

Reduction / Reimbursement Deposits

For all **1215* non-endowed gift, charitable grant, and endowment spending distribution cost centers** see page 2 for guidance before completing the “Documentation of Transaction” section at the bottom of this page. All other non-grant cost objects, follow the directions below:

Reimbursement of Expense by Third Party

Any **non-grant** related deposits should be applied as revenue and are considered a **reimbursement** to the university if an employee of the university is asked to travel to be a presenter, or as a consultant, presenting information obtained/learned as part of a University of Kentucky study or business practice, or is traveling “on behalf of the university”, and all or part of the travel expenses are reimbursed by a 3rd party. The funds must be recorded as revenue to the University on a revenue-accepting cost center. If the department does not have a revenue accepting cost center, the funds should be recorded on the originating expense 1012* cost center using the 449030 (other revenue) GL.

Reduction of Expense

Reduction of expenditures are funds received from a third-party source to reimburse an expense previously posted on a cost object.

Examples:

- Vendor/check recipient refunds:
 - When the University makes an overpayment or duplicate payment
 - When goods are returned to a vendor
- Procard:
 - When a pro card is used in error by the non-cardholder employee.
 - When an automatic charge is applied to the procard and is a personal expense for the non-card holder employee (example, a motor vehicle citation while using a rental car or expenses such as alcohol, room service or movie rentals charged to the non-card holder employee’s hotel room).
- When faculty or employee travel is reimbursed by a 3rd party and the purpose of the trip is clearly “not on behalf” of the university (i.e. not part of their job function/job description). An example includes travel not required by the University for a company or organization unrelated to the University.

Current Fiscal Year

Any **non-grant** related deposits should be applied as a direct reduction of expense by applying the funds to the exact accounting of the originating expense in the current fiscal year (July-June).

Prior Fiscal Year

If the expense was recorded in a previous fiscal year on a **non-grant/non-capital project** cost object, the deposit cannot be recorded directly against the original expense. It must be recorded as revenue in the current year using the 449050 GL. **Note:** Capital project WBS reduction of expenses should always be applied to the originating expense GL regardless of the fiscal year in which the original expense occurred.

Documentation of Transaction*

To aid in the approval of your reduction/reimbursement please complete the information below and submit this form with your deposit transmittal and originating expense receipts.

****If the deposit is made by any deposit process other than depositing at the Treasury Services window, please email the documentation to Treasury.Services@uky.edu.***

Document number of procard edit or record of originating expense:

Date of originating expense:

Originating expense GL & cost center:

Purpose of originating expense:

Purpose of repayment:

Restricted 1215* Cost Centers

Nonendowed gift, charitable grant, and spending distribution cost centers

Reimbursement of expense

If a traveler was **not** traveling on behalf of the university, the expenses should never have been placed on a nonendowed gift, charitable grant, or spending distribution cost center because the expenses are not related to the purpose of the gift. If the expenses were placed on the 1215* cost center, remove the expenses via journal voucher (JV) to a 1013* cost center and then follow the reduction of expense directions on page 1.

Reduction of expense

Reduction of expenditures are funds received from a third-party source to reimburse an expense previously posted on a cost object.

Examples:

- Vendor refund of overpayment
- Returned goods which result in vendor refunds
- Travel award received from a third party and the check was made out to the traveler who was traveling on behalf of the university. The check was then endorsed over to UK or the traveler gave UK a check from their personal account in the amount of the travel award.

Determine the type of 1215* cost center (if unknown):

- Enter the cost center in the Funds Center field on SAP transaction FMSC.
- On the Additional UK Funds center Attributes tab:
 - Spending distribution cost centers:
 - Funding Category Code = E
 - Budget Family = 10
 - Nonendowed gift cost center or charitable grants (usually):
 - Funding Category Code = I
 - Budget Family = 03

Current year expenses: Nonendowed gift cost centers, charitable grant cost centers, and spending distribution cost centers – record the deposit on the expense 5* GLs where the original charges were posted.

Prior fiscal year expenses – the deposit cannot be recorded directly against the original expense:

- Nonendowed gift or charitable grant cost center – record as revenue using 449050
- Spending distribution cost center – Post the deposit to a nonendowed gift cost center 1215* using 449050 and transfer the expense off the spending distribution cost center via JV typically using 740100 GLs on both sides (0101 business area on both sides). Contact endowment@uky.edu if the cost centers are in business areas other than 0101. If the campus unit does not have a nonendowed gift cost center, use a 1013* cost center and contact endowment@uky.edu for the appropriate transfer GLs to use on the transmittal.

Documentation of transaction

Complete the “Documentation of Transaction” section at the bottom of Page 1.