Account Management Guidelines for Gift Funds
(51XXXXXX & 52XXXXXX)

Account Establishment

The following tool provides assistance in account establishment.

- A full account setup check list is available at the following:
  http://www.purdue.edu/bs-ba/xls/FMAccountSetupChecklist.xls

Definition of Gift Funds

A gift is consideration given for which the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored. A gift may also include a “quid pro quo contribution” within the meaning of section 6115 of the Internal Revenue Code where goods or services may be provided to the donor in recognition of the consideration given by the donor. The Internal Revenue Code disclosure and substantiation requirements for a quid pro quo contribution will be complied with.

Gifts made to the Foundation and gifts made directly to the University are both processed and reported by the University Development Office. Guidelines regarding classification, administration, and reporting of nongovernment support can be found in University Policy IX.6.2, Classification, Administration, and Reporting of Nongovernmental Support (http://www.purdue.edu/policies/pages/advancement/ix_6_2.html).

The following are NOT gifts and are NOT voluntary support:

- Reimbursements of expense (from non-Purdue related entities)
- Editorial expenses
- Sales revenue
- Auction proceeds
- Outside awards

Is a new account required or can funding be added to an existing account? (Consult Accounting Services if unsure)

The following issues should be considered when making this determination:

- Source of funding, size of award, and use of existing account

Use the guidelines at this website to determine if the funds should be classified as gift support. http://www2.itap.purdue.edu/sps/V5/.

Establishment of Gift Fund accounts

For all gift funds, a Form 44 is necessary most of the time. The instances when it is NOT needed are:

- When a pledge payment is made
- Solicited gifts
- Matching gifts
**Depositing Checks**

All gifts to Purdue University must be processed through University Development Office (UDO) located in the Dauch Alumni Center. All gift money must be recorded to accounts in accordance with providers’ wishes. Centralized depositing of gift funds ensures proper receipting and acknowledgement of donors.

Departments or Schools should **NEVER** deposit or endorse or alter gift checks nor should they be deposited directly to the Bursar’s Office. Currency and checks with appropriate backup documentation should be delivered to UDO in the Dauch Alumni Center. Do not send gift checks or currency by campus mail. Gift checks and currency may be hand delivered to UDO at the Dauch Alumni Center or taken to HOVD Hall Room 3 for courier delivery.

Gift checks should be made payable to Purdue Foundation.

- Prepare Voluntary Support/Gift Report (Form 44) once account is established to deposit gift.  [http://www2.itap.purdue.edu/sps/VS/](http://www2.itap.purdue.edu/sps/VS/)

**Requesting new accounts**

Initial Questions:

1. Does this funding meet the definition of Voluntary Support?
2. Does this account already exist to accurately reflect the intent of the donor?

If a check has been received in the department (business office, faculty member, school development office, etc):

1) Send ALL requests for new gift accounts to the Master Data Team. Complete a New Fund Request form at [www.purdue.edu/account/BPM/OnePurdue/fundNEW.html](http://www.purdue.edu/account/BPM/OnePurdue/fundNEW.html).

2) The Master Data Team will notify you of the assigned gift fund account number.

3) Prepare a Form 44 with all required information including the new gift fund account number assigned by Master Data Team ([http://www2.itap.purdue.edu/sps/VS/](http://www2.itap.purdue.edu/sps/VS/)). Print out Form 44.

4) Attach check and all possible backup documentation to Form 44. This should indicate donor information, purpose of gift, etc. If no written documentation is available, mention this in the comment section of the Form 44 and submit with the Department Head’s signature.

5) Obtain all appropriate authorized signatures of Form 44, as required by each organizational unit.

6) Make department copies as necessary.

7) Deliver the **original** Form 44, check(s) and original backup documentation to UDO – 3rd Floor, Dauch Alumni Center.

If check is received in UDO:

Expectation: UDO will contact the departmental business office if a new gift fund account number and Form 44 must be prepared or if a Sponsored Program is required for deposit purposes. UDO will send copies of any correspondence and/or deposit documentation to the departmental business office.

1) UDO will contact department to inform that a check has been received in support of department’s area. UDO will fax or email PDF supporting correspondence to the department.
2) Department will fill out Master Data Form New Fund Request online at [www.purdue.edu/account/BPM/OnePurdue/fundNEW.html](http://www.purdue.edu/account/BPM/OnePurdue/fundNEW.html).

3) The Master Data Team will notify you with an assigned new gift fund account number.

4) Prepare a Form 44 with all required information, including the new gift fund account number assigned by Master Data Team ([http://www2.itap.purdue.edu/sps/VS/](http://www2.itap.purdue.edu/sps/VS/)). Print out Form 44.

5) Obtain all appropriate authorized signatures of Form 44, as required by each organizational unit.

6) Make department copies as necessary.

7) Deliver the **original** Form 44, and attach a copy of backup documentation sent to you in step 1 above to UDO – 3rd Flr. Dauch Alumni Center.

If a new gift account needs to be established **before money comes in the door**, complete the Master Data Form New Fund Request at [www.purdue.edu/account/BPM/OnePurdue/fundNEW.html](http://www.purdue.edu/account/BPM/OnePurdue/fundNEW.html).

Once the gift money arrives either in the department or UDO, department will be required to prepare a Form 44 and follow steps 3 through 7 above, depending on where gift is received.

If money will be transferred from an existing account to a new one, fill out a Master Data Form New Fund Request ([www.purdue.edu/account/BPM/OnePurdue/fundNEW.html](http://www.purdue.edu/account/BPM/OnePurdue/fundNEW.html)). You must indicate from which account the funds will be transferred.

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**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.*

**A. Maintain Appropriate Balances**

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

1. **Gift Funds:**
   - Management and cash balances greater than $0 should be maintained
   - Account balances should be reviewed and appropriate action taken on a monthly basis.

The following actions are to be taken on overdrafted 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 fund.
- Review outstanding commitments and prepare a Form 26 if appropriate
- Review cost distribution on any payroll posting to the fund for corrections

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

The following tools provide assistance in account management:

- The trial balance by fund in SAP tcode GR55 Z100
• Monthly SMUR/RIO reports refer to report usage grid found at the following
• B@P https://www2.itap.purdue.edu/bs/BPP/index.cfm

B. Getting Started

Business Office staff should review accounts regularly and take appropriate action if a
 correction is needed.

C. Procurement and Account Management

Purchasing requisitions, purchasing card procurements and direct invoice vouchers should be
 reviewed for correct fund and fund centers, 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,
ZFI_SR_MOPEN_PO_SUM to verify open commitments. If issues 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 at
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 assure costs are allowable and charged
appropriately.

E. Maintain Allocability Supporting Documentation

The department's procurement process should include documented approvals 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 must be completed to obtain comptroller signature delegation, the form and
instructions are 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. Department Payroll Default (Fund: 91010000)

Run ZHR_Pay_Posting after each payroll to determine if any payroll charges have posted to the payroll default for your Department. Enter the posting date range of 06/11/2007 through the current period (Life to Date) along with fund (91010000) and your departmental cost center. If there are payroll charges that have posted to the payroll default you will need to complete a CD-01 form https://www.purdue.edu/costing/BPM/Effort_Reporting/Welcome.html to charge the appropriate account and to clear your department payroll default. Department Payroll Default accounts need to be reviewed and cleared by month-end.

I. Follow Established University and College/School Policies

All funds need to comply with University policies.

J. 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. Different aspects of program management contribute to the effective management of cash. These include daily cash management, overdraft management, cash deficit monitoring, billing and accounts receivable management, and effective communications among University staff.

A. Cash Handling

All payments received via check, cash, lockbox or electronic transfer must be handled in accordance with the University Cash handling manual. The University Cash handling plan will be reviewed and updated annually. Required separation of duties and internal controls must be established.

B. Cash Balance Review

All accounts are reviewed monthly for cash balance reporting purposes and can be obtained using the following T-code: GR55 Z100 Trial Balance by fund. Any account with a negative balance will be investigated unless an approved plan is in place.

C. Management Reports-Cash Balance

Cash balance reports will be generated monthly for management review. The responsible administrator for each area will review the report, and accounts which do not meet the criteria in Section B above, will be brought to management’s attention. Any other situations, which are problems, will also be brought to the attention of management.
Close Out Management

A. Closing a Gift Fund

Prior to closing a Gift Fund, 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. Check for recurring gifts or payroll deductions before requesting to close out a gift fund.

The following tools are available to assist in closing an account

- Open commitments ZFIR_SRM_OPEN_PO_SUM
- GR IR issues ZFI_GR_IR_CLEARING
- Blocked invoices ZFI_BLOCKED_INVOICE
- Trial Balance by Fund GR55 Z100
- Check payroll cost distribution in IT27 via SAP tcode PA20 or PA30
- Accounts Receivable Aging Reports – A helpful tcode 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_Report.pdf](http://www.purdue.edu/uco/pdf/Accts_Rec/PSCD_Report.pdf)
- 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).
- A full account closing check list is available at the following [http://www.purdue.edu/bs-ba/xls/FMClosing_ChecklistFinal.xls](http://www.purdue.edu/bs-ba/xls/FMClosing_ChecklistFinal.xls)

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

B. OVERDRAFTS

The available cash balance should not be less than $0. Business Office staff should review the reports monthly and take appropriate action to resolve the overdraft within the month.