Cash Balances in Fund Accounts

Effective: Moved to Policy Library from UPM 10.2(5)
Contact: Controller's Department

Introduction

The university’s financial transactions are recorded and its financial reports compiled using the fund accounting system managed by the Controller’s Department. Fund accounts reflect the monies allocated or otherwise provided for the use of the university in conducting its operations and also reflect the expenditures of those funds. The numbering scheme used within the accounting system indicates the sources of funds and provides a general guide for the allowable uses of funds.

Policy Statement

University faculty and staff who have authority to authorize and make expenditures also have responsibility for assuring sound management of funds and avoiding deficit cash balances. In general, all university fund accounts must maintain a positive cash balance at all times.

Exceptions include sponsored awards on a cost reimbursable basis or revolving funds with cyclical funding, such as farms. The aggregate cash balance for all general fund accounts (in the 70X and 1XX series) within an administrative unit should have a balance of $0 or greater at year-end. If this balance is negative at year-end, the amount of the deficit will be deducted from the unit’s opening current expense allocation for the next year.

Overspent balances on sponsored funding accounts (in the 4XX series) or agency funds (206 accounts) must be promptly covered by the department or administrative unit. Deficit balances on other accounts in the 2XX series must be promptly resolved with the Accounting Office.

Resources

Links
- Fund Account Numbers
- Accounting Office