

Restricted Accounting

Budgeting and Purchasing Procedures

Overview

- Logic behind fund structure
- Budgeting procedures
- RQ's for purchases
- Consolidation of funds

Fund Structure

- Restricted “cost centers” mapped to restricted “fund” in new system
- First 4 digits are “engineered”; last 2 digits are “wild cards”
- Two groups of spendable restricted funds:
 - 13XXXX **Management Designated**
 - 2XXXXX **Externally Restricted** (donors, government, company restricted for specific purpose)

Externally Restricted

- First digit is 2
- Second digit indicates source:
 - 0 Donor
 - 1 Endowment earnings (recurring)
 - 3 “Quasi” endowed
 - 6 Federal grants
 - 7 State grants
 - 8 Sponsored programs

Externally Restricted

(cont'd)

- Third digit is purpose
 - 1 Scholarships
 - 2 Capital acquisition
 - 3 Other (may be mixed and/or discretionary)
- Fourth digit is “control”
 - 1 Colleges (instruction)
 - 4 Athletics
 - 5 Library
 - 6 Worship
 - 7 Financial Aid
 - 8 Facilities and/or “Summer Projects”
 - 9 Other

Restricted Budgets

- Budgets are necessary due to funds checking controls at point of RQ entry
- Automatically adjusted quarterly by the 15th of the month following each fiscal quarter
 - February 15th
 - May 15th
 - August 15th
 - November 15th

Restricted Budgets

(cont'd)

- Loaded initially to budget account “pool” as follows:
 - **Scholarships** (third digit in fund is “1”) – to pool 714 – Financial Aid
 - **Capital** (third digit in fund is “2”) – to pool 902 – Capital Acquisition (ORU) or pool 903 – Capital Acquisition (Cityplex)
 - **Other** (third digit in fund is “3”) – to pool 710 – Operating Expense

Restricted Budgets

(cont'd)

- Budgeted account pool may be “re-arranged” through the self-serve budget transfer request
- If funds collected during a quarter need to be spent immediately; request a budget increase after verifying additional funds have been collected
- Budgets for the “Summer Projects” (Green family donations) will be established in full at time of commitment

RQ's for Restricted Funds

- Requisitions are entered through self service the same as operating spending requests.
- Budgeted funds must be available in the correct account pool
- Funds may not be transferred to an account pool other than the designated purpose for the fund
- Michael Brown in Restricted Accounting will review the entry prior to following the approval routing
- The default ORG for the fund has been used to determine approval routing

Consolidation of Funds

- Costly to maintain from an administrative point of view
- If not expected to be used and there is no fund balance, fund may be closed – let Michael Brown know
- If there is a fund balance, a plan should be in place as to the use of the fund – the “fund manager” is responsible for developing the plan
- When permitted and available for a department need, generally the restricted funds should be spent before unrestricted funds are spent
- All funds should be used to meet a necessary expense of the University – should not be thought of as “fun money”
- The use of funds follows the same guidelines as to permitted expenditures as all other University funds