

Loading Trust Budgets

We know many of you have completed your FY 2015 reconciliation. Now that campus is largely dealing with FY 2016 business, we've recently received several questions about Trust budgets. It's a good time to revisit the FY 2016 process for loading Trust budgets.

At the highest level, Trust sources are divided into two categories: 1) Associated and 2) Non-Associated.

Associated

Only Trust sources that belong to the Trust 1 and Trust 2 rulesets can be associated. Those that are associated are listed in ConnectCarolina's Associated Budgets table. The menu path is Main Menu > Finance Menu > Commitment Control > Define Control Budgets > Associated Budgets. Be sure to check the Budget Period column. The source is only associated if there is a row with Budget Period 2016, as below:

| Revenue | Fund | Source | Account | Dept | Program | Cost Code 1 | Cost Code 3 | Budget Per |
|-----------|-------|--------|---------|--------|---------|-------------|-------------|------------|
| TRUST_REV | 29200 | 50651 | | 311200 | | | | 2016 |
| TRUST_REV | 29200 | 50651 | | 311200 | | | | 2015 |

Budgeting 101 (p. 4) lists the source ranges for each Trust fund ruleset.

<https://ccinfo.unc.edu/files/2015/06/Budgeting-101.pdf>

Beginning budgets (i.e. budgets as of July 1) for associated Trust sources were loaded by the Budget Office. The fiscal year-end fund balance based on Fund-Source-and Owing Department was loaded as the beginning budget. Because Owing Department was used as part of the equation, in some cases the total ending fund balance is not the amount loaded. In other words, the FY 2016 trust budget load did not reflect FY 2015 revenue and expenses which posted using a department value other than the Owing department. The beginning budget may be more or less than the total ending fund balance, but in most cases is the same amount.

Here is an example, where the beginning budget is more than the total ending fund balance:

No departments are used in the Department Level 3 filter.

The ending fund balance is based on Fund (282) and Source (71xxx).

| Source Code | Source Description | Fund Group | Per Expense - 51XXXX | NPer & Not Tfr Expense | Total Expense | Ending Fund Balance | | |
|-------------|--------------------|------------|----------------------|------------------------|---------------|---------------------|--------------|-------------|
| Total | | | \$0.00 | \$68,649.74 | \$516.21 | \$65.95 | \$525,465.75 | |
| 71 | Dist Prof | 282 | \$0.00 | \$68,649.74 | \$516.21 | \$0.00 | \$69,165.95 | \$45,437.45 |
| | | 298 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$480,028.30 | |

The Owning Dept is applied to the filter.

The ending fund balance is based on Fund (282), Source (71xxx), and Owning Dept (412601).

| Source Code | Source Description | Fund Group | Per Expense - 51XXXX | NPer & Not Tfr Expense | Total Expense | Ending Fund Balance | | |
|-------------|--------------------|------------|----------------------|------------------------|---------------|---------------------|--------------|-------------|
| Total | | | \$0.00 | \$26,051.53 | \$190.16 | \$241.69 | \$568,391.15 | |
| 71 | Dist Prof | 282 | \$0.00 | \$26,051.53 | \$190.16 | \$0.00 | \$26,241.69 | \$88,362.85 |
| | | 298 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$480,028.30 | |

Trust budgets were rolled forward, and entered on budget journal number TRROL00001. Account 500100 was used on all chartfield strings, and Program was used if it was listed on the Associated Budgets table.

Unit: UNCCH Journal ID: TRROL00001 Date: 07/01/2015

| Line | Ledger | Budget Period | Source | Account | Dept | Program | Amount |
|------|------------|---------------|--------|---------|--------|--------------|-----------|
| 3583 | TRST_EX_BD | 2016 | 0 | 71094 | 500100 | 412601 10001 | 88,362.85 |

Submit a budget journal to update the budget amount

Remember that Trust funds are set to “Track Without Budget,” which means that transactions will pass budget checking regardless of the balance on the source. However, if you want to align your budget with the total ending fund balance, you can enter a budget journal to adjust the budget up or down, whichever the case may be.

Non-Associated

Many sources that belong to the Trust 1 and Trust 2 rulesets are non-associated. Schools and departments decide whether or not a source is associated.

The Athletics, Student Affairs, and UNC Faculty Physician Trust rulesets are not associated.

The fund balance did not roll forward for non-associated Trust sources. Departments may enter trust budgets via a budget journal.

What’s the difference between fund balance and budget balance?

The ending fund balance was rolled forward for Trusts with associated budgets. This table explains the differences between “Budget Balance” and “Fund Balance.”

| Budget Balance | Fund Balance |
|---|---|
| Based on Commitment Control ledgers | Based on GL Actuals ledger |
| Represents the budget amount available based on the budget entered for a particular budget period. | Represents the <u>life-to-date</u> net worth of a fund (whereas the budget balance is only for a particular budget period). |
| Balance is driven by the budget check process. | Balance is driven by the posting process. (Doesn’t include budget, pre-encumbrances, or encumbrances.) |
| Budget balance only reflects revenues and expenses. | Fund balance includes all assets and liabilities life-to-date. |
| View using InfoPorte’s Main Ledgers or OSR Ledger tabs, or ConnectCarolina’s Budget Overview Inquiry. | View using InfoPorte’s Comprehensive Financial Summary (a SAS report). |

You can use InfoPorte’s Comprehensive Financial Summary to see fund balances. To see the total ending fund balance, use the filters as demonstrated in this screenshot:

9/28/2015

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