

Tips for Understanding and Managing Funds For University Business Staff

Each department at the University of Tennessee is assigned at least one **Fund Center**. A Fund Center represents a collection of one or more funds (Cost Centers and/or WBS Elements). The Fund Center starts with the letter “U” and is structured **UAA XXBB CCC** where:

AA is the Campus or **Budget Entity** (Knoxville is 01, UTSI is 02)

XX is the Vice Chancellor **Reporting Area**

BB is the **College** and

CCC is the **department**.

For example, U013425020 is a fund center on the:

Knoxville campus (01),

Reporting to the Chancellor’s Academic Areas (34),

In the College of Engineering (25),

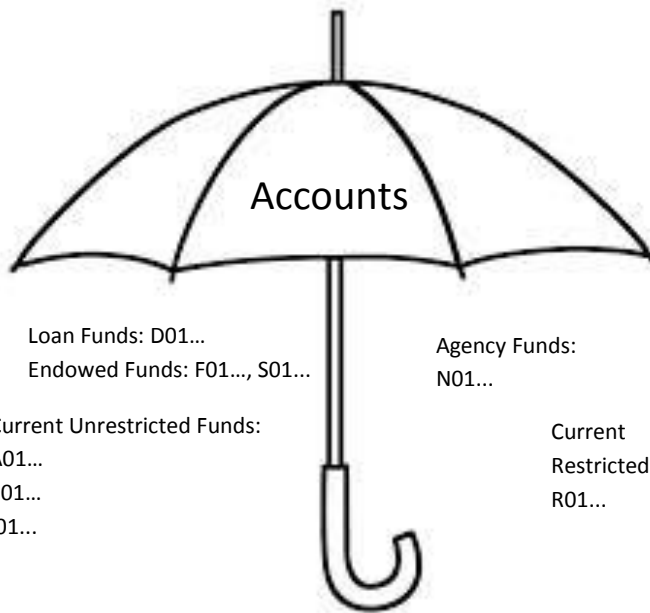
For the Chemical Engineering Department (020).



Fund Center

U01 XXXX XXX

Where: U013425020:
01-Knoxville Campus
34-Chancellor’s Academic Areas
25-College of Engineering
020-Department of Chemical Engr



Loan Funds: D01...
Endowed Funds: F01..., S01...
Agency Funds: N01...
Current Unrestricted Funds: A01...
E01...
I01...
Current Restricted Funds: R01...

All the funds defined below are setup in a fund center depending on which campus, college and department request the funds. **All accounts listed under the fund center must be reconciled by the department where they reside.** To get a listing of all accounts in a fund center run the IRIS transaction Z_FM_ZFMFINCOD.

Funds under the fund center are setup to collect expenses or revenue. **Cost Centers (Unrestricted - "E" or "I" Accounts)** are setup for those accounts that are permanent or have an end date of 12/31/9999. **WBS Elements (Restricted - "R", "N" or "D" Accounts)** are those accounts that are time delimited or that have an end date.

There are codes that allow activity to be assigned to specific kind of expense or revenue that are called **G/L (General Ledger) or Commitment items**. For example, 439100 – Supplies (expense) or 800001 (rent income). For a list of expense G/L or Commitment Items go to the Controller's Office Website and select General Accounting and IRIS General Ledger Account Definitions:
<http://controller.tennessee.edu>.

Activity will post to accounts in many ways. Postings that are transferred in from other university departments are called Internal Transfers (Document Type ZD and Document numbers start with 09) or an invoice may post which is Document Type KN and document numbers start with 24. Each **document type** will have a document number where the first two digits correlate to the type. For a list of document types with number ranges go to
<https://irishelp.tennessee.edu/gm/folder-1.11.11740?originalContext=1.11.14721>.

Current Unrestricted Funds can be used for expenditures to carry out the mission of the University. These funds offer flexibility since there are no limitations from external sources such as donors or agencies, however, the expenditures must follow state guidelines. They consist of:

A – Assets, Liabilities, or Fund Balance:

A accounts are setup depending on the purpose of the account and can be an asset, liability or fund balance accounts. For example,

- 1) An asset is setup for accounts receivable,
- 2) A liability is setup for payroll deduction, deposits, or
- 3) A fund balance is setup for a revolving account for a service or recharge center.

For a complete classification list go to the Controller's Office Webpage:

<http://controller.tennessee.edu/general/INTRODUCTION%20OUT%20FUND%20AND%20GENERAL%20LEDGER%20ACCOUNT%20STRUCTURE.pdf>

The account structure is AXX ##XX XXX where the ## represents the type of account:

Assets range from AXX 01XX XXX to AXX 10XX XXX

Liabilities range from AXX 51XX XXX to AXX 60XX XXX and

Fund Balance range from AXX 70XX XXX to AXX 99XXX

E – Expense: Educational and General, Auxiliaries are budgeted and used to process operating expenditures for departments or to fund startup for new faculty. Most of these are funded with State Appropriations. E accounts can be centrally funded or self-funded. The basic difference between these two are centrally funded denotes the benefits are supported by the central administration. Self-funded E accounts denote the department (account) must pay for the benefits.

I – Income: Educational and General, Auxiliaries correspond to and offset expense accounts at yearend. Deposits and income are recorded in “I” accounts.

Current Restricted Funds (“R”):

Grants and Contracts, Gifts and Scholarships have limitations or stipulations on the use of the funds. They are time delimited and typically, specify an end date. “R” accounts represent sponsored projects (grants and contracts) or gift funds. Sponsored projects are research or projects where the University receives external funding. The Sponsored Projects Accounting Office (SPA) offers training on the management of these funds. Gift funds including scholarships should be managed according to the gift agreement between the donor and the University. Each department should have copies of their Gift Agreements and abide by these terms when spending the funds.

Loan Funds (“D”) are setup to account for funds that are lent to student, staff or faculty from a variety of resources. Certain departments have many more “D” funds than others.

Endowed Funds (“F” or SXX 0300 XXX) are funds invested by the University. The UT Foundation manages these funds. Associated “R” accounts receive quarterly earnings. Non-endowed gift funds reside in S01 0200 XXX accounts. The “R” accounts associated with non-endowed accounts are replenished at the end of the month once all the funds within the “R” have been depleted.

Agency Funds (“N”) are funds that belong to a third party and have a specific use. These funds do not belong to the University. If the funds are not completely used the third party must be reimbursed. These funds must be reconciled by the department and should not be used on anything other than their intended use.

To request new accounts or account changes use the forms found on the Controller’s Website:

<http://controller.tennessee.edu/>