



YSM Procedures and Guidelines

General Funding Guidelines

Issued: June 15, 2009

Overarching Principles

Expenses should be **posted directly to the account funding the activity** using appropriate Line of Business projects.

- An expense that is to be funded by endowment or gift should be charged to the endowment or gift source/award, the appropriate expenditure type and appropriate line of business project.
- Funds should generally **not** be moved from the endowment or gift source/award to another source to cover the expense.

Income should be deposited to the appropriate account and **redistributed** (if necessary) on the **same income expenditure code (DR & CR same expenditure code) to other accounts within the same source**

Examples:

- Redistribute funds for even distribution of medicine attending support within the Medical Services source 51.
- Affiliated Hospital income credited to one account that is to be split among several faculty accounts should be redistributed in the Affiliated Hospital source and on the Affiliated Hospital income expenditure type.
- GA Allocation that you need to distribute to your sections should be redistributed on the GA Allocation code, in the GA source within the department.

Transaction descriptions should be **clear, descriptive and understandable** by someone unfamiliar with the transaction.



NEW PROCEDURES.....



Operational Funding: Program support/Start-up/Discretionary...

- **Do not use current transfer expenditure codes** (expenditure types that begin with 35)
- Use: **530200 Department Allocation** (for both sides of the entry)
 - Journal Category YBalShtRevAdj
- Use **this expenditure code for PLANNED or BUDGETED (committed, predetermined) support or funding (could be between departments or within a department).**

Examples:

- Start-up funding (e.g. Chair promises to cover costs for 2 years)
- Redistribution of Dowry funding
- Discretionary funding (e.g. \$5,000 per year)
- Funding per an agreement (e.g. plan to cover up to \$25,000 in moving costs or space costs for first year)

- Over the NIH Salary Cap funding (Use **OTC** in the description)
- Agreement for funding of salaries (e.g. Data Manager for Clinical Trials)
- Match income in one project with the offsetting expense in another project for an activity or program.


This expenditure type should **NOT** be used for:

- Any labor adjustments or cost transfer (i.e. funding labor, moving or correcting labor charges). All labor should be scheduled to the appropriate account in LD.
- Any ISP type charges. ISP charges should be accounted for using Yale University Procedure 1410PR.03
http://www.yale.edu/ppdev/Procedures/isp/1410PR.03_ISP_Accounting_Billing.pdf
- To clear overdrafts or surpluses from grant awards. When an overdraft exists in a grant account, perform a JSA or LD to move the expenditures on the same *expenditure code* (i.e. salaries, supplies, etc) to another funding source. When a surplus exists, contact GCA.
- Sweeping year end balances (see below)
- Intra-department assessments (use MN5280 and MN9670)

Closeouts and Deficits

- **Use: 351108 Trans Closeouts and Deficit Funding** (for both sides of the entry)
- Use this expenditure type only to clear **DEFICIT or SURPLUS account balances**.
- Please make sure the transaction description clearly describes the transaction and the wording must include the descriptor either deficit or surplus as appropriate
- All JSA's using this transfer expenditure type will be reviewed by YSM Financial Operations for training and educational purposes
- Do not use to clear grant and contract overdrafts. These should be cleared by moving the expenses off the grant using the individual appropriate expenditure types.

Examples:

- Move excess Clinical Drug Trial (CDT) balances to faculty accounts
- Sweep non-clinical year end surpluses to reserves (72) or special use (61) accounts (that are in compliance with Line of Business)
-  Sweep a Med Services (source 51) surplus -after covering other deficits- to Source 54 (0054AM) using a project with a clinical line of business code
- Fund deficit balances by moving funds to cover deficits on this expenditure type (e.g. a clinical fund balance is transferred to cover a current use or GA deficit)
- Move year-end operating deficits that cannot be cleared from departmental funds to GA.

TVP:

- 351105 should be used in FY09 to charge TVP to the source currently funding an employee's salary (except for grants). Use **TVP** in the description.
- In FY10 this will be a fringe benefit cost and will be paid centrally by the University.

Please contact the YSM Controller's Office – Sue DeCrescente 737-4310 or Randi Carlone 785-5389 – with any questions on these guidelines.