



2012 Administrative Leadership Conference

Successfully Managing Self-Supporting Funds

October 24, 2012

9:30 to 10:45am

1:30 to 2:45pm



Workshop Presenter

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 - BSB 97



Please...

- Turn off cell phones.
- Avoid side conversations.
- Hold questions until designated times.
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.



Workshop Objectives

- Obtain a better understanding of what self-supporting funds (SSFs) are and when they should be used
- Review details needed when establishing SSFs
- Understand reporting obligations related to SSFs during year-end & describe how to properly complete the year-end Fact Sheet
- Locate resources available to help aid in better understanding how to properly manage SSFs



Agenda

- SSFs Overview
- Establishing SSFs
- Year-End Reporting Obligations for SSFs
- Year End Fact Sheet Case Studies
- Resources
- Questions



Self-Supporting Funds Overview

Self-supporting funds are used to record revenue and expenses generated from the sale of products or services to University departments, students/faculty/staff, or the general public which support and enhance the programs and missions of the University.

Self-Supporting Funds Overview

- Break even
- Record income and expenses in same fund
- Reconcile monthly
- Collection of sales tax
- Unrelated Business Income Tax (UBIT)
 - Is the activity considered a “trade or business”?
 - Is the activity regularly carried on?
 - Is the activity substantially related to the mission of the University?



Excess Funds Formula

Cash

- Less highest month expenses
- Less deferred revenue and deposits
- Less accounts payable
- Less accrued payroll
- Less obligations paid in grace period
- = Equals excess funds

Types of Self-Supporting Funds

- Storerooms and Services—Products or services provided primarily to University departments
- Auxiliary Enterprises—Products or services provided primarily to students, faculty and staff
- Departmental Activities—Products or services provided primarily to the general public

Establishing SSFs

- SSFs are under a high level of scrutiny in the current business environment
- Very important to ensure all of the necessary details are obtained prior to establishing a SSF to ensure the correct type of fund is being established

Fund Program Index Request Form

- Collect detailed information prior to establishing the fund, program, or index codes
 - Compliance with applicable legislative/regulatory guidelines
 - NACUBO functions
- Ensure all aspects of the activity are thoroughly analyzed prior to establishing fund (e.g., setting proper rates, establishing a budget, determining customer base)

FPI Request Form

Let's take a look at the [form](#)

- Detailed questions & helpful links throughout
- Comprehensive instructions now included on a separate tab within the form itself
- Revisions to the Supplemental Information tab which gathers detailed information necessary to establish self-supporting funds
- Attestation statement which includes requirements and helpful tips in managing self-supporting funds



Year-End Reporting

June 30th critical date

- Merchandise Inventory
- Accounts Receivable
- Sales Receipts deposited
- Funds encumbered

Year-End Reporting

Fact Sheet

- Required for all self-supporting funds
- Ensure that self-supporting funds are reported on accrual basis of accounting on 6/30/YY
- Adjustments are entered as of 6/30/YY and are reversed on 7/1/YY
- Notifications sent to Financial Manager
- Typically due third week of July



In Box

In-Process Fact Sheets

- Current Year Fact Sheets created under your Enterprise ID
- Status
 - In Process—created & saved, not submitted
 - Returned—submitted but returned by UAS for more information
 - Reopened—After UAS has completed they reopen the FS

Submitted Fact Sheets

- Current and Past Fact Sheets created under your Enterprise ID
- Status
 - Submitted—sent to UAS for review
 - Under Review—UAS is reviewing
 - Updating Banner—UAS has reviewed and will post to Banner
 - Completed—Data is posted to P14
 - Subsequent Complete—After Reopened and Submitted



Financial Manager can see all responsible Fact Sheets

Year End Fact Sheet

[Contact Us](#) | [Logoff](#)

Year End Fact Sheet

Enter a chart and fund code to create a FY 2011 fact sheet. Any fact sheets created are assigned to your enterprise id.

Chart: Fund Code:

In-Process Fact Sheets

Fund Code	Status	Last Updated
FY 2011		
1 302584	In Process	06/16/11
4 301067	In Process	06/15/11

Submitted Fact Sheets

FY 2011		
1 301477	Submitted	06/06/11
1 301952	Submitted	06/06/11
1 303519	Submitted	06/16/11
2 301477	Submitted	06/16/11
FY 2010		
9 301102	Submitted	06/16/11

Cover Sheet

FactSheetTemplate.xls

1. Fact Sheet Information

- Update Financial Manager Using NetID
- Phone Number
- Description of Activities

2. Change from Previous Fiscal Year

Year End Fact Sheet

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Year End Fact Sheet

Fact Sheet data is required from all departments with self-supporting and practice plan funds to assure that the Banner accounting records accurately reflect their financial condition as of June 30, 2011. Except for questions 14 and 15, OBFS UAFR - University Accounting Services will post to Banner the information reported on the Fact Sheets. Do not report items that are already posted to Banner Period 12 statements. All supporting documentation should be kept within the department for auditor review.

A fact sheet containing the information on this page for each self-supporting or practice plan fund must be submitted to University Accounting Services by 5 pm on June 15, 2011. Fact Sheets are not required for funds that have been terminated in Banner.

[FactSheetTemplate.xls](#) Use this Excel file template for the questions that require an Excel file. Save this file to your computer so you can attach it to the Fact Sheet. When completed, attach the file at the bottom of this page.

* = Required

1. Fact Sheet Information *

Chart Fund Code: 9 301102 **Title:** 835 I-Card Operations **Fund Type:** 3E **Entity:** 3110

Financial Manager: Peter Newman

Update Financial Manager Using NetID

Fiscal Year: 2011

Person Submitting this Fact Sheet: Jason Bane jabane@illinois.edu

Phone Number: 217 - 244 - 7264

Description of Activities:

Previous Year Activities: Sales of advertising space on the I-Card

2. Change from Previous Fiscal Year *

Describe any change from the previous fiscal year in activity(ies) for which the fund is being used. If there is no change, type "None".

Cover Sheet cont.

3. Total Income

- If Yes, then provide the approx. percentages for each category
 - University Departments
 - Includes Grants or Gift Funds
 - Students
 - Enrolled for credit
 - Staff
 - Employees
 - General Public
 - Non-University Sources
 - Other (please describe)

- If No, then describe why not

3. Total Income *

Did the fund have revenue in the fiscal year?
 Yes No

Indicate the approximate percentage of total income to your fund that is funded by each source (must add up to 100%):

	Current Year	Previous Year
University Departments (includes grantor):	0 <input type="text"/> %	0 <input type="text"/> %
Students:	0 <input type="text"/> %	0 <input type="text"/> %
Staff:	0 <input type="text"/> %	0 <input type="text"/> %
General Public:	0 <input type="text"/> %	100 <input type="text"/> %
Other: (please describe)	0 <input type="text"/> % <input type="text"/>	0 <input type="text"/> % <input type="text"/>
Total:	0 <input type="text"/> %	



Cover Sheet cont.

4. Service Activity Rate Review

- Only enabled if applicable to your Fund
- If Yes, provide the Review Date
- If No, provide explanation

5. Fund Termination

- Check the box and describe balance resolution

4. Service Activity Rate Review (Urbana campus only)

Is this fund a storeroom or service activity (fund type 3E) located on the Urbana campus for which rates are computed using federal costing principles in accordance with OBFS Policies and Procedures Section 13.6.2?

Yes No

Indicate the date when the rate(s) was reviewed by your department and/or submitted to OBFS Government Costing for a formal review.

Review Date (mm/dd/yyyy):

Additional Comments:

5. Fund Termination

This fund should be terminated after the current fiscal year.

4. Service Activity Rate Review (Urbana campus only)

Is this fund a storeroom or service activity (fund type 3E) located on the Urbana campus for which rates are computed using federal costing principles in accordance with OBFS Policies and Procedures Section 13.6.2?

Yes No

Provide Explanation:

5. Fund Termination

This fund should be terminated after the current fiscal year.

Describe the plan to remedy the balance or deficit in this fund.

Cover Sheet cont.

6. Nothing to Report for Items 7 through 15

- Uncheck box allows you to Browse and attach the Excel file near the bottom of the Cover Sheet.
- Checked box does not permit a file to be attached.

6. Nothing to Report for Items 7 through 15

My unit has nothing to report for Items 7 through 15.

If your unit has information to report for Items 7 through 15, an Excel file is required. Uploading an Excel file will be disabled if you have nothing to report.

Attach Excel file:

Browse...

6. Nothing to Report for Items 7 through 15

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If your unit has information to report for Items 7 through 15, an Excel file is required. Uploading an Excel file will be disabled if you have nothing to report.

Attach Excel file:

Browse...

Cover Sheet cont.

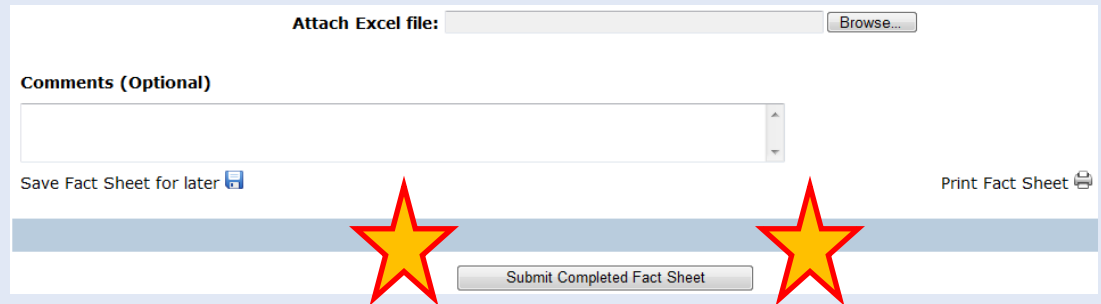
Attached Excel file

Comments

Save Fact Sheet for later

Print Fact Sheet

SUBMIT COMPLETED FACT SHEET button

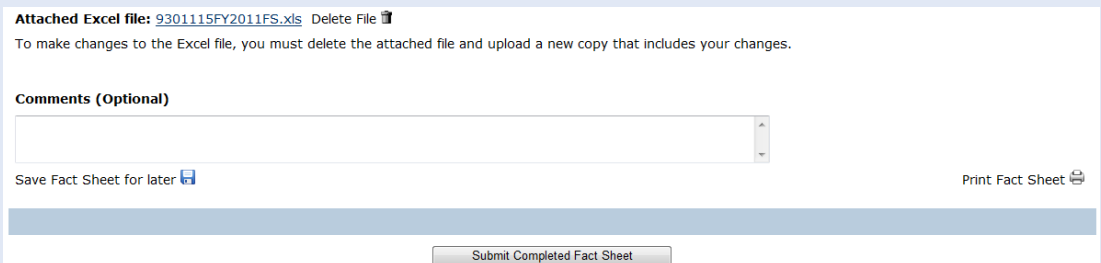


Attach Excel file:

Comments (Optional)

Save Fact Sheet for later

Print Fact Sheet



Attached Excel file: [9301115FY2011FS.xls](#)

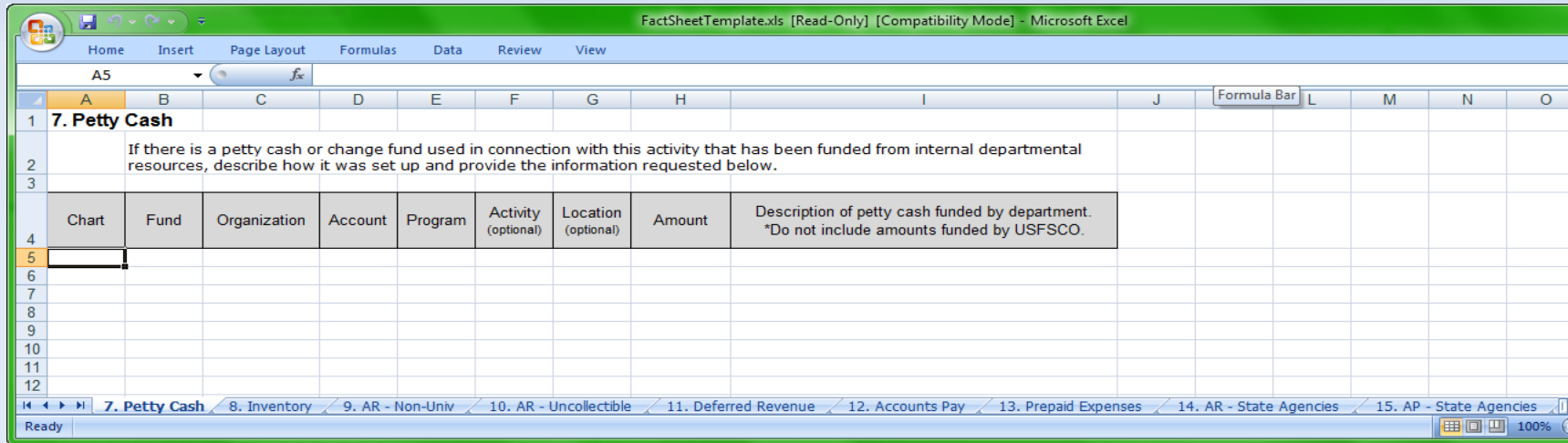
To make changes to the Excel file, you must delete the attached file and upload a new copy that includes your changes.

Comments (Optional)

Save Fact Sheet for later

Print Fact Sheet

Fact Sheet Template



- Gathers more detailed information
- Must use FY12 template
- Save a blank template



- Leave tab blank
- File conversion format
 - ChartFundFiscalYear Fact Sheet.xls
 - 4302624FY2012FS.xls



7. Petty Cash Fund

- Funds not secured through USFSCO
- Change funds for concessions, parking, etc.

General Ledger Trial Balance FGITBAL 7.4.0.1 (BANPROD) (DNONE)

Chart: 1 Fund: Account Type: Fiscal Year: 08 Account:

Account	Description	Beginning Balance	D/C *	Current Balance
51000	Claim on Cash	1,861,306.20	D	1,961,418.23
51810	Petty Cash	19,900.00	D	21,800.00

8. Inventory

- For resale or necessary for providing your good/service
- **As of June 30th**
- Perpetual—the value of the inventory is adjusted as items are purchased or sold
- Periodic—a physical count taken on a specific date
- Publications—publication date, quantity on hand, original cost
- Obsolescence—selling price lower than original cost
- **Shipping Terms**

9. A/R – Non-University Sources

- Services/goods provided but payment not received
- Do not include University departments
- Not already recorded in P12 reports
- Begin collecting that information as early as possible to ensure accurate totals for year-end

10. A/R – Uncollectible

- Estimate of uncollectible accounts receivable
- Not applicable if A/R is maintained by USFSCO

11. Deferred Revenue

- Revenue *recorded/received* on or prior to June 30 that is *earned* after June 30
 - For example, summer camps, conferences, subscriptions, publications, etc.
- Review sources of revenue such as deposits, credit card sales, billings recorded in accounts receivable, etc.
- Begin collecting that information as early as you can



12. Accounts Payable

- Amounts due to vendors by vendor invoice
 - Shipping terms
- Travel/employee reimbursements
- Not on P12 reports
- Product/Services/Travel prior to July 1st
- Be as detailed as you can when reporting, using specific dollar amounts and vendor/employee names whenever possible

13. Prepaid Expense

- Expense paid in the current fiscal year that will benefit the subsequent fiscal year
- Subscriptions & memberships
 - Compliance, not a materiality issue
- Begin collecting that information as early as you can

14. A/R State Agencies

- Does final receivable balance include receivables from any State agencies?

15. A/P State Agencies

- Does final payable balance include payables from any State agencies?



CASE STUDY: COMPLETING THE YEAR END FACT SHEET

The Facts

- Fund 4-301XXX performs testing services for external customers.
- On December 31, 2011 fund 4-301XXX signs a contract to perform testing services for the Chicago Department of Labor for 1/1/2012 through 12/31/2012. The total compensation for the contract is \$100,000. A check is received on January 15, 2012 for \$100,000.
- On May 1, 2012 testing services were performed for Boeing. On June 1, 2012 Boeing was sent an invoice for \$25,000. On June 15, 2012 fund 4-301XXX received a \$10,000 payment from Boeing.
- On June 1, 2012 three laptop computers totaling \$5,000 were ordered. As of June 30, 2012 the computers had not been received nor had any payments been made. The computers were shipped from the merchant on 6/15/12.
- The testing services performed require a \$25 supply kit. A charge of \$27.50 per test is built into the service rate. On July 1, 2012 500 supply kits are on hand.



Quiz #1

What dollar amount should be reported on the Fact Sheet for deferred revenue?

Deferred Revenue is revenue which has been recorded on the books but has not yet been earned.

Quiz #1

What dollar amount should be reported on the Fact Sheet for deferred revenue?

- \$100,000 is received for services performed for the time period 1/1/12 to 12/31/12.
- At 6/30/12 approximately half of the total services would have been performed.
- \$50,000 of deferred revenue should be recorded on the year-end Fact Sheet.



Quiz #2

What dollar amount should be reported on the Fact Sheet for accounts receivable?

A receivable should be recorded once services have been substantially completed or a good has been delivered and you have reasonable expectation to receive payment for that service or good.

Quiz #2

What dollar amount should be reported on the Fact Sheet for accounts receivable?

- On 6/1/12 a receivable should be recorded for \$25,000.
- On 6/15/12 a payment was received for \$10,000. This would reduce the receivable to \$15,000.
- \$15,000 of receivables should be recorded on the year-end Fact Sheet.



Quiz #3

What dollar amount should be reported on the Fact Sheet for accounts payable?

A payable should be recorded once legal ownership has transferred from the merchant to the customer.



Quiz #3

It is important to check shipping terms when purchasing tangible goods.

- FOB “shipping point” or “FOB origin” indicates the buyer pays shipping cost, and takes responsibility for the goods when the goods leave the seller's premises.
- “FOB destination” designates the seller will pay shipping costs, and remain responsible for the goods until the buyer takes possession.

Quiz #3

What dollar amount should be reported on the Fact Sheet for accounts payable?

- If the shipping terms were FOB “shipping point” or “FOB origin“, a payable for \$5,000 would be required to be recorded as of 6/30/12 because legal ownership transferred once the computers left the merchants warehouse.
- If the shipping terms were “FOB destination” a payable would not be recorded until the computers are received.



Quiz #4

What dollar amount should be reported on the Fact Sheet for the inventory for resale?

If a self-supporting activity maintains an inventory of items available for resale, the unit should perform a year-end count (as close to 6/30 as possible) to determine the year-end inventory balance.

Quiz #4

What dollar amount should be reported on the Fact Sheet for the inventory for resale?

- On 7/1/12 500 supply kits were on hand.
- The cost of each supply kit was \$25.
- \$12,500 of inventory for resale should be recorded on the FY12 YE Fact Sheet (500 kits x \$25 = \$12,500).



Did you know...

- Non-Monetary Exchange forms can be submitted any time
- Unused SSFs can be closed, even if there is a balance or deficit – work with UAS
- UAS will be actively reviewing all self-supporting funds
- T/F--University files an tax return with IRS?

Helpful Links/Resources

- Orientation for New Business and Finance Employees:
 - <http://www.obfs.uillinois.edu/orientation/>
- Accounting & Financial Reporting Job Aids & Training Materials:
 - <http://www.obfs.uillinois.edu/training/materials/accounting/>
- OBFS Training Events Calendar:
 - <http://www.obfs.uillinois.edu/calendars/>
- Accounting & Financial Reporting, Who To Ask:
 - <http://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/>

Helpful Links/Resources

- Accounting FAQ's:
 - <http://www.obfs.uillinois.edu/accounting-financial-reporting/faqs/>
- Accounting & Financial Reporting Forms:
 - <http://www.obfs.uillinois.edu/forms/accounting-financial-reporting/>
- Year-End Procedures:
 - <http://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/>

Helpful Links/Resources

- OBFS Policies & Procedures Manual:
 - <http://www.obfs.uillinois.edu/bfpp/>
 - [Section 22 - Revenue and Income](#)
 - [Section 5 – Receivables-All Receivables Policies](#)
 - [Section 21 - Merchant Cards](#)
 - [Section 11.13 - Sponsorship Gifts](#)
 - [Section 13.7 - Non-Monetary Exchange Transactions](#)
 - [Section 13.8 - Departmental Administrative Support Assessed on Self-Supporting Funds](#)
 - [Section 18.13 - Unrelated Business Income Tax \(UBIT\)](#)
- Fiscal Control and Internal Auditing Act (FCIAA)
 - <http://www.obfs.uillinois.edu/accounting-financial-reporting/fciaa/>



Questions / Concerns?