

Current Operating Funds

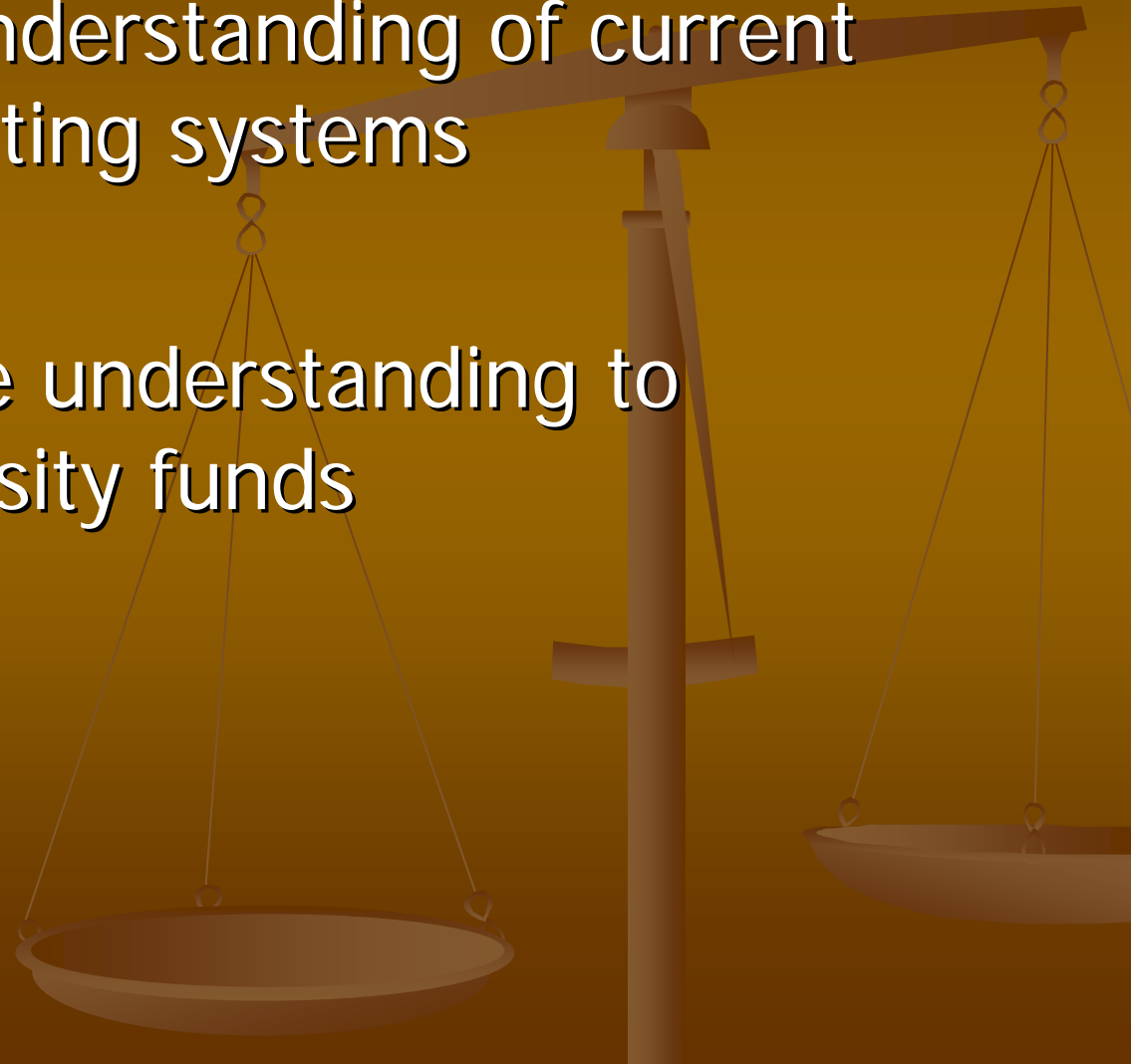


Business Officer's Certification Program

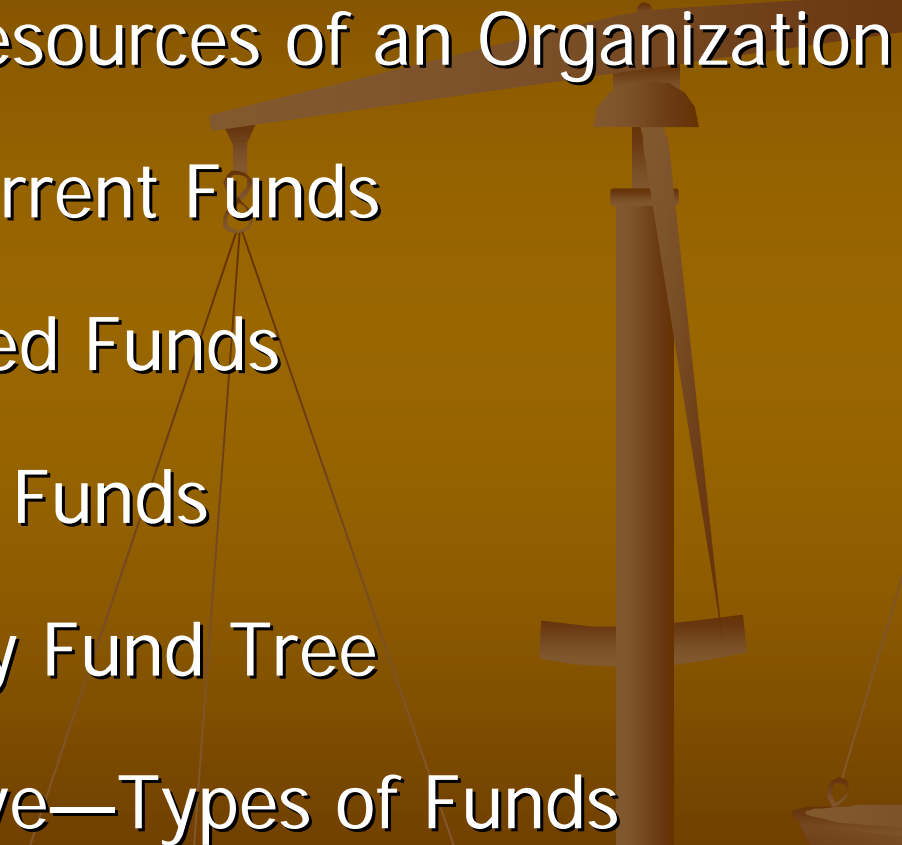
October 20, 2004

Objective

- Gain a better understanding of current funds in accounting systems
- Apply the above understanding to Clemson University funds
 - Unrestricted
 - Restricted

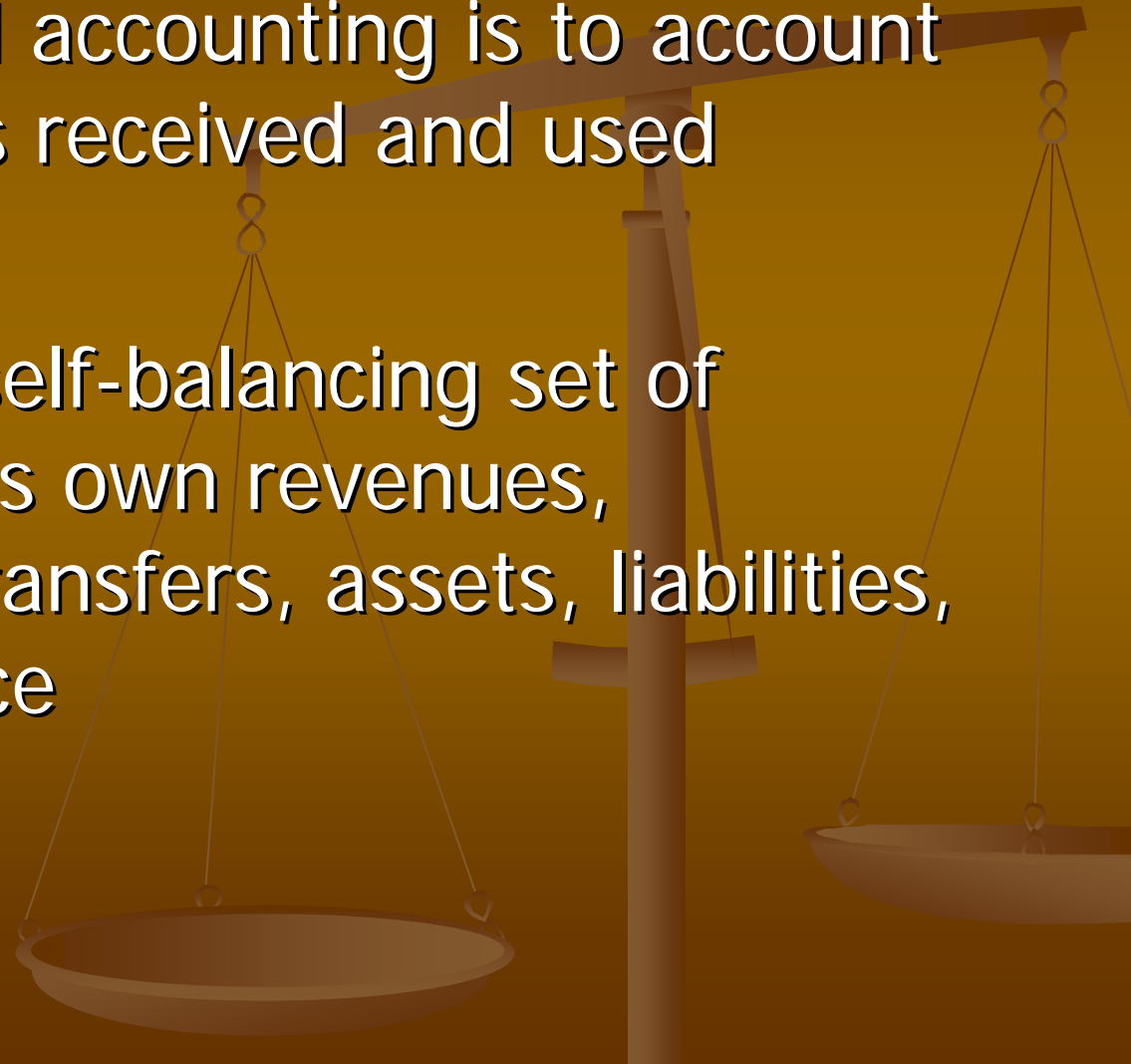


Topics

- Classification of Resources of an Organization
 - Components of Current Funds
 - Current Unrestricted Funds
 - Current Restricted Funds
 - Clemson University Fund Tree
 - Another perspective—Types of Funds
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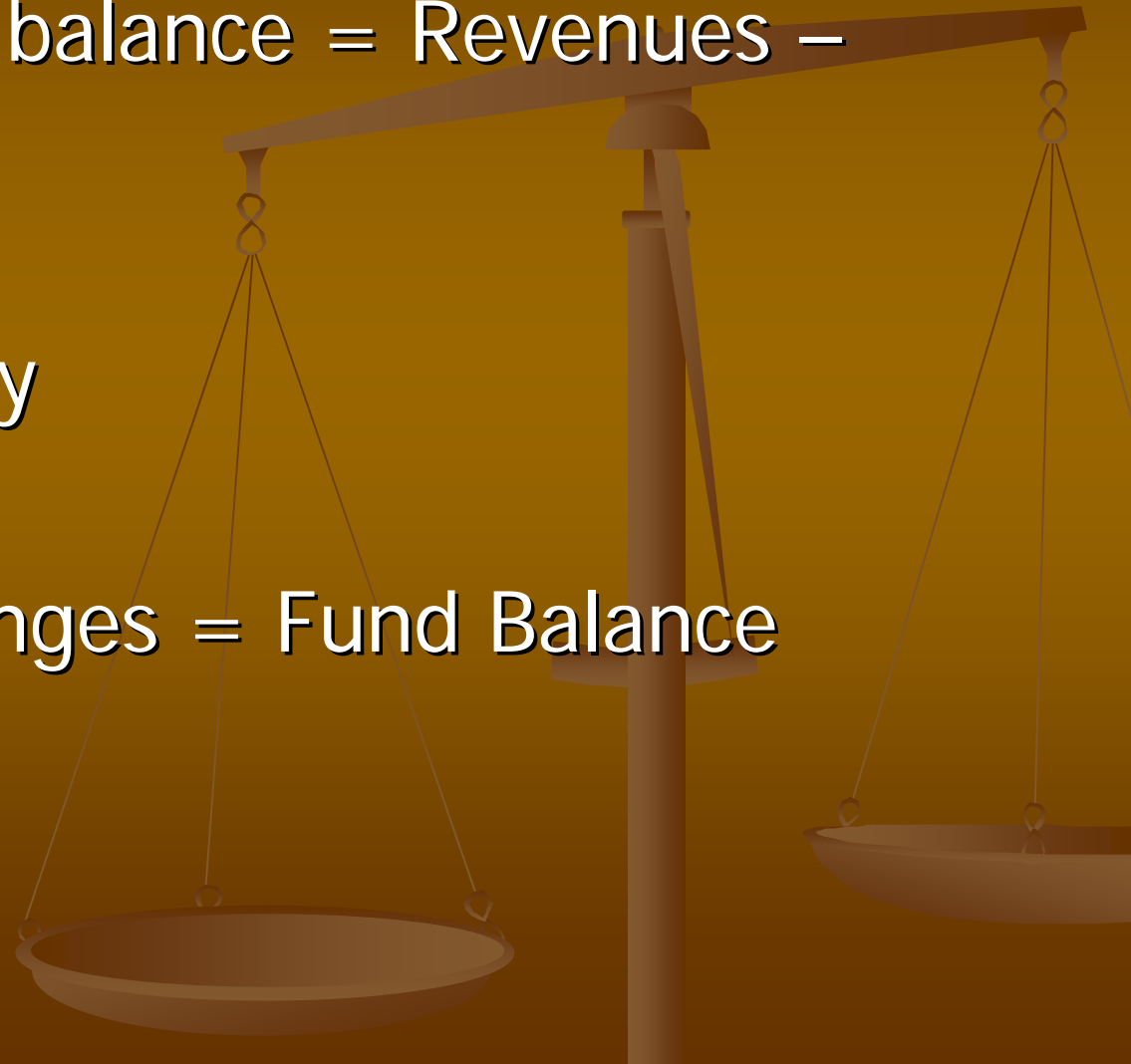
Classification of Resources

- Purpose of fund accounting is to account for all resources received and used
- Each fund is a self-balancing set of accounts with its own revenues, expenditures, transfers, assets, liabilities, and fund balance



Fund Balance

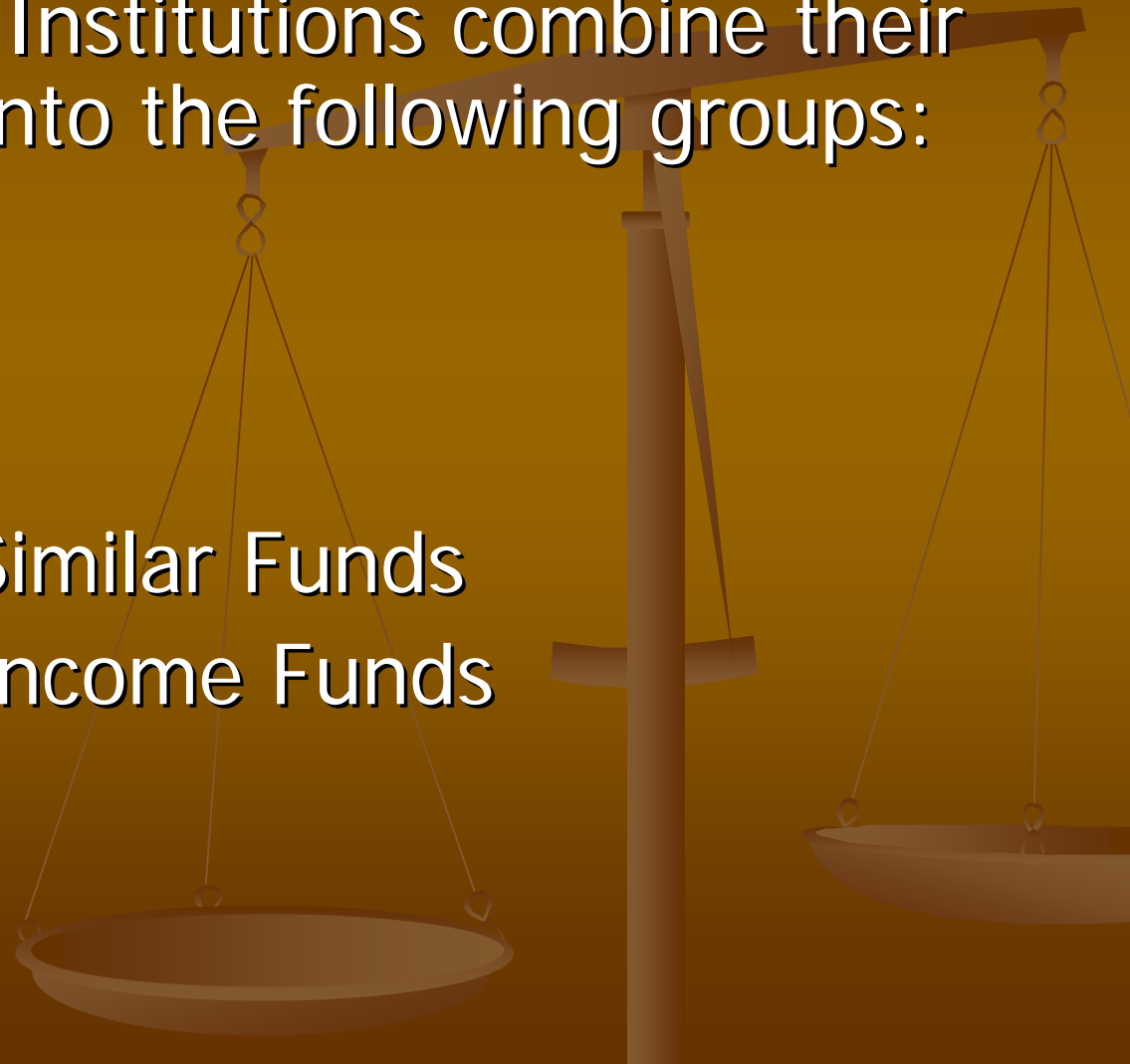
- Change in fund balance = Revenues – Expenses
- Accrues annually
- Cumulative changes = Fund Balance



Fund Groups

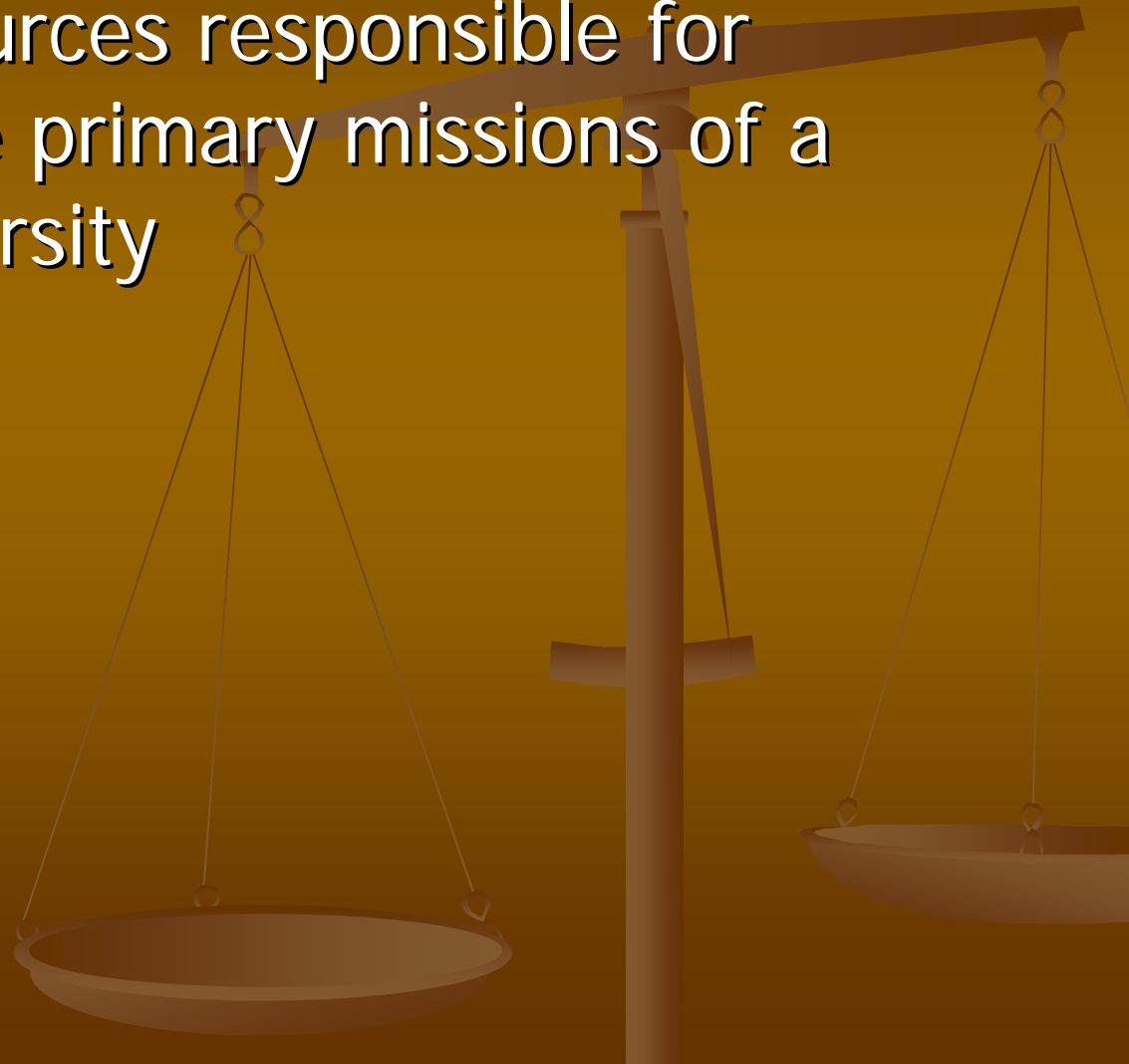
Higher Education Institutions combine their funds typically into the following groups:

- Current Funds
- Loan Funds
- Endowment & Similar Funds
- Annuity & Life Income Funds
- Agency Funds
- Plant Funds

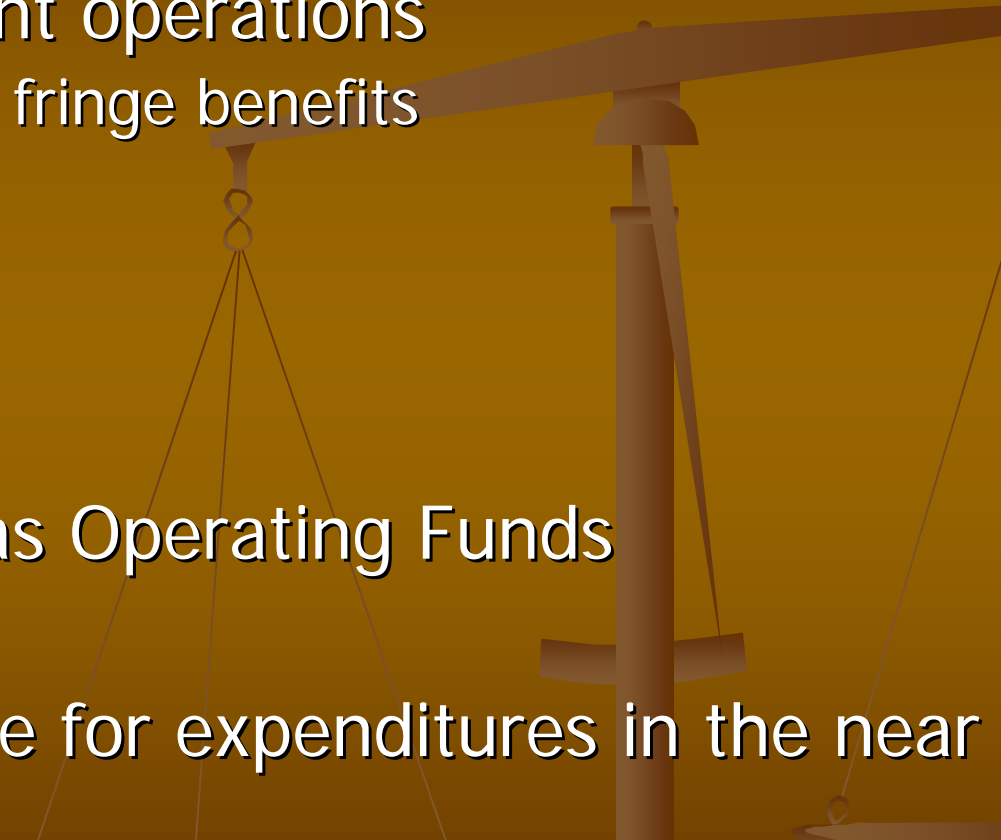


Current Funds

- Economic Resources responsible for carrying out the primary missions of a college or university
 - Instruction
 - Research
 - Public Service

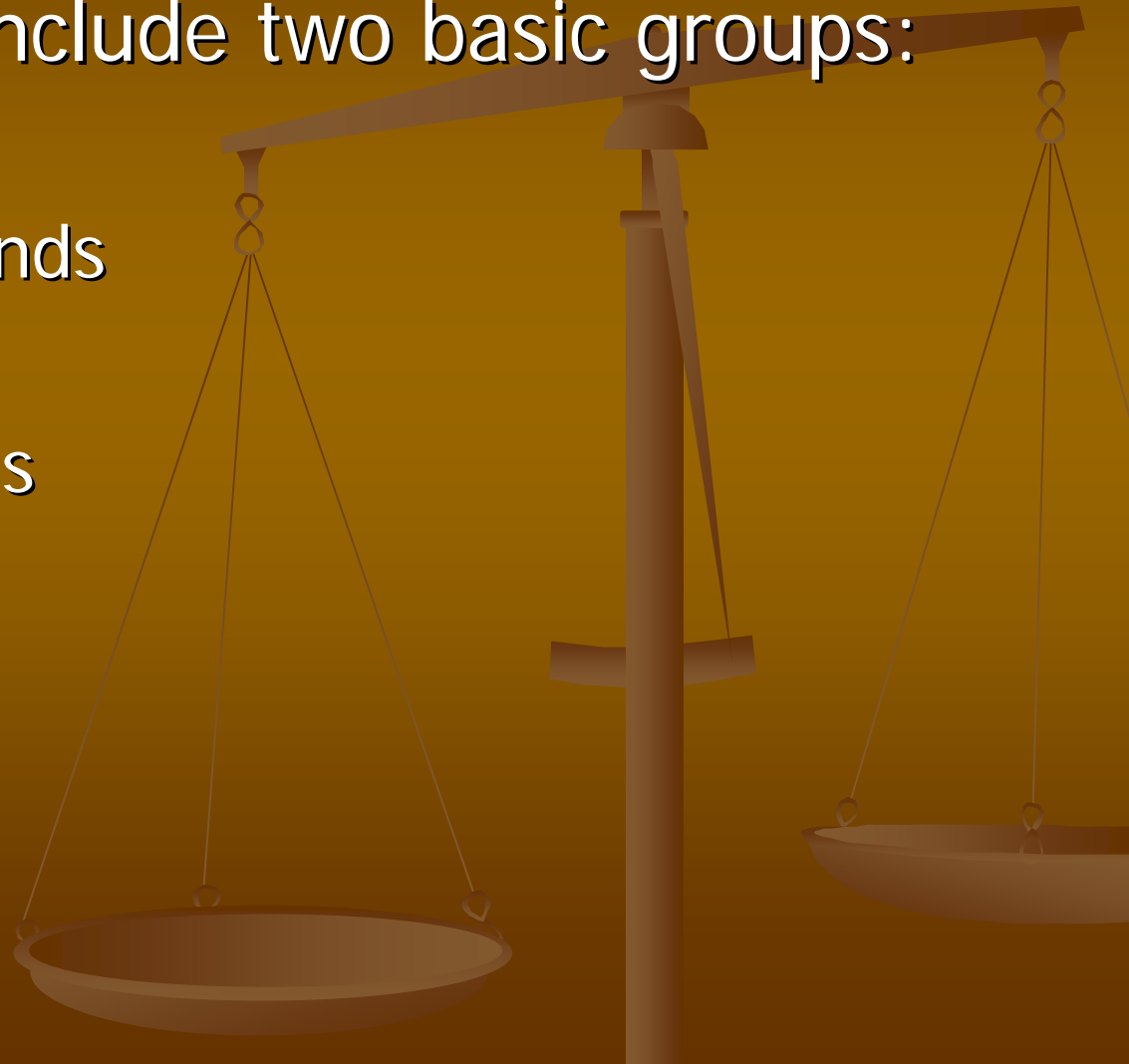


Current Funds

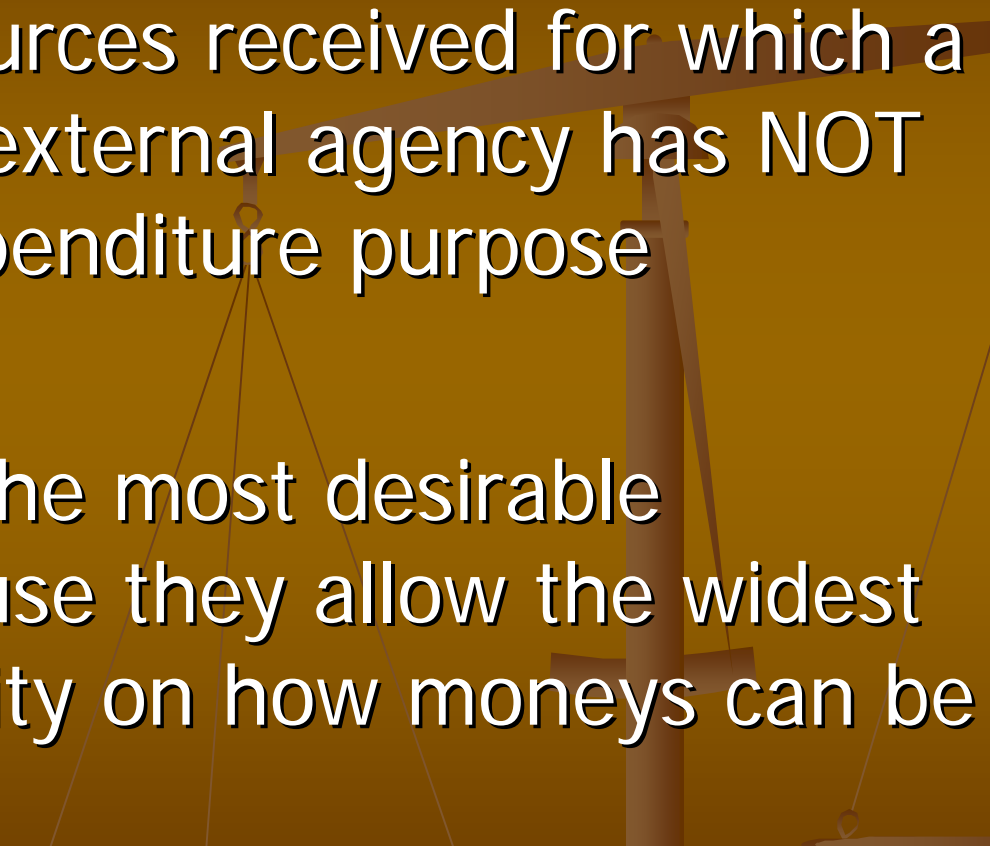
- Available for current operations
 - Salaries, wages, & fringe benefits
 - Utilities
 - Travel
 - Etc.
 - Often referred to as Operating Funds
 - Resources available for expenditures in the near term
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Current Funds

- Current Funds include two basic groups:
 - Unrestricted Funds
 - Restricted Funds

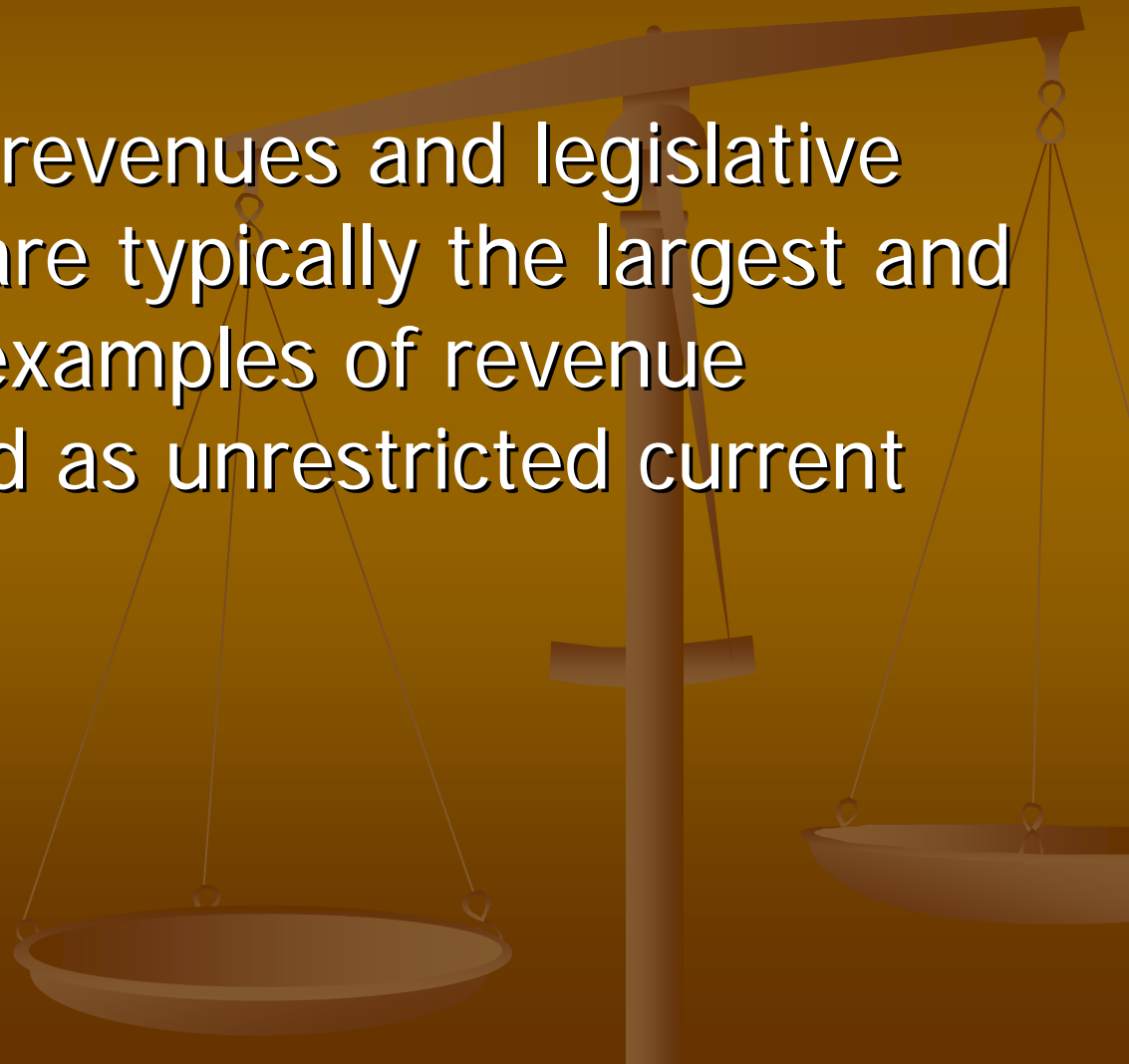


Current Unrestricted Funds

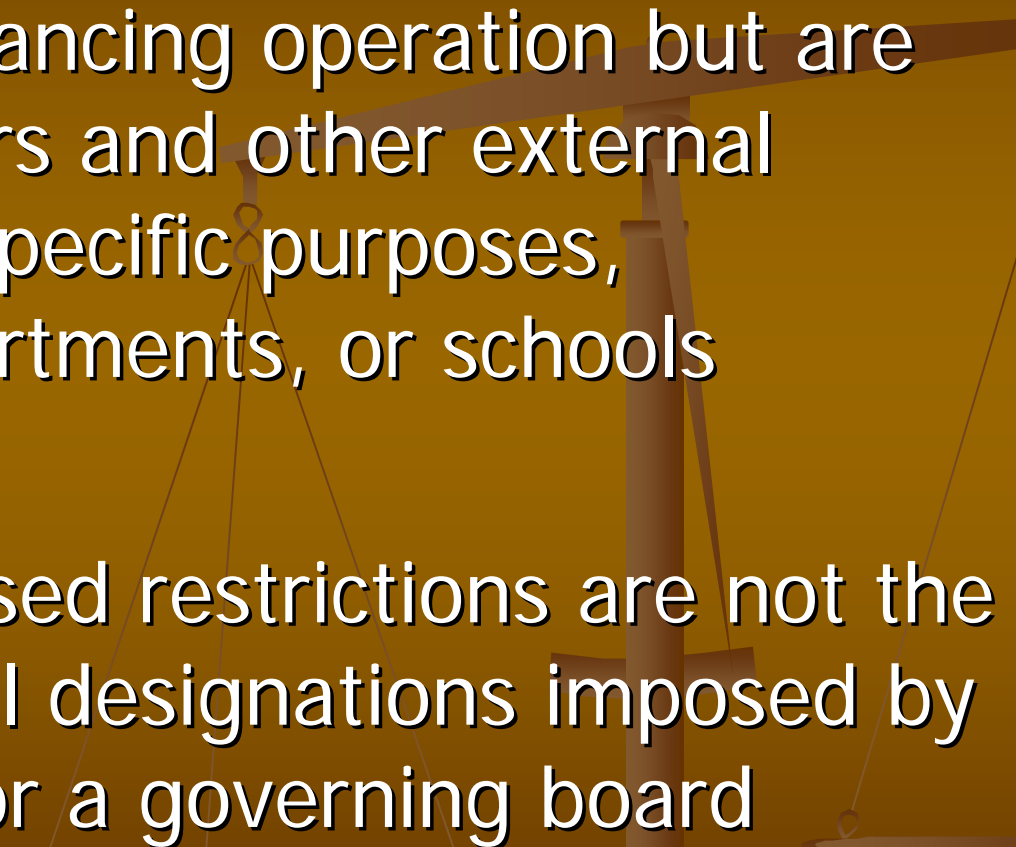
- Include all resources received for which a donor or other external agency has NOT specified an expenditure purpose
 - Often deemed the most desirable resources because they allow the widest range of flexibility on how moneys can be expended
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Current Unrestricted Funds

- Tuition and fee revenues and legislative appropriations are typically the largest and most common examples of revenue sources received as unrestricted current funds



Current Restricted Funds

- Available for financing operation but are limited by donors and other external agencies at to specific purposes, programs, departments, or schools
 - Externally imposed restrictions are not the same as internal designations imposed by administration or a governing board
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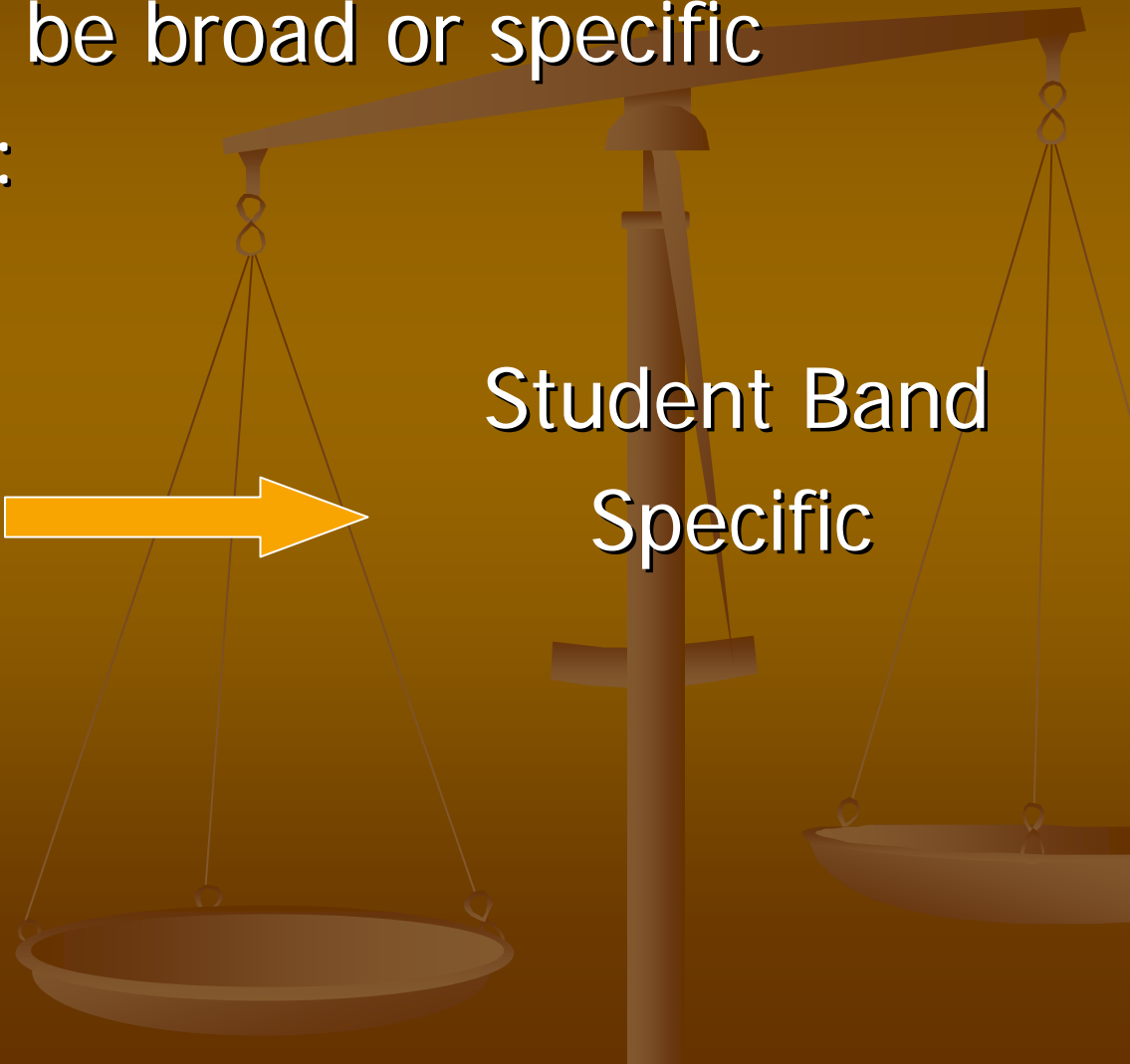
Current Restricted Funds

- Restrictions can be broad or specific
For example:

Scholarships
Broad

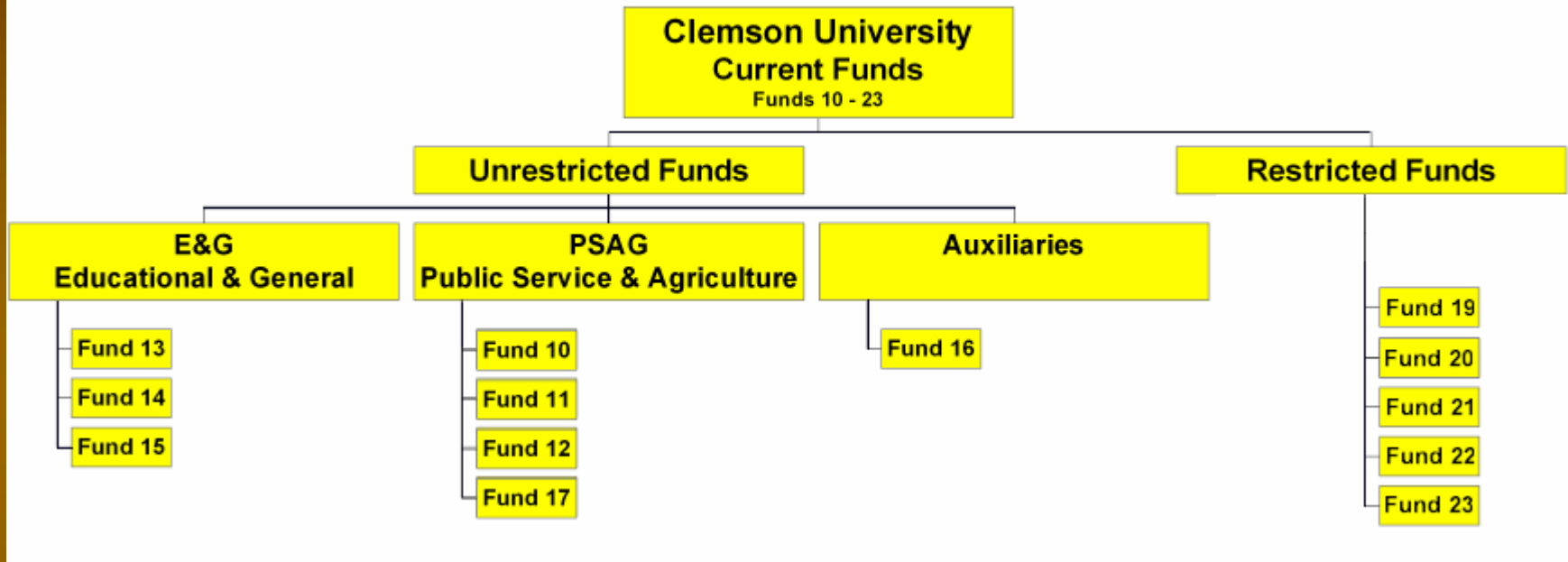


Student Band
Specific



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------|---------|---------|--------------|------------|---------------------------------------|-----------------------|---|---|----|
| Levels: | | | | | | | | | |
| 1. | 1 | | first level | | | | | | |
| 2. | 2 | | second level | | | | | | |
| 3. | 3 | | third level | | | | | | |
| 4. | LEVEL 4 | | | | | | | | |
| 5. | LEVEL 5 | | | | | | | | |
| Nodes: | | | | | | | | | |
| ALL - | | | | | | | | | |
|  | ..... | CUFND - | | | | | | | |
|  |  | ..... | CUCUR - | | | | | | |
|  |  |  | ..... | UNRES - CU | Unrestricted Current Funds | | | | |
| | | | |10 | - CU - State - PSA | | | | |
| | | | |11 | - CU - Federal Appropriations | | | | |
| | | | |12 | - CU - Self-Generated - PSA | | | | |
| | | | |13 | - CU - Student Activities & Orgs | | | | |
| | | | |14 | - CU - Self-Generated - EsG | | | | |
| | | | |15 | - CU - State - EsG | | | | |
| | | | |16 | - CU - Auxiliaries | | | | |
| | | | |17 | - PSA Pre-allocated Research | | | | |
|  |  |  |  | ..... | RESTR - | | | | |
| | | | |19 | - CU -Small Grants and Contracts | | | | |
| | | | |20 | - CU - Sponsored Prog Activities | | | | |
| | | | |21 | - CU - Scholarships | | | | |
| | | | |22 | - CU - Other Restricted(Control) | | | | |
| | | | |23 | - CU - Other Restricted(Track) | | | | |
| | | | |29 | - CU - Loans | | | | |
|  |  |  |  | ..... | CUEND - | | | | |
|  |  |  |  | ..... | ENDOW - CU | Endowment Funds | | | |
| | | | |30 | - CU - Endowment | | | | |
| | | | |31 | - CU - Endowment Appreciation | | | | |
|  |  |  |  | ..... | QUASI - CU | Quasi Endowment Funds | | | |
| | | | |32 | - CU - Quasi-Endowment | | | | |
| | | | |33 | - CU - Quasi-Endowment Apprec | | | | |
|  |  |  |  | ..... | TERME - | | | | |
| | | | |34 | - CU - Term Endowment | | | | |
| | | | |35 | - CU - Term Endowment Apprec | | | | |
|  |  |  |  | ..... | CUPLA - | | | | |
| | | | |40 | - CU - Unexpended Plant | | | | |
| | | | |41 | - CU - Retirement / Indebtedness | | | | |
| | | | |42 | - CU - Investment in Plant | | | | |
| | | | |49 | - CU - Agency | | | | |
|  |  |  |  | ..... | CUFPU - | | | | |
| | | | |50 | - CUF - Board Designated | | | | |
| | | | |51 | - CUF - Quasi Endowment Spending | | | | |
| | | | |52 | - CUF - Quasi Endowment | | | | |
| | | | |53 | - CUF - Quasi Endow Appreciation | | | | |
| | | | |55 | - CUF - DonorRestrictedOperating | | | | |
| | | | |57 | - CUF - Endowment Spending | | | | |
| | | | |58 | - CUF - Term Endow Spending | | | | |
| | | | |59 | - CUF - Term Endow Appreciation | | | | |
| | | | |60 | - CUF - Perm Endow Appreciation | | | | |
| | | | |61 | - CUF - Term Endowments | | | | |
| | | | |62 | - CUF - Holding | | | | |
| | | | |63 | - CUF - Endowment | | | | |
| | | | |64 | - CUF - Term Trusts | | | | |
| | | | |65 | - CUF - Permanent Trusts | | | | |
| | | | |66 | - CUF - Permanent Endowment | | | | |
| | | | |67 | - CUF - Agency Operating | | | | |
| | | | |69 | - CUF - Agency Endowment | | | | |
| | | | |69 | - CUF - Holding | | | | |
| | | | |70 | - CUF - Agency Spending | | | | |
| | | | |71 | - CUF - Agency Appreciation | | | | |
| | | | |72 | - CUF - Agency Endowment | | | | |
|  |  |  |  | ..... | CRCCC - Continuing Ed Conf Compl Corp | | | | |
| | | | |76 | - CRCCC - Operating | | | | |
| | | | |77 | - CRCCC - Restricted | | | | |
|  |  |  |  | ..... | CURE - Clemson Univ Research Funds | | | | |
| | | | |80 | - CURF - General | | | | |
| | | | |81 | - CURF - Restricted | | | | |
| | | | |82 | - CURF - Sponsored Research | | | | |
| | | | |83 | - CURF - CURF Research | | | | |
|  |  |  |  | ..... | CRFC - Clemson Res Facilities Corp | | | | |
| | | | |90 | - CRFC - General | | | | |
| | | | |91 | - CRFC - Restricted | | | | |

Fund Accounting at Clemson University



The source of funds determines how the funding is to be used/spent.

PSA Funds
Public Service and Agriculture
State and Federal Appropriations

Fund 10
State PSA

- Annually adjusted base allocation for each Budget Center that operates within PSA
- Funding in support of Public Service activities

Fund 11
Federal Appropriations

Federally funded PSA Activities

Examples:

- Smith Lever
- Indoor Air Quality
- Farm Safety
- Pest Mgmt

Fund 12
Self-Generated - PSA

Funds earned predominantly from outside CU used to support the PSA mission.

Examples:

- Farm Services
- County Fees
- Outdoor Lab Activities
- GPS Maintenance Services

Fund 17
PSA Pre-Allocated Research

Both Federally and State Funded PSA Activities

Examples:

- Hatch
- Hatch Multi State Research
- McIntire Stennis

E&G Funds

(Educational & General Funds)
State Appropriations and Student Fees

Fund 13 Student Activities & Orgs

Examples:

- ▶ Model U.N.
- ▶ Student Legislature
- ▶ Student Band
- ▶ Debate Team
- ▶ Dramatics Club

Fund 14 Self-Generated E&G

Self-supporting operations generating additional revenues in support of E&G activities

Examples:

- ▶ Summer School
- ▶ Testing Services
- ▶ Short Courses
- ▶ Workshops
- ▶ Study Abroad Progs.

Fund 15 State and Student Fees

- ▶ Annually adjusted base allocation for each Budget Center
- ▶ Funding in support of E&G activities

Examples:

- ▶ Faculty/Staff salaries
- ▶ Dept'l supplies
- ▶ Support for research and instruction activities

**Restricted Current Funds
Funds 19-23**

**Fund 19
Small Grants and Contracts**

No formal contractual agreements

Non-federal

≤\$10,000

No patents

No royalties

F&A not applied

**Fund 20
Sponsored Programs**

Negotiated deliverable grant, contract or cooperative agreement

No \$ limit

Funding by any external source

F&A applies

**Fund 21
Scholarships**

Scholarships

**Fund 22
Other Restricted (Control)**

Endowment funded

Budget based on spending policy by CU or Foundation

Examples:

Chairs

Professorships

Program Enhancements

**Fund 23
Other Restricted (Track)**

Funded from gifts or the Foundation

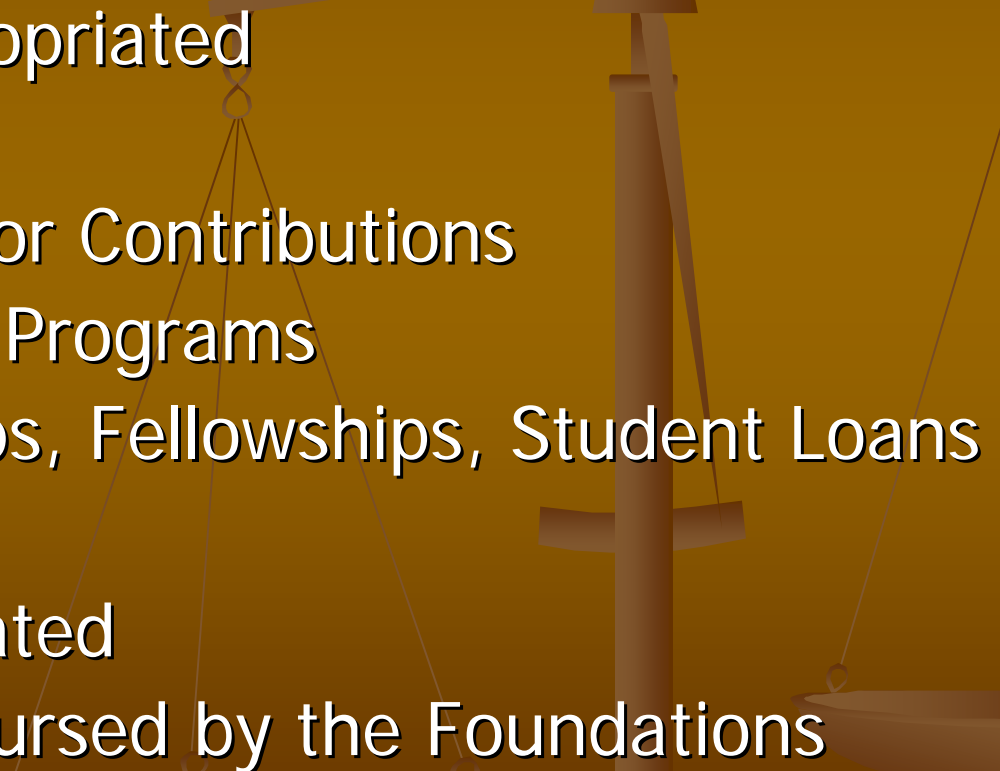
Examples:

Chairs

Professorships

Program Enhancements

ANOTHER PERSPECTIVE - TYPES OF FUNDS

- State Appropriated
 - Federal
 - Donations or Contributions
 - Sponsored Programs
 - Scholarships, Fellowships, Student Loans
 - Agency
 - Self-generated
 - Funds disbursed by the Foundations
- 

TYPES OF FUNDS

- Clemson University has funds from many sources
 - State Appropriated
 - Governed by State Appropriations Act, State Procurement Code and written and verbal guidelines from the State Comptroller General's Office
 - Funds 10, 13, 15 and 17
 - Federal
 - Unless federal laws or grant restrictions direct otherwise, federal funds are governed as state appropriated funds
 - Funds 11 and 17 And sponsored
- 

TYPES OF FUNDS



■ Donations or Contributions

- Must fulfill the purposes and conditions of the donor
- Same limitations and provisions of the law that applies to state appropriated funds, may have procurement exceptions
- Funds 19, 21-23 and 30-35

■ Sponsored Programs

- Must fulfill the purposes and conditions prescribed by the sponsoring agency
- Same limitations and provisions of the law that applies to state appropriated funds, may have procurement exceptions
- Fund 20

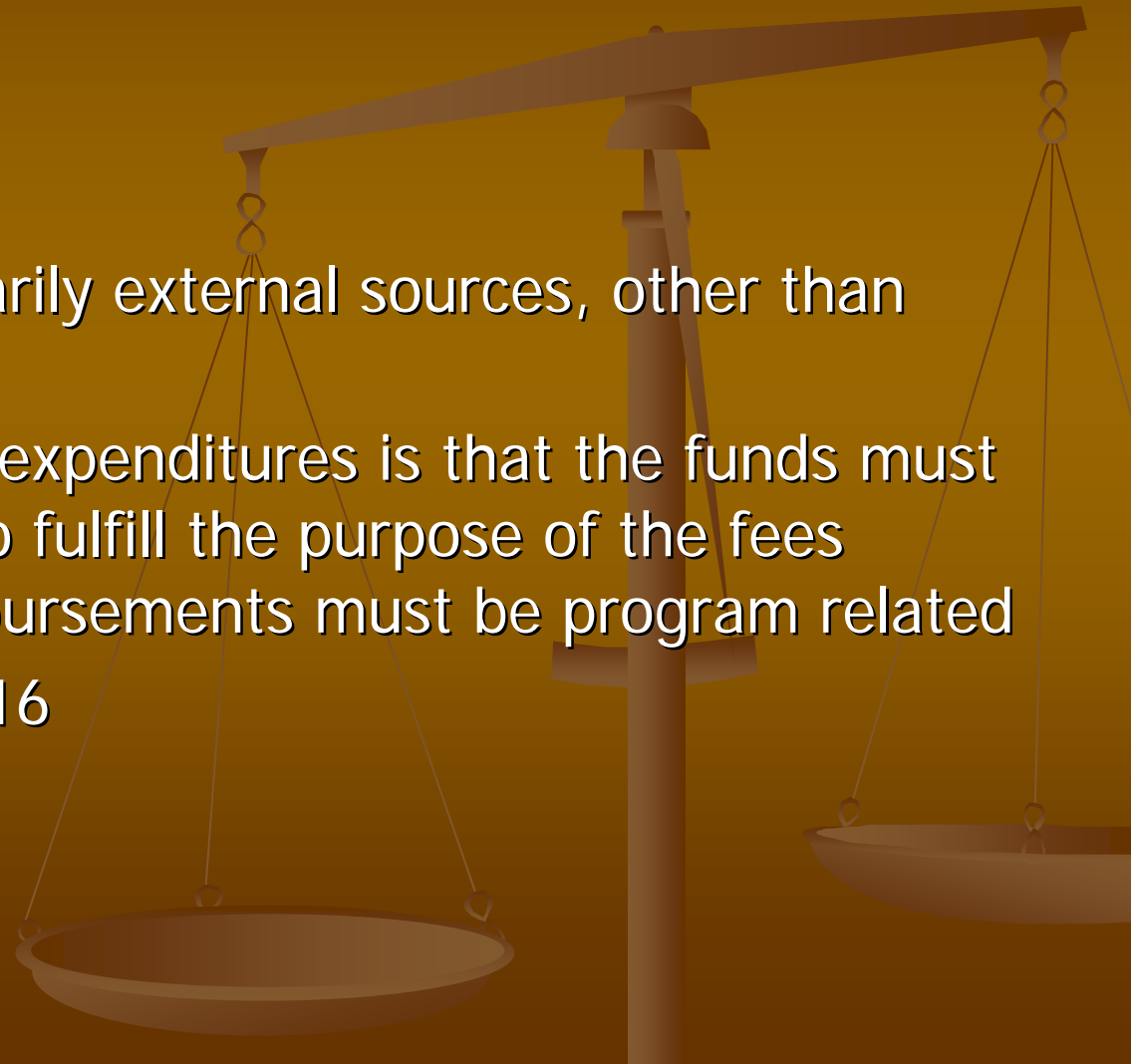
TYPES OF FUNDS



- Scholarships, Fellowships, Student Loans
 - Must fulfill the purposes and conditions of the awarding parties restrictions
 - Funds 21, 22, & 29
- Agency
 - Disbursed on behalf of another entity
 - Not considered a Clemson expense
 - Must follow the restrictions of the responsible agency

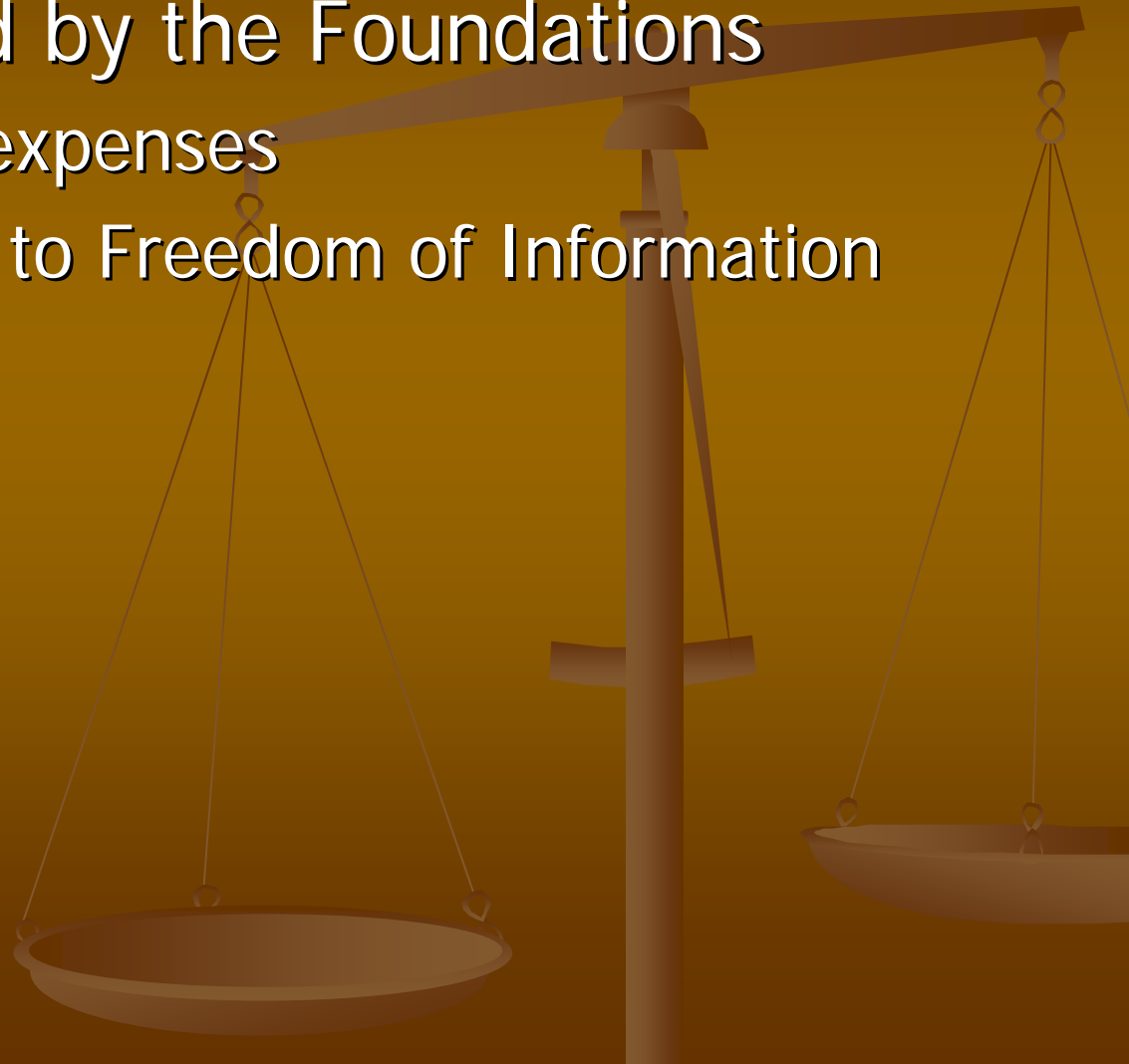
TYPES OF FUNDS

- Self-generated
 - Source is primarily external sources, other than student fees.
 - Guidance over expenditures is that the funds must be expended to fulfill the purpose of the fees collected. Disbursements must be program related
 - Funds 12, 14, 16



TYPES OF FUNDS

- Funds disbursed by the Foundations
 - Last resort for expenses
 - May be subject to Freedom of Information
 - Funds 50 – 72



OTHER CONSIDERATIONS

- Payments with State funds

- Procurement
- Personnel
- Travel
- Students

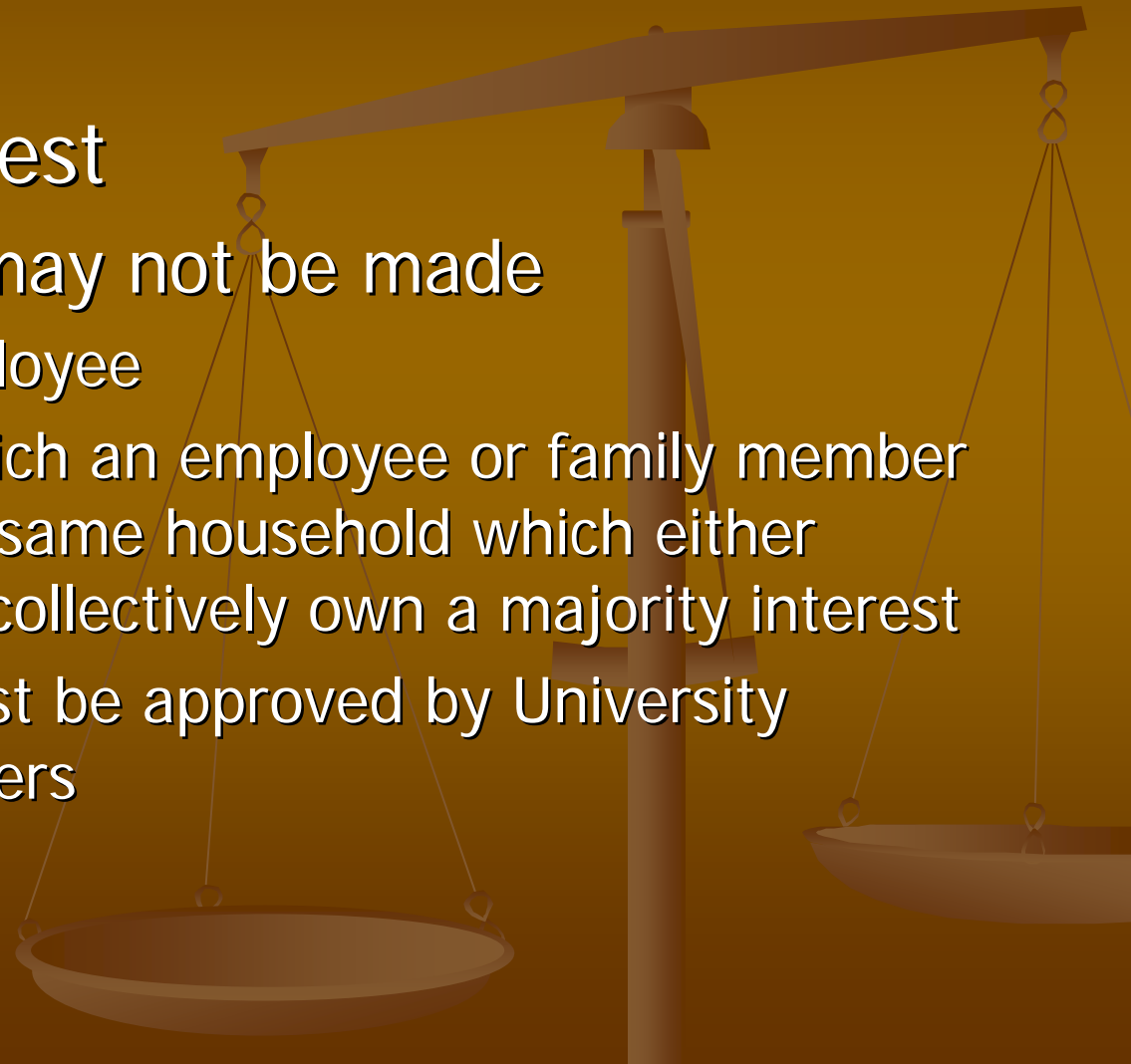
- Ethics Act

- <http://www.state.sc.us/ethics/index.htm>



OTHER CONSIDERATIONS

- Conflict of Interest
 - Procurements may not be made
 - University employee
 - Business in which an employee or family member residing in the same household which either individually or collectively own a majority interest
 - Exceptions must be approved by University Executive Officers



Participant Questions

