Fund-Org Selection Guide

What fund-org should be selected?

- Record expenses in the fund-org which will most directly benefit from the purchase of the good or service
- Use the most specific fund-org in all cases
- Budget dollars may be transferred from one fund-org combination to another to cover the cost of a purchase

Example 1

The Romain College of Business wishes to cover the cost of a guest speaker at a meeting of the accounting club.

The guest speaker should be charged to the fund-org for the accounting club. Then the financial manager for the college should submit a request to transfer money from the college to the club.

Can expenses be divided between two or more fund-orgs?

- Yes, expenses may be split between two or more fund-orgs in limited circumstances
- Only split expenses when the good or service directly benefits multiple fund-orgs
- Amounts should be charged based on relative benefits received

Example 2

Biology and Chemistry elect to purchase a microscope for $15,000. The equipment will be used equally for instruction of students in both programs.

50% of the expense should be charged to Biology and 50% of the expense should be charged to Chemistry.

Why is selection of the appropriate fund-org important?

- To properly report financial activity to state government, federal agencies, grantors, donors, and other stakeholders
- To facilitate comparison of University financial performance to other colleges and universities
- To demonstrate how the University's activities contribute to its mission

Example 3

Expenses charged to the fund-org of academic departments are classified as instruction. Colleges are classified as academic support (i.e. academic overhead), and offices which serve the entire campus are typically categorized as institutional support.

If the purchase of medical supplies for use in the instruction of Dental Assisting students was charged to the College of Nursing and Health Professions, the instructional expense would inaccurately be classified as academic support rather than instructional expense.