

# University of Kentucky Endowment & Gift Accounting

## Common JV Transactions

Revised April 2024

### Checklist for all JVs

- Each gift should be listed on a separate line on the JV.
- Use of the University of Kentucky Philanthropy and Alumni Engagement (UKPAE) gift ID in the text field is **strongly encouraged** for proper identification of the gift and accurate reconciliations.
- A description of the reason for the JV should be included, including whether a gift to a gift cost center had an advancement fee assessed.
- Documentation should be attached to the JV in the form of a copy of the KSB1 SAP transaction for gifts, UKPAE reports, correspondence, copies of check transmittals, and/or other backup that supports the transactions.
- Always send a copy of the completed JV to the Gift Receiving Office at [giftstouk@uky.edu](mailto:giftstouk@uky.edu) for their records.

### Notes for all JVs

- Default Cost Center: For instructions on how to enter a default cost center, please refer to the "[Entering a default cost center when creating a JV](#)" link on the Endowment and Gift Accounting website.
- Advancement fees should be transferred with the gift income to gift cost centers. If the advancement fee should be reversed, a copy of the approval email from Gift Receiving should be attached as documentation for the JV. See the [Advancement Fee Manual](#) for examples of correcting entries.
- Contact [endowment@uky.edu](mailto:endowment@uky.edu) for assistance with the following:
  - Moving Kentucky Medical Services Foundation (KMSF) gifts for true, term or quasi endowments
  - JVs involving Research Challenge Trust Fund (RCTF) entries

### Moving Prior Year Gifts (from an unrelated cost center to an endowment)

**NOTE: Do not use this section if prior year gifts are in a holding account. Gifts in holding accounts should be treated as current year gifts. See next section for instructions regarding moving gifts from a holding account.**

- **Moving prior year gifts from UK restricted cost center to UK endowment fund:**
  - Debit 750220-Transfer to UK Endowment – Cost Center
  - Credit 740301-Endowment Gift Non-RCTF Transfer – Endowment (Add default cost center – see Notes above)
- **Moving prior year gifts from the affiliate restricted cost center to an affiliate endowment or to a UK endowment fund (affiliate – business areas other than Athletics 0500 that do not start with 01)**
  - Contact [endowment@uky.edu](mailto:endowment@uky.edu) for assistance

### Moving Current Year Gifts (from an unrelated cost center or from a holding account to an endowment)

- **Moving current year UK gifts to true endowment (0705xxxxxx):**
  - Debit the GL and cost center where the original gift is located
  - Credit 425320-Endowment Gift Non-RCTF-Endowment (Add default cost center – see Notes above)
- **Moving current year UK gifts to term or quasi endowments (0715xxxxxx or 0725xxxxxx):**
  - Debit the GL and cost center where the original gift is located
  - Credit 420104-Endowment Gifts – Expendable-Endowment (Add default cost center – see Notes above)

### Moving Spending Distribution from an Endowment to Its Spending Distribution Cost Center

- **Moving funds from endowment fund to spending distribution cost center**
  - Debit 750580 – Non-Mandatory Transfer to Restricted – Endowment (Add default cost center – see Notes above)
  - Credit one of the following for the cost center based on the business area of the endowment:
    - 740220 Transfer from UK Endowment
    - 740230 Trans from Affiliate Endow (business areas other than Athletics 0500 that do not start with 01)

**NOTE: Include current copy of ZGL\_TRBR1\_CUM SAP transaction for the endowment fund as supporting documentation.**

## Moving from a Cost Center to a Cost Center

- **Prior Year: Moving gifts from restricted UK cost center to restricted UK cost center**
  - 740100 on both sides of the transaction for the gift
- **Current Year: Moving UK gifts from restricted UK cost center to restricted UK cost center:**
  - Debit the 4\* GL and cost center where the original gift is located
  - Credit the 4\* GL and cost center where the gift is being transferred

**NOTE: See Advancement Fee Manual for gift and fee transfer examples.**

## Moving Gifts from an Endowment to an Endowment (TO CORRECT A POSTING ERROR)

- **Prior Year: Moving funds from UK endowment to UK endowment**
  - Debit 740301- Endowment Gift Non-RCTF Transfer – Original Endowment (Add default cost center – see Notes above)
  - Credit 740301- Endowment Gift Non-RCTF Transfer – New Endowment (Add default cost center – see Notes above)
- **Current Year: Moving funds from UK endowment to UK endowment**
  - Debit the 4\* GL and endowment where the original gift is located
  - Credit the 4\* GL and endowment where the gift is being transferred (true 0705xxxxxx use 425320, term 0725xxxxxx or quasi 0715xxxxxx use 420104)
- **Moving funds from UK endowment to Affiliate endowment (business areas other than Athletics 0500 that do not start with 01)**
  - Contact [endowment@uky.edu](mailto:endowment@uky.edu) for assistance

## Moving Gifts from an Endowment to a Cost Center (TO CORRECT A POSTING ERROR)

- **Prior Year: Moving funds from UK endowment to UK restricted cost center**
  - Debit 750100 – Transfers to University Restricted Funds – Endowment (Add default cost center – see Notes above)
  - Credit 740220 – Transfer from UK Endowment – Cost Center
- **Current Year: Moving funds from UK endowment to UK restricted cost center**
  - Debit one of the following for the endowment fund based on the type of endowment:
    - 425320 (true 0705xxxxxx) (Add default cost center – see Notes above)
    - 420104 (term 0725xxxxxx/quasi 0715xxxxxx) – Endowment (Add default cost center – see Notes above)
  - Credit the cost center based on its type. Common examples include:
    - 420100 (non-capital gift cost center)
    - 422103 (capital gift cost center)
    - 427005 (non-capital charitable grant cost center 12158\*)
    - 426305 (capital charitable grant cost center 12158\*)

## Moving funds from a Spending Distribution Cost Center to the Endowment

**NOTE: This movement is a rare occurrence and will result in the funds becoming a permanent part of the endowment fund, i.e. the funds cannot be transferred back to the spending cost center for future expenses. Please contact [endowment@uky.edu](mailto:endowment@uky.edu) for guidance prior to completing the JV.**

- **Moving funds from the spending distribution cost center to the UK endowment**
  - Debit 750220-Transfer to UK endowment – Cost Center
  - Credit 740580-Non-Mandatory Transfer from Restricted – Endowment (Add default cost center – see Notes above)
- **Moving funds from the spending distribution cost center to an affiliate endowment (affiliate – business areas other than Athletics 0500 that do not start with 01)**
  - Contact [endowment@uky.edu](mailto:endowment@uky.edu) for assistance