Class Objectives

Demonstrate knowledge of basic accounting terms

Explain how we use Fund Accounting with the Integrated System
Class Benefits

What is a GL string and how is it different from my PTAEO?

How do my entries have an impact on the “big picture”?
<table>
<thead>
<tr>
<th>ACCOUNTING</th>
<th>FUND ACCOUNTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>System of recording financial transactions</td>
<td>Emphasizes accountability</td>
</tr>
<tr>
<td>Uses an organized method</td>
<td>Segregating resources</td>
</tr>
<tr>
<td>Necessary for analysis, reporting, and decision making</td>
<td>Used by non-profit orgs/governments, including Higher Ed</td>
</tr>
</tbody>
</table>
Why “Fund” Accounting

• Resources are from a variety of sources

• Must be used appropriately and not comingled

• Requires unique identification and reporting
Chart of Accounts

• Used for classification of financial transactions

• Identifies the fund, function, and organizational unit

• Critical for institutional and managerial reporting
Integrated System
GL Chart of Accounts

- **Entity**
  - List of Values
  - 1X = Local
  - 2X = State
  - 8X = Outside

- **Project**
  - List of Values
  - GL Project
  - Revenue Parent
  - Revenue
  - Revenue/Expense

- **Fund Source**
  - List of Values
  - Restricted
  - Unrestricted
  - State
  - Local
  - Loans
  - Endowment
  - Annuity & Life
  - Plant Funds
  - Debt
  - Agency

- **Object Code**
  - List of Values
  - Balance Sheet
  - Revenue
  - Expense

- **Org**
  - List of Values
  - Departments
  - Staff
  - Business Units

- **Future**
  - List of Values
  - 0000
## Entity

### ‘Entity’ Segment Values

<table>
<thead>
<tr>
<th>State Agency</th>
<th>Agency Code</th>
<th>Local</th>
<th>State</th>
<th>Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>UVA</td>
<td>207</td>
<td>10</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>MED CTR</td>
<td>209</td>
<td>15</td>
<td>25</td>
<td>85</td>
</tr>
<tr>
<td>UVA WISE</td>
<td>246</td>
<td>16</td>
<td>26</td>
<td>86</td>
</tr>
<tr>
<td>SWVA</td>
<td>948</td>
<td>17</td>
<td>27</td>
<td>87</td>
</tr>
</tbody>
</table>
Depositing funds to projects for outside agencies or on behalf of non-UVA organizations

Agencies ‘outside’ UVA include:

• Health Services Foundation
• Darden Foundation
• Law School Foundation
• Non-UVA groups or organizations whose money is held by UVA (for scholarships or other similar purposes):
  • Seven Society
  • Colonnade Club
  • ROTC Scholarships
  • VA Museum of Natural History
What is a Fund?

• Self-balancing set of accounts
• Categorized for specific purposes

• Fund Groups
  • Current
  • Non Current
  • Agency
Fund Groups

Current Funds
- Operations

Noncurrent Funds
- Loan programs
- Endowment activities
- Capital outlay activities

Agency Funds
- Custodial
## Examples of Current Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Current Fund Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>State E&amp;G funds</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td></td>
</tr>
<tr>
<td>Federal/State/Local governments</td>
<td>Grants and contracts</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Administrative distributions</td>
<td>FA cost recoveries</td>
</tr>
<tr>
<td>Private donors</td>
<td>Gifts</td>
</tr>
<tr>
<td></td>
<td>Endowment income</td>
</tr>
<tr>
<td>Revenue &amp; cost recoveries</td>
<td>Sales and services</td>
</tr>
<tr>
<td></td>
<td>Auxiliary enterprises</td>
</tr>
<tr>
<td>Royalties, licenses, etc.</td>
<td>Intellectual property</td>
</tr>
</tbody>
</table>
# Examples of Noncurrent Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Noncurrent Fund Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal government Banks</td>
<td>Loan funds</td>
</tr>
<tr>
<td>Donors</td>
<td>Endowment &amp; similar funds (principal)</td>
</tr>
<tr>
<td>Donors, Auxiliary reserves, FA funds</td>
<td>Capital outlay funds (construction, renovation)</td>
</tr>
<tr>
<td>Student groups</td>
<td>Agency funds</td>
</tr>
<tr>
<td>Foundations</td>
<td></td>
</tr>
</tbody>
</table>
## UVa Fund Source Values

<table>
<thead>
<tr>
<th>State Fund Codes</th>
<th>UVA Fund Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>9999</td>
<td><strong>1000</strong> Current Funds - Unrestricted</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1001</strong> Current Funds - Unrestricted: State &amp; G Fund</td>
</tr>
<tr>
<td>9999</td>
<td><strong>1002</strong> Current Funds - Unrestricted: Local General (Local)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100A</strong> Current Funds - Unrestricted: Tuition and Fees</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1005</strong> Current Funds - Unrestricted: Tuition and Fees (State 0300)</td>
</tr>
<tr>
<td>0306</td>
<td><strong>1010</strong> Current Funds - Unrestricted: Tuition and Fees (Auxiliary 0306)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>1015</strong> Current Funds - Unrestricted: Tuition and Fees (Local)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100C</strong> Current Funds - Unrestricted: State Appropriations</td>
</tr>
<tr>
<td>0100</td>
<td><strong>1020</strong> Current Funds - Unrestricted: State Appropriations (State General Funds 0100)</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1025</strong> Current Funds - Unrestricted: State Appropriations (State 0300)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100D</strong> Current Funds - Unrestricted: Local Appropriations</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1030</strong> Current Funds - Unrestricted: Local Appropriations (State 0300)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100E</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1035</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts (F&amp;A Recoveries 0300)</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1038</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts (SWVA F&amp;A Recoveries 0280)</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1040</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts (F&amp;A Recoveries 0303)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1041</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts (Fed ARRA F&amp;A Recoveries 0303)</td>
</tr>
<tr>
<td>0316</td>
<td><strong>1045</strong> Current Funds - Unrestricted: Fed Grants &amp; Contracts (F&amp;A Rec-Excess 0316)</td>
</tr>
<tr>
<td>0280</td>
<td><strong>1046</strong> Current Funds - Unrestricted: SWVA Fed Grants &amp; Contracts (F&amp;A Rec 0280)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100F</strong> Current Funds - Unrestricted: State Grants &amp; Contracts</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1050</strong> Current Funds - Unrestricted: State Grants &amp; Contracts (F&amp;A Recoveries 0300)</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1051</strong> Current Funds - Unrestricted: State Grants &amp; Contracts (SWVA F&amp;A Recoveries 0280)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1055</strong> Current Funds - Unrestricted: State Grants &amp; Contracts (F&amp;A Recoveries 0303)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100G</strong> Current Funds - Unrestricted: Local Grants &amp; Contracts</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1060</strong> Current Funds - Unrestricted: Local Grants &amp; Contracts (F&amp;A Recoveries 0300)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1065</strong> Current Funds - Unrestricted: Local Grants &amp; Contracts (F&amp;A Recoveries 0303)</td>
</tr>
<tr>
<td>9999</td>
<td><strong>100H</strong> Current Funds - Unrestricted: Private Grants &amp; Contracts</td>
</tr>
<tr>
<td>0300</td>
<td><strong>1075</strong> Current Funds - Unrestricted: Private Grants &amp; Contracts -- Industry (F&amp;A Recoveries 0300)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1080</strong> Current Funds - Unrestricted: Private Grants &amp; Contracts -- Foundations (F&amp;A Recoveries 0300)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1085</strong> Current Funds - Unrestricted: Private Grants &amp; Contracts -- Industry (F&amp;A Recoveries 0303)</td>
</tr>
<tr>
<td>0303</td>
<td><strong>1090</strong> Current Funds - Unrestricted: Private Grants &amp; Contracts -- Foundations (F&amp;A Recoveries 0303)</td>
</tr>
</tbody>
</table>
Restricted? Unrestricted?

• Restricted current funds
  • *Externally* imposed stipulations on their use

• Unrestricted current funds
  • No external stipulations, but the *University* may designate these funds for specific purposes
Basic Financial Reports

Balance Sheet
Income Statement
Cash Flow
Statement of Net Position

Assets - liabilities = Net Position
Debits and Credits: Statement of Net Position (aka Balance Sheet)

Debit (to increase)

- Assets
  - Cash
  - Accounts Receivable
  - Investments
  - Buildings/Equipment

Credit (to increase)

- Liabilities
  - Accounts Payable
  - Deferred Revenue
  - Long-term Debt
Statement of Revenues, Expenses, and Changes in Net Position

Revenue − Expenses =

Change in Net Position

Expenses

Revenues

Change in Net Position
Debits and Credits: SRECNP (aka Income Statement)

Debit (to increase)
- Expenses

Credit (to increase)
- Revenue
Recording Transactions

Journal Entry

Debit

Credit

∅
Fund Accounting at UVa
Sources of Funds

- Commonwealth of Virginia
- Tuition and Fees
- Patient Services
- Gifts
- Grants
- Sales and Services
- Investment Income
# Sources of Funds and Award Prefix

<table>
<thead>
<tr>
<th>Fund</th>
<th>Source</th>
<th>Award Prefix</th>
</tr>
</thead>
<tbody>
<tr>
<td>State E&amp;G</td>
<td>State appropriation Tuition and fees</td>
<td>SG</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>Federal/State/Local governments Industry</td>
<td>G_</td>
</tr>
<tr>
<td>FA cost recoveries</td>
<td>Administrative distributions</td>
<td>FA</td>
</tr>
<tr>
<td>Gifts</td>
<td>Donors</td>
<td>DR, DU</td>
</tr>
<tr>
<td>Endowment income</td>
<td></td>
<td>EI, DI</td>
</tr>
<tr>
<td>Sales and services</td>
<td>Revenue and cost recoveries</td>
<td>SS, LS</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td>SA, LA</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>Royalties, licenses, etc</td>
<td>IP</td>
</tr>
<tr>
<td>Agency</td>
<td>Student groups Foundations</td>
<td>YY</td>
</tr>
</tbody>
</table>
Academic and Medical Center Divisions Combined

TOTAL UNIVERSITY REVENUES AND OTHER SOURCES OF OPERATIONAL FUNDING

- Other: 3.1%
- Auxiliary enterprises revenue, net: 4.7%
- Private gifts: 5.8%
- State appropriations: 6.1%
- Endowment spending distribution: 6.2%
- Grants and contracts: 11.9%
- Student tuition and fees, net: 16.8%
- Patient services: 45.4%
Academic Division

ACADEMIC AND WISE REVENUES AND OTHER SOURCES OF OPERATIONAL FUNDING

- Grants and contracts: 23.0%
- Student tuition and fees, net: 32.5%
- State appropriations: 11.7%
- Endowment spending distribution: 10.5%
- Private gifts: 11.0%
- Auxiliary enterprises revenue, net: 9.0%
- Other: 2.3%
Revenue Projects

Used to record funds received from our sources

Contain the cash that supports award installments

Transaction is recorded in the GL module using the GL String
Uses of Funds

- Instruction
- Research
- Public Service
- Academic support
- Institutional support
- Student Services
- Patient Services
Expenditure Projects

Used to record funds expended

- Contain the budgets for the work that is being done

Transaction is recorded in the GA module using the PTAEO
GA Charging Instructions

PTAEo

Project  Task  Award  Exp Type  Org
Combining Sources and Uses

GL String

Entity  Project  Fund Source  Object Code  Org  Future

One to one

Many awards to one fund source

Many expend types to one object code

One to one

Many awards to one entity

GA PTAEO
P-A Mapping

General Ledger

Revenue Projects

Awards

Expenditure Projects
GL
Revenue

GA
Expenditures

Restricted
General Gifts

Ticket Sales

Concessions

Suite Lease

P_{100309}

P_{100254}

P_{100248}

P_{100245}

P_{100256}

P_{100286}

P_{100262}

P_{100257}

P_{100272}

AT-
Football

AT- Women’s
Rowing

AT-Men’ s &
Women’s
Track

AT-Men’ s
Basketball

AT-Women’s
Basketball

AT-General Gifts

AT-State Revenue

AT-State Rev Award

A_{DR00127}

A_{SA00001}

RP_{0028}
Processing Funds (link)

1. Deposit to REVENUE PROJECT (GL)
   - Tuition & Fees
   - State Funds
   - Sponsored Programs
   - F&A
   - Gifts
   - Investment Income
   - Sales & Services
   - Other

2. Install (allocate funds to) AWARDS (GA)
   - Budget Office
   - OSP
   - Revenue Project

3. Fund PROJECTS (GA)
   - Revenue Project

4. CREATE BUDGETS (GA)
   - EXPEND / DISBURSE FUNDS (GA / GL)
     - Payroll
     - P-Card
     - Vendor Purchases
     - Cost Transfers
     - Journal Entries

5. MANAGE ACCOUNTS (GL & GA)
   - Verify and Troubleshoot as Needed (GL & GA)
Budgeting

• In order to spend money allocated to your project, it must be funded, budgeted, and approved

• The amount of the budget cannot exceed the amount of funding for the project

• Budget at the resource group (high level) or resource (expenditure type)
## Cash vs. Budget

<table>
<thead>
<tr>
<th>Award Prefix</th>
<th>Description</th>
<th>Cash</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG/SR</td>
<td>State funds</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>LG/LC</td>
<td>Institutional funds</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>EI/DI</td>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>G_</td>
<td>Grants and contracts</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>DU/DR</td>
<td>Gifts</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>SA/LA</td>
<td>Sales and services</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>SS/LS</td>
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<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>FA/IP/YY</td>
<td>Various</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Training and Outreach [http://www.virginia.edu/finance/]

Contact info:

- Lynn Galasso  lcg8t@virginia.edu
- Devin Herod    jdh5w@virginia.edu