

# Account Management Guidelines

## Summary

In order to achieve maximum utilization of Purdue resources, the Account Management Guidelines are used as a working document to provide more accurate and timely financial information to appropriate individuals. The Account Management Guidelines apply to all University funds.

Account Management is accomplished through account establishment; account maintenance, transaction and document management; cash management; and closeout management. These procedures highlight the following major issues:

### 1. OVERDRAFTS

- The available cash balance or available budget balance should not be less than \$0.
- Business Office staff shall review the overdraft report monthly and take appropriate action to resolve the overdraft within the month. For SPS accounts without approved award documentation, the Business Office **must** request a Notice to Proceed prior to incurring expenses for a project.
- SPS staff should review overdrafts monthly and notify the Business Office or take appropriate action such as requesting a [Notice to Proceed](#) when there is continuation of funding.

### 2. EXPIRED PROJECTS/CLOSING ACCOUNTS:

- For SPS accounts, the department should have projects ready in the accounting system for closing by **60 days** after expiration unless sponsor requires earlier submission. All fiscal, technical reports and final billings will be **submitted in accordance with sponsor regulations**.
- For non-SPS accounts, accounts should be evaluated and if no longer useful, process the appropriate [OnePurdue Master Data Form](#).

### 3. CASH DEFICITS:

- Since we are now drawing letter of credit funds on a reimbursement basis, letter of credit draws should be completed on a timely basis, which is weekly for most letter of credit projects, to protect the cash position.
- For non-federal agreements, a payment schedule will be negotiated to provide an **initial or advance payment**, if possible.
- For non-SPS accounts, office staff will either transfer funds or move charges to an appropriate account.
- Collections will be **aggressively pursued** utilizing the cash management process identified in the guidelines.

***Account Management is a Purdue University priority and will be treated as such. At peak times it will be expected that staff will pool resources to meet account management guidelines.***

## **Mission Statement**

*Account management at Purdue University exists to provide timely and accurate financial information to principal investigators, department heads, administrators and external funding providers. This information is used by in decision making, project planning, policy analysis, program planning and long range financial planning.*

*Proper account management allows staff to be proactive rather than reactive and is increasingly important as we respond to diminishing resources. Proactive account management requires that each staff member integrate account management tools, techniques and thought processes into their daily activities. This integration is a basic expectation for each Purdue University staff member.*

Specific guidelines for the following funds can be found by clicking on the specific fund:

- [Agency – Outside Awards \(13XXXXXX\)](#)
- [Physical Facilities \(14XXXXXX\)](#)
- [General Funds \(21XXXXXX\)](#)
- [Income Producing \(22XXXXXX\)](#)
- [Auxiliary & Service Enterprises \(24XXXXXX\)](#)
- [State Line Items \(31XXXXXX, 32XXXXXX & 33XXXXXX\)](#)
- [Federal Appropriations \(34XXXXXX\)](#)
- [Sponsored Programs \(4XXXXXX\)](#)
- [Gifts \(51XXXXXX & 52XXXXXX\)](#)
- [Student Aid \(6XXXXXX\)](#)
- [Endowments \(7XXXXXX\)](#)
- [Construction \(82XXXXXX\)](#)