

ESTABLISHING BUDGETS FOR CERTAIN ABR 4 TRUST FUNDS

1. Recharge Centers (RC) and Internal Service Funds (ISF)

A. Current practice:

For RC and ISF accounts with ABR 4 method, the revenue and expense budgets are created by month end prorates. Revenue budgets are based on actual receipts collected via interdepartmental billings or receipts from external sale of goods and services. Expense budgets are at the pool level 1000. These accounts have one G/L and one S/L account. The Automatic Budget Create (ABC) is not turned on for these accounts because prorates handle the budget revisions at month end based on receipts.

B. Process for last quarter of the fiscal year ending 06/30/2009:

Accounting process to provide budget revisions at the beginning of the period instead of month end: For the 4th quarter of the fiscal year, the department responsible for RC and ISF accounts will estimate the expense budgets necessary to continue the services and submit to their respective Dean's office for review and approval. The Dean's office will forward the approved expense budgets to Accounting Services using the *Trust Fund Revenue/Expense Budget Form* located at <http://finance.unc.edu/finance-division/finance-forms/forms.html>. The approved budget forms should be received by Accounting Services by March 24, 2009, if posting is needed by April 1, 2009.

Accounting Services will post the approved budget revision at pool level 1000 using Transaction Code (TC) 21.

- For the 4th quarter, budget revisions for the projected receipts are not required.
- Accounting Services will continue the prorates which update revenue budgets based on actual receipts, and discontinue the prorate that updates expense budgets.
- Accounting Services will remove the S/L account from the year-end carry forward program.

Note: The department will continue with its monthly billings using data collect batches or the Online Journal Entry System.

The RC's will have actual receipts collected to date and expenses incurred at 06/30/2009. The department responsible for RC and ISF accounts will prepare revenue and expense budgets for fiscal year 2009-2010 using the *Trust Fund Revenue/Expense Budget Form* and submit for approval to the Dean's office. An approved budget for RC and ISF should be submitted by the Dean's office to Accounting Services by June 15, 2009.

C. Process for fiscal year 2009-2010:

Accounting Services will post the budgets for both revenue and expenses as original budgets using TC 20. Beginning fiscal year, 2009-2010, all monthly prorates will be turned off for these accounts.

2. Establishing budgets for Trust Accounts with Contractual Agreements (Contract Trusts)

A. Current Practice:

These are contracts and grants accounts not administered by the Office of Sponsored Research. Established as a restricted trust fund, ledger 0-66XXX, with ABR 4 method, budget revisions for contract trusts are posted at pool level 1000 by month end prorates. The budgets are created by month end prorates based on receipts, fund additions and fund deductions. The department will periodically bill the counter party to the agreement for the services provided. When payments are received they are recorded in the general ledger 0-66XXX-41XX. Contract Trust accounts have one G/L and one S/L accounts with ABC turned on.

B. Process for last quarter of the fiscal year ending 06/30/2009 or contract end date, whichever is earlier:

Accounting process to provide budget revisions at the beginning of the period instead of month end: The department will estimate the budget based on expected receipts for the 4th quarter. The Dean's office will review the estimate, approve, and forward the budget revisions using the *Trust Fund Expense Only Budget Form* located at <http://finance.unc.edu/finance-division/finance-forms/forms.html>. The approved budget forms should be received by Accounting Services by March 24, 2009, if posting is needed by April 1, 2009. Accounting Services will post the budget revision at pool level 1000 using TC 21.

For these contract trust accounts, the ABC and carry forward budget will be turned off.

The department will prepare the expense budget for the 2009-2010 fiscal year and submit for Dean's office approval. The Dean's office will review the estimate, approve, and forward it to Accounting Services by June 15, 2009.

C. Period Covered: Fiscal year 2009-2010 or contract end date, whichever is earlier:

Accounting Services will post the expense budget at the pool level 1000 as original budgets using TC 20.