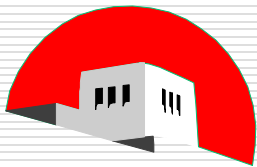


Journal Voucher Guidelines for Reserves, Allocation and Transfer Entries



THE UNIVERSITY OF NEW MEXICO

Presented by Terry Shoebottom

July 14, 2008

in collaboration with:

HSC Budget Office

Main Campus Budget Office

Main Campus General Accounting

HSC Unrestricted Accounting & Reporting

Updated 10/2011



Reserves-What they are

- ❑ Amount remaining (or in deficit) at fiscal year end
- ❑ Finance Systems Management (FSM) rolls surplus or deficit account 1900
- ❑ Must be budgeted to be spent
- ❑ Unrestricted indices only
- ❑ Similar to Starting Balance in your checkbook



Reserves Accounts

- ❑ 1900 – Used only by FSM
- ❑ 1901 – Used to Budget Reserves to be spent in current fiscal year
- ❑ 1903 – Used to move Reserves (1900) to another index



Reserves entries

- ❑ From one index to another to cover a deficit or fund another index
- ❑ To zero out an index that only contains Reserves.
- ❑ Correct prior year entries



Correcting Prior Year Entries

- May be used with UNRESTRICTED indices only
- Used after the year end accounting records are closed
- Use 1903 on both sides of the entry
- Must net to zero

Example: To Change Balances Between Current and Prior Year:

Mary Smith found a \$14,000 equipment purchase error in one of her unrestricted indices. It was made to the wrong unrestricted index [34xxxx] in the prior year. She wants to correct both indices involved by moving the expense to the correct unrestricted index, 21xxxx. Both indices are in the same Fund level 2 and Program level 2.



Thinking Through the Entry:

- ❑ Figure out which index **has too much money**.

hint: it is always the index that was *not* charged the money, but should have been

- ❑ Calculate what remains in the Reserves account of the index that must give up the funds [**has too much money**]



Current Balances in 21xxxx:

Index	Rule	Account	Debit	Credit
	Class Code			
21xxxx	JE2	1900		20,000
21xxxx	JE2	1903	8,000	<u> </u>
		Net of the two accounts:		<u>12,000</u>

-
- You need to move \$14,000
 - This is \$2,000 more than the Reserves account has in it.
 - Always look at the NET balance in the Reserves accounts, 1900 and 1903.

First move what you have:

Index	Rule	Account	Debit	Credit
	Class Code			
21xxxx	JE2	1903	12,000	
34xxxx	JE2	1903		<u>12,000</u>
Effect of entry on the indices:				<u>0</u>

Note that the debit and credit for this entry in 1903 results in “zero” dollars being moved into or out of the account. ***This must always be true of all Reserves, allocation, and 8045 entries.***



Effect on Index 21xxxx:

Index	Account	Debit	Credit	
21xxxx	1900		20,000	[existing]
21xxxx	1903	8,000		[existing]
21xxxx	1903	12,000	<u> </u>	[this entry]
Amount remaining in 1900:			<u>\$</u>	<u>0</u>



Effect on Index 34xxxx:

Index	Account	Debit	Credit
34xxxx	1900		
34xxxx	1903		<u>12,000</u>
Amount of funding moved to 34xxxx:			<u>\$12,000</u>



Allocation Entries

- ❑ moves actual revenue or funding [including budget] between indices.
- ❑ Used to move non-clinical revenue to departments
- ❑ Special account codes should be used to move clinical revenue between departmental indices
FOM Revenue - 0311
UH Revenue - 0341

Allocation Entries *(cont.)*

- ❑ Revenue associated with the same fund level 2 and program level 2.
- ❑ Unrestricted Revenue
- ❑ Generally use 1660-Allocations Other General as both the debit and credit for this entry (not true of clinical allocations)
- ❑ If not budgeted, budget entry must accompany allocation entry



Allocating the remaining \$2,000

Index	Rule	Account	Debit	Credit
	Class Code			
21xxxx	JE2	1660	2,000	
34xxxx	JE2	1660		<u>2,000</u>
Effect of entry on the account:				<u>0</u>

- Your entry will ALWAYS cause the total activity for the account to be zero.** This is true of Reserves, allocation, and 8045 entries, any account used.



Effect of both entries on 34xxxx

Index	Rule Class Code	Account	Debit	Credit
34xxxx	JE2	1903		12,000
34xxxx	JE2	1660		<u>2,000</u>
Total Revenue Received from 21xxxx:				\$14,000

- unless there is at least \$2,000 in budgeted but unexpended funds in index 21xxxx, the allocation portion of this entry cannot be made
- Note also that **NO EXPENSE ACCOUNTS were affected**, even though this is an **expense correction from the prior year**.

Transfer Versus Allocation

- ❑ Movement of funding between programs, for example between Research and Instruction and General (I&G) programs is a transfer.
- ❑ Movement of funding between campuses is considered a transfer, for example between Gallup and Main Campus.
- ❑ Movement from unrestricted to restricted is a transfer, for example cost share
- ❑ Movements within programs, such as moving I&G funds from the Nursing program at HSC to the Pharmacy I&G program at HSC, is an allocation.



Allocations

- ❑ An allocation occurs when funding is moved from one program to a **similar** program
 - F&A School -> Department = allocations
 - RAC -> Tobacco Settlement = allocations
 - Department -> Division = allocations
- ❑ Allocation entries are approved by Financial Services
- ❑ Must be included in budget

Transfers

- Transfers occur when funding is moved from its original source to support another program of the University.
 - Cost share required by Contract or Grant
 - Clinical funds used to support research initiatives
 - Clinical funds used to support educational initiatives
- Transfer entries are approved by the Budget Office.
- Transfers are not appropriate to cover expenditures recorded in the wrong program. Move the expenditures to the correct program.

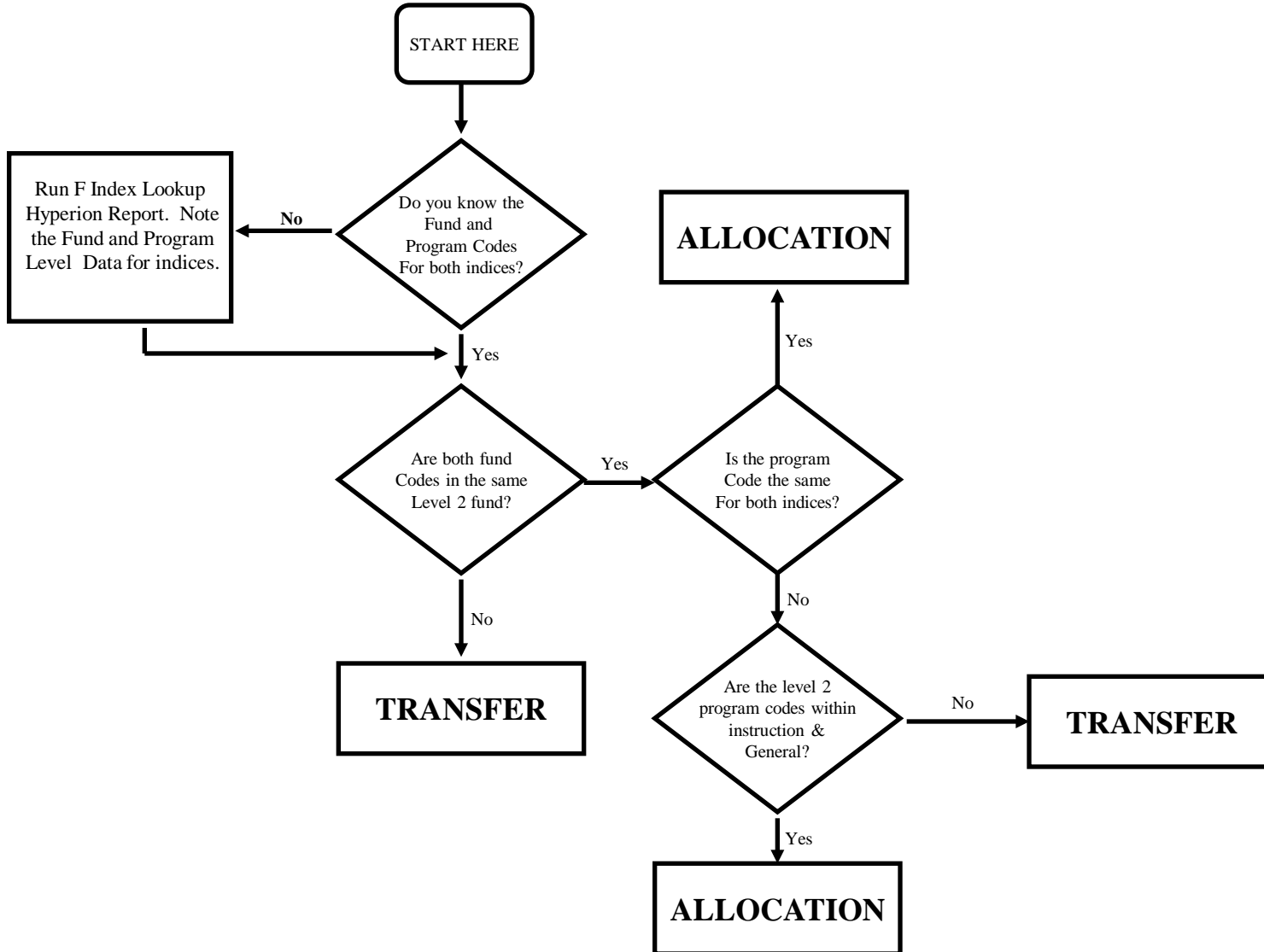
Transfers *(cont.)*

- ❑ A transfer entry is used when an allocation entry is not allowed
- ❑ Used to move funding between Banner Programs [i.e., I&G, Public Service, etc.] or between campuses
- ❑ Allows movement of funding from one Banner Fund Level 2 or Program Level 2 to another

Transfers *(cont.)*

- ❑ A budget entry is also required
- ❑ Uses account codes 1100-12T0
- ❑ Departmental Transferor Security required
- ❑ The 2006 Transfer presentation found at this site will help with more details:
<http://www.unm.edu/~fiscal/docs/TransferPresentation.pdf>

Transfer or Allocation Decision Tree



Allocation/Transfer Aide

Program Level 2 Codes

I&G Funds(3U0044): P09,P10, P11,P12, P13, P14	Treat all these as THE SAME CODE	ALLOCATE between I&G Program level 2 codes
All other funds: P15,P16,P17, P18,P19,P20,P21,P22,P50,P501, P502, P503, P504	Treat each of these as a DIFFERENT CODE	TRANSFER between any of these codes, or one of these codes and an I&G code

Useful Tools

Report Name	Type	Description	Location
Hyperion Report FORH008	Hyperion	Provides a report that will tell you what type of allocation/transfer entry you have, and what to debit/credit	Brio/Finance Reports/F Dept_School_College/FHSC/Fo rh008 hsc transfers allocation
F Index Lookup Report	Hyperion	Allows you to determine fund and program codes for any index	Brio/Finance Reports/Finance Production Reports/F Index Lookup

Example – need to move:

- Funds from index 851039 to index 85103D

- Funds from index 258000 to index 975001



Assistance and Tools

- ❑ Hyperion report Forh008-HSC Transfers Allocation Report can assist in determining type of entry necessary. The report also provides guidance on actual and budget entry preparation.
- ❑ Hyperion report F Index Lookup allows you to determine fund and program codes for any index

HSC Transfers Allocation Report

Browse - tshoe on hyper01.unm.edu - Microsoft Internet Explorer provided by UNM HSLIC

https://hyperprod.unm.edu/Hyperion/browse/Main

File Edit View Favorites Tools Help

Links Customize Links Help Desk HSLIC MyUNM UNMH Intranet Windows

Browse - tshoe on hyper01.unm.edu

Hyperion Performance Suite
hyper01.unm.edu:1800 | tshoe

Browse | BROWSE | SEARCH | PREFERENCES | EXIT | HELP

Brio

- Finance Reports
 - F Dent School College
 - F HSC**

Summary of net balances and balances available by index grouped by fund for a selected org

Feb 4 2008 3:05 PM bqy

FORH005 - Deficit Balances in Unrestricted Indices

Summary of deficit balances by index grouped by fund for a selected org

Feb 4 2008 3:06 PM bqy

Forh008 hsc transfers allocation

Designed to assist departments in preparing budget and actual transfer/allocation entries.

Feb 26 2008 10:31 AM bqy

Foxh003a revenue&expenditures by fund

Summary of revenue and expense of a fund by fund code or fund type

May 6 2008 10:52 AM bqy

Foxh004e operating ledger management report hsc

Comparison of current year budget to actuals and to prior year actuals of same period

May 6 2008 10:52 AM bqy

Foxh006a revenue&expense summary by org

Summary of revenue and expense of a fund by fund code or fund type grouped by organization level code

Feb 4 2008 3:15 PM hqv

Internet 100%



FORH008A Dashboard



University Of New Mexico Finance Reports

FORH008A: HSC TRANSFER/ALLOCATION ENTRY DETAIL

HSC Transfer/Allocation Entry

INDEX COMPARISON FOR TRANSFER/ALLOCATION ENTRY

PLEASE ENTER INDEXES BELOW

Index funds are coming from:

851039

Index funds are going to:

85103D

Compare

Sample Report - Transfer

FORH008A

Transaction Type:
Transfer

Run Date/Ti

Index Funds Are Coming From

Index-Title:

851039: Cardio FOM-Osborn

FOPA:

3U0032-851C06-P222-GNACTV

Fund Type Level 2:

03: CU HSC

Fund Level 2:

3U41: HU UPA

Org Level 2:

AF: VP Health Sciences Center

Program Level 2:

P17: Non Sponsored Pub Svc Unrestr Ex 17

Index Funds Are Going To

85103D: OCA HEP-C ECHO Project-Arora

3U0303-851B10-P168-851108

03: CU HSC

3U56: HU General Clinical Service

AF: VP Health Sciences Center

P16: Research Unrestr Ex 16

Budget Entry

Index-Title:

Rule Class Code: BDT

851039: Cardio FOM-Osborn

Account Code:

- 11A0: Trsfr To Research Gen
- 8060: Other Operating Costs Gen

Budget Entry

Rule Class Code: BDT

85103D: OCA HEP-C ECHO Project-Arora

+ 11F0: Trsfr From Public Service Gen
+ 8060: Other Operating Costs Gen

Journal Entry

Index-Title:

Rule Class Code: JET

851039: Cardio FOM-Osborn

Account Code:

Debit 11A0: Trsfr To Research Gen

Description:

85103D 11F0 (Short Description)

Journal Entry

Rule Class Code: JET

85103D: OCA HEP-C ECHO Project-Arora

Credit 11F0: Trsfr From Public Service Gen

851039 11A0 (Short Description)



An Allocation:



University Of New Mexico Finance Reports

FORH008A: HSC TRANSFER/ALLOCATION ENTRY DETAIL

HSC Transfer/Allocation Entry

INDEX COMPARISON FOR TRANSFER/ALLOCATION ENTRY

PLEASE ENTER INDEXES BELOW

Index funds are coming from:

Index funds are going to:

Additional Information Required



University Of New Mexico Finance Reports

FORH008B: HSC TRANSFER/ALLOCATION ENTRY DETAIL

HSC Allocation Entry

PLEASE SELECT ALLOCATION TYPE

- 1600: Allocate revenue from school/college to department
- 1600: Allocate from department to secondary or faculty index
- 1601: Allocate F&A revenue from school/college to department
- 1610: Allocate dean's funding revenue
- 1620: Allocate revenue from subsidy to department
- 1660: General purpose allocation

[View Report](#)

Sample Report - Allocation

FORH008A

Transaction Type Allocation

Run Date/Time: 06/01/08 11:14 AM

	Index Funds Are Coming From	Index Funds Are Going To
Index-Title:	258000: 213220-HSC GENERAL AC-General Activ	975001: HSC Fin'l Svc-Sponsored Prog Acctg
FOPA:	3U0044-258B-P131-GNACTV	3U0044-975A-P131-975A02
Fund Type Level 2:	03: CU HSC	03: CU HSC
Fund Level 2:	3U1G: HU General I and G	3U1G: HU General I and G
Org Level 2:	AF: VP Health Sciences Center	AF: VP Health Sciences Center
Program Level 2:	P13: Institutional Support Ex 13	P13: Institutional Support Ex 13

	Budget Entry
Index-Title:	Rule Class Code: BD4 258000: 213220-HSC GENERAL AC-General Activ
Account Code:	- 1660: General purpose allocation - 8060: Other Operating Costs Gen

	Budget Entry
Index-Title:	Rule Class Code: BD4 975001: HSC Fin'l Svc-Sponsored Prog Acctg
Account Code:	+ 1660: General purpose allocation + 8060: Other Operating Costs Gen

	Journal Entry
Index-Title:	Rule Class Code: JE2 258000: 213220-HSC GENERAL AC-General Activ
Account Code:	Debit 1660: General purpose allocation
Description:	975001 1660 (Short Description)

	Journal Entry
Index-Title:	Rule Class Code: JE2 975001: HSC Fin'l Svc-Sponsored Prog Acctg
Account Code:	Credit 1660: General purpose allocation
Description:	258000 1660 (Short Description)



Watch out for:

- ❑ Don't use the word "allocate" in a transfer entry
- ❑ Don't use the word "transfer" in an allocation entry.
- ❑ Item text that contradicts the type of Journal Voucher you are making
- ❑ Item text that does not explain where the funds originally came from
- ❑ Submitting the actual dollar entry when no budget exists

Budget Entry:

- To budget Reserves, use account code 1901
- Only that portion of the Reserves that you are anticipating spending in the current fiscal year is budgeted
- You may not use accounts 1900 or 1903 in budget entries
- Negative Reserves must also be addressed in the budget using 1901
- This will reduce the total budgeted revenue and expense

Budget Example:

- ❑ A Department has Reserves in a Public Service index of \$25,000
- ❑ They intend to spend \$15,000 of the balance in the current fiscal year.

Budget Example *(cont.)*

- The budget entry, using the BD4 Rule Class Code, would be completed as follows:

Increase

Decrease

3-XXXXX 1901	+ 15,000	= revenue
3-XXXXX 3100	+ 5,000	= \$15,000 of expense
3-XXXXX 3820	+ 2,000	
3-XXXXX 8060	+ 8,000	

Budget Example 2 *(cont.)*

- Department has negative Reserves in a Public Service index of -\$15,000
- They plan on making up \$5,000 of that deficit during the current fiscal year.

Budget Example 2 *(cont.)*

- The budget entry, using the BD4 Rule Class Code, would be completed as follows:

			Decrease	
3-XXXXX	1901	- 5,000		= decrease in revenue
3-XXXXX	3100	- 4,000	}	=\$5,000 of expense reduction
3-XXXXX	3820	- 1,000		



Budget Entry Summary

- ❑ The money must be budgeted in order for Reserves, an allocation, or a transfer to be approved
- ❑ Budget entries must be prepared at the same time as allocation and transfer entries if the amount has not been previously budgeted
- ❑ Use rule class code BD4 for Reserves and allocation entries



Budget Entry Summary *(cont.)*

- ❑ Use rule class code BDT for transfer entries
- ❑ Use report FORH008 to determine the correct budget entry for transfers or allocations
- ❑ Note that expense account 8060 is a report default. Replace this account with the appropriate account when applicable
- ❑ When changing Reserves, only the amount expected to be spent during the year should be budgeted



Budget Entry Summary *(cont.)*

- ❑ Budget entries must be done in whole dollars; no cents.
- ❑ The giving index cannot have a budget decrease that lowers the budget below what has already been spent.
- ❑ ***The deadline for all budget entries related to transfers is March 31st***

Questions?