Account Management Guidelines for Federal Appropriations (34XXXXXXX)

Account Establishment

A new fund should only be established if the College of Ag, Vet or CFS were notified by USDA that they would be receiving funding from a new federal formula fund. If this occurs, the Ag Accountant will work with Accounting Services to get this fund established.

The following tool provides assistance in account establishment:

- FM Checklist for Account Establishment http://www.purdue.edu/bs-ba/xls/FMAccountSetupChecklist.xls

Account Maintenance, Transaction, and Document Management

Every effort should be made to charge the appropriate account in order to minimize the processing of correcting documents. Expenses on Federal Appropriations are reported to the Federal Government at the end of each Federal Fiscal Year (10/1/XX-9/30/XX), therefore no corrections are to be made to transactions on Federal Appropriations after the end of the current Federal Fiscal Year.

A. Maintain Appropriate Balances

It is the responsibility of all areas to ensure overdrafts are managed appropriately.

- Available budget balances greater than $0 should be maintained on all budgeted University funds.
- Specific department account balances should be reviewed and appropriate action taken on a monthly basis.

The following actions are to be taken on over-drafted accounts:

- Move charges to an appropriate account. Moving a charge from an over drafted account to another account requires appropriate documentation and sufficient explanation.
- Change demurrage, MERS numbers, and any recurring charges to prevent further over-drafting of the account.

There are several reports and queries that can be used to monitor and assist in the maintenance of proper account expenditures and balances.

The following tools provide assistance in account management:

- Transaction code for Budget overview report FMRP_RW_BUDGET
- Monthly SMUR/RIO reports refer to report usage grid found at the following http://www.purdue.edu/onepurdue/FIHR/documents/report_usage_grid.pdf
- B@P https://www2.itap.purdue.edu/bs/BPP/index.cfm
B. Getting Started

- Business Office staff should confirm charges are being posted appropriately.

C. Procurement and Account Management

Purchasing requisitions, purchasing card procurements and direct invoice vouchers should be reviewed for correct account numbers, correct general ledger (G/L) account number, funds available, and allowability before approval.

Review should be completed by the person with the appropriate signature authorization.

If a commitment is generated in SAP, it is reviewed against the original requisition to ensure correct processing. Commitments should be reviewed and issues investigated within 30-45 days from the date an order has been placed. Use the Open Purchase Order Summary t-code, ZFIR_SRM_OPEN_PO_SUM to verify open commitments. If problems arise, such as the requester has not received the item/product, the product has been received but an invoice has not been submitted to Accounts Payable, or if an invoice has been paid but the commitment has not been relieved, utilize the GR IR Clearing Report, ZFI_GR_IR_CLEARING, for identifying issues and resolutions.

The blocked invoice report ZFI_BLOCKED_INVOICE should be reviewed weekly. If there are outstanding issues, the department business office should follow up and look for resolutions.

For Procurement related questions please visit the SRM Instructions Manual http://www.purdue.edu/purchasing/SRM/srmInstructionsManual.html or contact the Purchasing Services helpdesk by phone 4-7279 or email pshelpdesk@purdue.edu.

D. Review for Allowability of Costs

A thorough review of all charges should occur to ensure costs are allowable and charged appropriately.

Allowability of costs should be reviewed according to the following guidelines:

- OMB Circular A-21
- Specific USDA Administrative Guidelines for each type of funding.

E. Maintain Allocability Supporting Documentation

The department's procurement process should include documented academic approval for the purchase. This documentation can be on a departmental request form, Form 12 or whatever format best suits the department. This documentation serves as the proof of allocability and should be retained per University record retention guidelines.

F. Verify Appropriate Signature Approval

Comptroller Signature delegation grants fiscal approval for procurement and disbursements for a specified amount. This signature authority holds the responsibility of validating allowability and allocability. A transaction should be appropriate and reasonable, in line with the mission statements of the department, college and university.
A CSSD form should be completed to obtain comptroller signature delegation, the form and instructions can be found here: http://www2.itap.purdue.edu/BS/Business_Forms/Depart_forms.cfm

G. Records Retention

All business offices are expected to maintain their records in accordance with the University’s record retention policy. As a general rule, documentation over and above the official policy should not be maintained.

H. Payroll Errors Identified in the Payroll Process

The Department Business Office should be proactive in reviewing cost distributions on a timely basis. Cost distribution should be corrected before the next payroll to allow for proper distribution. Corrections identified should be prepared according to correcting document guidelines. The following links will assist the Business Office with this process.

Compensation Processes:
https://www2.itap.purdue.edu/bs/BPP/public/view_process.cfm?view=mod99&name=Compensation

Cost Distribution Form:
http://www2.itap.purdue.edu/BS/Business_Forms/Depart_forms.cfm

Cash Management

Cash for Purdue University will be managed in a method, which maximizes the University’s cash position and at the same time meets federal and/or other regulations.

All Federal Appropriated Funds:
- Cash balances are managed by the Ag Accountant in accordance with guidelines specified by USDA for drawdowns and carry forwards.
- Cash balances are reconciled to match budget balances on a monthly basis by the Ag Accountant.

Close Out Management

In the case that USDA would notify the Ag Accountant that a particular formula fund will no longer be available, the Ag Accountant will work with the departments involved to spend any remaining funds in accordance with USDA guidelines. The Department business office should review for open commitments, open GR IR issues, blocked invoices, over drafts, cost distributions, 1 and 2 general ledger accounts are zero balance and asset purchases. Should there be any open items that result from the review; the department business office is responsible for clearing those items prior to submitting a form to accounting services to close the fund.

The following tool provides assistance in account closing:
- Open commitments ZFIR_SRM_OPEN_PO_SUM
- GR IR issues ZFI_GR_IR_CLEARING
- Blocked invoices ZFI_BLOCKED_INVOICE
- Trail Balance by Fund GR55 Z100
- Check payroll cost distribution in IT27 via SAP T-code PA20 or PA30
Accounts Receivable Aging Reports – A helpful T-code in SAP for AR reporting would be Z_PSCD_REPORTS. A showcase for AR reporting can be found at the following link [http://www.purdue.edu/uco/pdf/Accts_Rec/PSCD_Reportin...](http://www.purdue.edu/uco/pdf/Accts_Rec/PSCD_Reportin...).

A full account closing check list is available at the following link: [http://www.purdue.edu/fina/fmi/FM_Closing_ChecklistFinal.xls](http://www.purdue.edu/fina/fmi/FM_Closing_ChecklistFinal.xls)

A change form found at the following link should be submitted to close an account: [https://www.purdue.edu/account/BPM/OnePurdue/Welcome.html](https://www.purdue.edu/account/BPM/OnePurdue/Welcome.html).

**All items mentioned above should be cleared prior to submitting the change form for closing to Accounting Services.**

Although these funds are not closed out on an annual basis, no transactions may post to these funds past the closing of the federal year, 9/30/XX. The Ag Accountant does a thorough review of all transactions prior to this date and any corrections that need to be processed must be done so prior to the end of September each year.