use by an outside donor or grantor. The funds are accounted for in the restricted fund groups, which have fund numbers beginning with a “4.” In addition to applicable university policies regarding expenditures, the restricted funds must be spent in accordance with the donor’s or grantor’s directive.
	3. Sponsored Programs – activities sponsored, in whole or in part, by sources external to the university for which there is an expectation (implied or specifically stated) on the sponsor’s part for performance, deliverable, or outcome. The university awards sponsored programs through various mechanisms (e.g., grants, contracts, non-teaching consulting services, cooperative agreements, or other legally-binding means of transfer).
	4. Unrestricted Funds – those sources of funding that are not restricted to purpose by an outside donor or grantor. The funds are subject to applicable university policies regarding expenditures

**02. SCOPE**

02.01 This document establishes policies and procedures under which a Texas State University department or other organizational unit may provide an internal sponsorship to another Texas State department or other organizational unit.

02.02 Internal sponsorships are allowable from specified accounts whose revenue streams permit internal sponsorships. Questions regarding the eligibility of funding sources for internal sponsorships should be referred jointly to the Office of Budgeting, Financial Planning, & Analysis and Financial Reporting & Analysis.

02.03 Certain sources of funding are prohibited from providing internal sponsorships due to statutory or other policy restrictions.

02.04 Restricted funds, other than sponsored programs, may provide internal sponsorships to an unrestricted fund when the expenditure is in accordance with the funding source restrictions. Restricted funds are spent before unrestricted funds held in the receiving account for the internal sponsorship.

02.05 Restricted funds, other than sponsored programs, may not provide internal sponsorships to other restricted funds. Expenditures may be recorded to two or more restricted accounts on the payment document to achieve the same objective, provided that each account manager approves the expenditure as meeting the restrictions placed on each source of funding.

**03. PROCEDURES FOR INTERNAL SPONSORSHIP**

03.01 An internal sponsorship is processed via the electronic inter-departmental transfer (e-IDT) transaction. Instructions are maintained on the [Financial Reporting & Analysis Forms & Resources page](http://www.txstate.edu/gao/reporting/forms.html).

03.02 Sufficient detail must be provided to justify internal sponsorship. Additional documentation may be attached as needed.

03.03 Both the sender of the sponsorship and the receiver of the sponsorship will use GL765004. The debit is an expenditure that reduces the available budget in the sender’s account. The credit recorded in the receiver’s account increases available budget, thereby making available budget for event or program expenditures.

**04. REVIEWERS OF THIS PPS**

04.01 Reviewers of this PPS include the following:

Position Date

Director, Accounting February 1 E2Y

Assistant Vice President for Budgeting, February 1 E2Y

Financial Planning, & Analysis

**05. CERTIFICATION STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Finance and Support Services policy and procedure from the date of this document until superseded.

Director, Accounting; senior reviewer of this PPS

Associate Vice President for Financial Services

Vice President for Finance and Support Services