# **Morehead State University**

## **User Guide for Foundation Funded GL Accounts**

Funds held by the MSU Foundation may be used by MSU departments across campus for various expenses, as allowed by the donor agreement, University purchasing procedures and MSU Foundation policies. To provide departments with timely availability of funds and streamlined approval of expenses, all MSU Foundation funding is processed through a separate accounting fund 54 – MSU Foundation. MSU Foundation deposits and related expenses are no longer processed through 10 – Unrestricted accounts. All expenditures covered by MSU Foundation funding must be directly charged to the appropriate account in the 54 – MSU Foundation fund. Budget transfers between the 54 – MSU Foundation fund and 10 – Unrestricted fund cannot be processed. *Foundation Check Requests followed by budget transfers to departmental 10 – Unrestricted accounts are no longer needed.* 

#### **Account Setup**

Each Foundation account (aka project) held by the MSU Foundation is set up in Colleague as an individual unit in the 54 fund. To find an account number you can filter using 54 in the Fund box in Self-Service. For consistency, the last four digits of the unit number coincide with the current Foundation project ID number. For example, the unit number for Foundation project ID 4028 Adron Doran Endowment for Ed. Leadership is 10854028.

Each unit contains two expenditure objects initially:

5050105 Foundation Personnel Alloc.5171382 Foundation Program Expenses

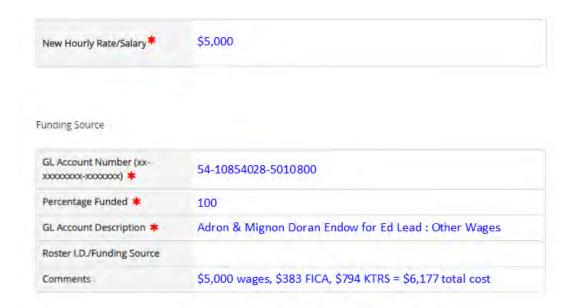
At the beginning of each fiscal year Budgets receives an available balance report from the MSU Foundation and allocates the available budget to the appropriate accounts. The opening budget allocation advances the full amount available to spend for the fiscal year, July 1 to June 30.

Departments only need to request additional budget allocations if the available balance is not sufficient to cover expenses and the available spending balance for the foundation account has increased. To request an increase of the available balance the department must email the MSU Foundation and Budgets requesting we review the account.

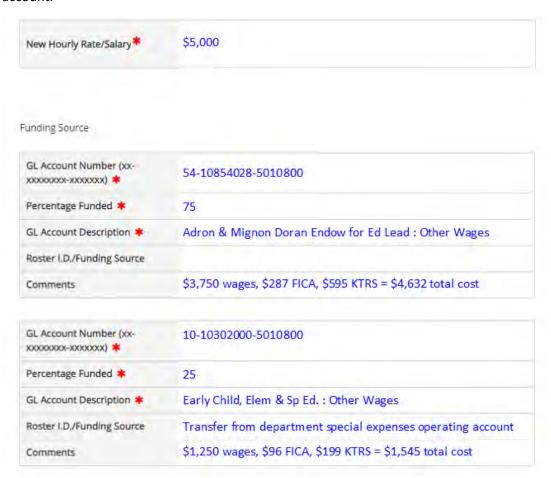
### **Personnel Expenditures**

Employee compensation and applicable employer fringe expenses will be direct charged to the personnel lines of the Foundation unit in the 54 fund. To direct charge the Foundation unit the appropriate GL information must be listed on the PAR submitted to pay the employee.

For example, the PAR for an employee receiving a \$5,000 supplemental payment from the Adron Doran Endowment would contain the following information:



If the employee receives payment from multiple sources, such as an unrestricted 10 account and a 54 Foundation account, then the PAR will list both accounts along with the wage amount paid from each account.



Based on information provided on the approved PAR, Budgets will create personnel lines and align the budget within the Foundation unit. Budgets will confirm fringe benefit costs then route the PAR to the MSU Foundation in PeopleAdmin for approval. Approval of the PAR by the MSU Foundation in PeopleAdmin authorizes the Foundation funding to be used for the stated personnel expenses, no separate check request is needed.

#### **Operating Expenditures**

Each Foundation unit contains object 5171382 Foundation Program Expenses. This is the line to which all non-personnel expenses will be charged. To spend available Foundation funds for operating expenses a requisition or payment request through Procurement in Self Service must be submitted. The request must follow established MSU purchasing procedures, such as attaching an invoice. The MSU Foundation reviews the request and approves in Self Service so the expense can be directly charged to the account. Approval of the request by the MSU Foundation in Self Service authorizes Foundation funds to be used for the stated operating expense, no separate check request is needed.

If a requisition or payment request is to be paid from multiple sources, such as an unrestricted 10 account and a foundation 54 account, then both accounts must be listed on the request with the amount to be paid from each account. The use of multiple accounts from different funds on a single request is only allowed with unrestricted funds (09 and 10) and foundation funds (54); requests cannot include any other funds (14, 17, etc).

#### **Account Balances**

The account balance reported by the Foundation is the amount available for spending during the fiscal year. This is true of both general funds and endowment funds. Any unused funding and new contributions at the end of the fiscal year (June 30) will be carried forward to the next fiscal year (unless the endowment agreement prohibits).

*Please note:* Any contributions received by a department will continue to be deposited at the Foundation office at 107 Enrollment Services Building. MSU is not able to receive deposits into 54-accounts.

Please familiarize yourself with related purchasing guidelines and procedures, such as the University's Prohibited Expenditures policy. Questions or concerns about Foundation funded accounts on the GL can be directed to Budgets. In some cases, questions may be better addressed by the respective office that oversees a particular process, such Human Resources for questions about PAR's or Procurement for questions about requisitions or payment requests.