

Process and procedures for tracking faculty research funds from the college

In 2007 the college changed its method of funding faculty research funds. In order to more effectively utilize our resources, funds are not transferred until needed, or spent. This allows the college to honor commitments to faculty, but still make other investments, much like a bank uses our savings.

When college research funds are provided to new faculty or as part of a retention offer, staff should use the following procedures to manage the funds:

Step 1 Establish a unique chart string for the research award. If the source of funding is O&M (1000) or ICR (1024), use program code 20042 along with the faculty member's Empl ID. For other funding source, e.g. donated funds, contact Fiscal Administration to discuss.

- Use this chart string for the college funding ONLY. If the department is providing additional research funds, a separate chart string will need to be established for the departmental portion – usually this program code is 20089 with the Empl ID.

Step 2 In the first year of the commitment, budget the entire commitment as a transfer-in using the budget only account code 600200. For example, if the commitment is \$10,000 a year for three years, budget the entire amount of \$30,000.

Step 3 To budget faculty research funds after the initial year, accountants should take the remaining balance from the spreadsheet on their shared drive after the May transfer and budget that amount as a transfer-in (600200). Budget estimated expenses as you normally would. Any remaining funds should be budgeted as a non-mandatory transfer-out, so as not to overstate the chart string balance.

- As the commitment is spent, the college will monitor the balance and transfer funds to cover negative balances. Transfers will be done four times a year, September, December, March and May.
- Faculty research commitments appear on the unit's soft commitment sheets. However, individual transfers from the college are tracked on a separate spreadsheet for better management. The spreadsheet is available for viewing on the Financial Service Team shared drive [..\..\CLA Financial Service Teams](#). The spreadsheet is updated after transfers have been processed.
- At year-end, the soft commitment database will be updated to reflect the total amount transferred for the year. Any balance remaining is entered as a soft commitment in the next fiscal year. This process will continue until the funding expires. Remaining unused funds at the end of the commitment period will revert to the college.
- Because the final fiscal year transfer needs to be done in May, prior to budget entry, there may be expenses posting in June. This will create a negative balance that will carry forward into the next fiscal year. This is acceptable. The balance will be covered by the first transfer of the new fiscal year.

- It is important for faculty to receive regular updates on their funds. While UM Reports will reflect how they have spent the funds, they will not provide a balance without calculation. Accountants should provide a cover page with this information. You may use the available template as a calculation tool – see example below. This template is located in the financial service team shared drive, [..\\..\\CLA Financial Service Teams](#)

Available balance at start of current fiscal year (A)	82,022
Minus Actual Transfers In (B)	-54,724
Recognized/Obligated EndingBalance (C)	-12,141.69
Balance as of today	15,156.31

			Fiscal Year Through Selected Accounting Period				
Account	Account Description	Current Budget	Pre-Encumbrances / Encumbrances	Revenues / Expenditures	Recognized / Obligated	Unrecognized / Unobligated Budget Balance	
Resources							
Prior Year Carry Forward(Cash)							
900102	FYE Carryfwd (Cash-Based)	0.00	0.00	-5,660.24	-5,660.24		
Subtotal Prior Year Carry Forward(Cash)		0.00	0.00	-5,660.24	-5,660.24	5,660.24	
Total Resources		0.00	0.00	-5,660.24	-5,660.24	5,660.24	
Expenditures							
Expenditures							
700100	Salaries-Faculty-Fin Bdg Only	1.00	0.00	0.00	0.00		
700101	Salaries - Faculty	0.00	0.00	-27,298.32	-27,298.32		
700300	Salaries-Grd/Pr w/Tuitn-FinBdg	-15,000.00	0.00	0.00	0.00		
700301	Salaries-Grd/Pr Stdt-Tuit Ben	0.00	0.00	-13,985.40	-13,985.40		
710100	Fringe - Faculty-Fin Bdg Only	1.00	0.00	0.00	0.00		
710101	Fringe - Faculty	0.00	0.00	-1,804.41	-1,804.41		
710300	Fringe-Grad/Pr-w/Tuitn-FinBdg	-15,000.00	0.00	0.00	0.00		
710301	Fringe-Grad/Pr Stdt-Tuit Ben	0.00	0.00	-14,398.26	-14,398.26		
720100	Gen Oper Supplies-FinBdg Only	-17,822.00	0.00	0.00	0.00		
720102	Published Materials	0.00	0.00	-86.46	-86.46		
720103	Office Supplies	0.00	0.00	-518.11	-518.11		
720299	Other Lab-Medical Supplies	0.00	0.00	-139.72	-139.72		
720300	Gen Oper Services-Fin Bdg Only	-17,000.00	0.00	0.00	0.00		
720303	Printing-Duplicating-Binding	0.00	0.00	-177.60	-177.60		
720310	Software License Fees	0.00	0.00	-75.00	-75.00		
720311	Dues and Subscriptions	0.00	0.00	-753.00	-753.00		
720322	Training and Conf Registration	0.00	0.00	-150.00	-150.00		
720801	Travel in Minnesota	0.00	0.00	-80.00	-80.00		
720802	Travel Domestic	0.00	0.00	-259.40	-259.40		
760101	NC Comp Hard-Software	0.00	0.00	-285.97	-285.97		
810100	Research Subj Pmnts-FinBdg Only	-17,000.00	0.00	0.00	0.00		
810101	Research Subject Payments	0.00	0.00	-799.75	-799.75		
820200	Enterpris Assessmt-FinBdg Only	-200.00	0.00	0.00	0.00		
820201	Enterprise Assessment	0.00	0.00	-518.08	-518.08		
Subtotal Expenditures		-82,020.00	0.00	-81,305.45	-81,305.45	-20,714.55	
Total Expenditures		-82,020.00	0.00	-81,305.45	-81,305.45	-20,714.55	
Transfers							
Transfer In							
600200	Non-Mand Int Trshr In-FinBdg O	82,022.00	0.00	0.00	0.00		
600201	NMTI - Same Fund - Same RRC	0.00	0.00	54,724.00	54,724.00		
Subtotal Transfer In		82,022.00	0.00	54,724.00	54,724.00	27,298.00	
Total Transfers		82,022.00	0.00	54,724.00	54,724.00	27,298.00	
Ending Balance		2.00	0.00	-12,141.69	-12,141.69	12,143.69	