Gift Fund Journals [1]

Any user with access to create a regular Journal Entry will have access to create a Gift Fund journal. The Gift Fund journal will contain approval restrictions and journal rules with system warnings and edits that differ from the regular journal entry page. Some of these new processes run as the Gift Fund journal is being created and, thus, it is advantageous to use this new system function (page).

Gift Fund FOPPS (SpeedType) can be entered on the regular journal entry page and these entries will be subject to the new approval restrictions, system warnings and edits when the validation is performed.   If a line is in error status, the warnings will not be displayed as they would on the Gift Fund Journal.

Approval Limitations

Generally only designated Gift Approvers (defined below) and the Campus Controller and Post-Award Sponsored Project offices will be able to approve Gift Fund journals (regardless of journal entry page used in the Finance System).

Gift Approvers

The Gift Approvers will be designated based on the following fiscal role assignments on the Fund 34 FOPPS (SpeedType) with access to approve journals in the Finance System. Gift Approvers will be identified on the Speedtype Page on the Gift Attribute Tab as follows:

- Gift Approver = Program Fiscal Manager
- Alt. Gift Approver 1 = Program Fiscal Principal
- Alt. Gift Approver 2 = Organization Fiscal Manager
- Alt. Gift Approver 3 = SpeedType Additional Contact

If the employee associated with the fiscal role does not have access to approve journals in the Finance System they will not be shown on the SpeedType page and will not be able to approve Gift Fund journals.

The journal is required to be approved by the Gift Approver where the money is coming from. In other words the Gift Approver must be on the "from" or debit side of the transaction. For instance, if a journal is created that debits ST 1349999 and credits ST 13411111, a valid Gift Approver from ST 1349999 must approve the journal. A valid approver on ST 13411111 will not be able to approve the journal.

Gift Fund Journal Rules

In addition to the restricted approval process, Gift Fund journals are subject to new journal rules with system warnings and edits that differ from the regular journal entry page. These rules help ensure that gift monies are used for purposes consistent with donor restrictions. These rules will be checked during the creation and validation process if the journal entry is

created on the Gift Fund Journal page. On the other hand, if the journal is created on the regular or transfer journal page, these rules will not be performed until validation.

System Edits Resulting in Warnings

A warning message will be displayed for each of the rules below upon validation of the Gift Fund journal if the rule is violated:

- The journal will require certification. Any journal involving Fund 34 FOPPS (SpeedType) will require the certification checkbox on the Journal Header page to be marked before the journal can be validated and approved. The certification statement requires the user to assert the journal is consistent with the donor retrictions as explained (documented) in the Journal Description on the Journal Header Page.
- The journal will be restricted to two (2) FOPPS (SpeedTypes). The journal may include more than two lines, with each FOPPS (SpeedType) containing multiple accounts, but a maximum of two (2) speedtypes will be allowed on the Gift Fund journal entry.
    - If three or more FOPPS (SpeedTypes) are necessary, it will have to created on the regular journal entry page. It will require appropriate Campus Controller or Post-Award Accounting offices for approval, which will also be done from the regular journal entry page.
- Only expense, revenue, and transfer accounts that are not designated as "System Use"[i] will be allowed on the journal. Transfer and ID accounts may be used and will be subject to the normal rules for these accounts.
    - If a transfer in account is used the corresponding transfer out account must be used.
    - All ID account lines must net to zero.
- There will be no debit lines allowed using revenue accounts. Only credit lines with a revenue account will be allowed to be posted as this is the appropriate accounting rule.
    - If a line in the Gift Fund journal includes a revenue account as the debit line, then appropriate Campus Controller or Post-Award Accounting offices will have to override the error and approve the journal. This override will only be permitted if this journal is an error correction.
- The primary Gift Expense Code on the two gift FOPPS (SpeedTypes) involved in the journal entry must match. For instance, if the FOPPS (SpeedType) on the debit side of the transaction has a Gift Expense Code 1 of 'M', then the credit side of the entry must also be an 'M'. (For listing of Gift Expense Codes, see http://www.cusys.edu/controller/documents/Proposed%20Purpose%20Codes%200... [2])
    - If the primary Gift Purpose Codes are different, then appropriate Campus Controller or Post-Award Accounting offices will have to override the error and approve the journal. This override will only be permitted if sufficient justification for how the transaction is consistent with the primary gift purpose of the debit FOPPS (SpeedTypes) (i.e., the FOPPS (SpeedTypes) where the monies are coming from). For example, it may be appropriate to transfer "M" or departmental discretionary funds to an "A" or scholarship FOPPS (SpeedType) used to provide scholarships to students affiliated with the department. On the other had, the reverse ("A" to "M") would not be appropriate.
    - If the journal entry includes fund 34 and another fund, then the primary Gift Purpose Codes are different (as the other funds do not have Gift Purpose Codes). All of these journals will show line errors that require the appropriate Campus Controller or Post-Award Accounting offices to override the error and approve the

journal. This override will only be permitted if sufficient justification for how the transaction is consistent with the primary gift purpose of the debit FOPPS (SpeedTypes) (i.e., the FOPPS (SpeedTypes) where the monies are coming from). For example, it may be appropriate to transfer "M" or departmental discretionary funds to the same academic unit's fund 10 to cover certain costs within the department (note, generally, the costs should be allocated to fund 34).

- The only exception to this rule is if the Gift Expense Code on the debit side only is designated as 'U' or Unrestricted. "U" money can be moved (debit side) to any other gift code designation (credit side) with only approval of the Gift Approver and not Campus Controller or Post-Award Accounting offices.

- A gift journal entry cannot move money from a FOPPS (SpeedType) that is not for entertainment, donor cultivation, or personnel recruitment (a blank Gift Expense Code 2) to a FOPPS (SpeedType) designated for these purposes (Gift Expense Code 2 of 'Y'). Essentially, a non-alcohol designated fund cannot be moved to alcohol designated FOPPS. For example, if the Gift Expense Code 2 is blank (a non-alcohol account) on the debit side of the journal entry then the credit side cannot be a 'Y' (an alcohol account).

  - Funds can be transferred from a 'Y' designated gift to a non-alcohol Gift Code 2, but a warning will be displayed to notify the journal creator/approver that the journal is moving money out of an alcohol designated fund. Once money has been moved out of a "Y" fund it cannot be moved back in.
  - The Campus Controller or Post-Award Accounting offices will not be able to override this error. If you believe a legitimate correction needs to be posted that violates this rule, the Campus Controller or Post-Award Accounting offices will have to contact the Office of University Controller for an override.

Journal Line Reference

On the Gift Fund Journal page, when a new line is added to a gift journal the journal line reference field will be automatically populated with the SpeedType and the gift expense code 1 of the previous line. For example, if ST 13410000 with gift expense code AO is entered on line 1 of the journal then the reference field on line 2 will be automatically populated with '13410000AO' when line 2 is added to the journal.

A journal creator will not be restricted to abide by this rule though. The user may choose to enter ST 13410000 on line 1 and 2 of the journal before making the appropriate offsetting entries on lines 3 and 4. This will be allowed and the journal line reference fields will be updated properly on the "validation" of the journal.

If three or more SpeedTypes are included in a single journal, the journal line reference field will display "multiple" in the debit reference field and each of the credit lines will display the debit SpeedType in the reference field. If more than one debit SpeedType and more than one credit SpeedType are involved in the journal each of the reference lines will display "multiple".

If the journal is created on the regular or transfer journal page, the reference field will be populated according to these rules upon validation.

[i] "System Use" accounts are accounts that cannot be used by the on-line journal entry functions but can only be used by subsystems that interface with the Finance System, such as

AP/PO, BRS or HRMS. System Use accounts can generally be identified by their account names which will reference the subsystem, e.g., 100000 – AP System Generated or 100110 – AP – BRS Demand. All salary and benefit accounts are System Use accounts (400000 – 439999) unless the account name includes the term "Non-HRMS". System Use can be confirmed on the ChartField – Account page as shown below:

University of Colorado

Menu

- ▽ ChartFields
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| Account | Acc Xref | **GL Ac** |

SetID: UCOLO **Account:** 4018

Effective Date

*Effective Date: 07

*Description: Ot

☐ **1099 Applicable** ☑ **OMB**

*FS Reporting: Operating ▼

Department Specific: [ ]

COFRS Specific: ZZZZZZ

More Information:

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💾 Save   🔍 Return to Search

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Groups audience:

Controller

Source URL:https://www.cu.edu/controller/gift-fund-journals

Links

[1] https://www.cu.edu/controller/gift-fund-journals
[2] http://www.cusys.edu/controller/documents/Proposed%20Purpose%20Codes%2002282006.xls