

ENDOWMENT GENERAL LEDGER ACCOUNT DEFINITIONS

Below are definitions of the general ledger account codes listed on a typical endowment fund on SAP report ZGL_TRBR1_CUM:

BALANCE SHEET G/L CODES:

110000 and 110010: CLAIM ON CASH and CASH IN THE BANKS – Shows the amount of cash in the endowment fund. The cash balance will be positive if a gift has been deposited. If there are no new gifts deposited in the endowment fund the balance will be negative due to spending distributions and management fee assessments. Cash balances are cleared to GL Code 129100 upon transfer of funds to the University's endowment custodian, for subsequent investment by endowment fund managers.

129100: INVESTMENT – POOLED ENDOWMENT FUND – Shows the amount of pooled endowment investments that the endowment fund owns. Each endowment fund purchases shares or units in the University's pooled endowment fund, which is managed by the Investment Committee of the Board of Trustees.

310000: FUND BALANCE – Shows the fund balance of the endowment fund as of the beginning of the fiscal year. As the revenue and expense codes on SAP report ZGL_TRBR1_CUM show cumulative balances, the beginning of year balances are offset using the 499999 Revenue Offset code and the 599999 Expense Offset code to prevent double counting. Note that the fund total on this SAP report should be zero for beginning and ending balances as the report is similar to a trial balance.

REVENUE G/L CODES:

425002: STATE – RCTF II – Shows the amount of Research Challenge Trust Funds allocated to the endowment fund from the \$66.7 million approved in the 1998 biennium.

425003: STATE – RCTF III – Shows the amount of Research Challenge Trust Funds allocated to the endowment fund from the \$66.7 million approved in the 2000 biennium.

425004: STATE – RCTF IV – Shows the amount of Research Challenge Trust Funds allocated to the endowment fund from the \$66.7 million approved in the 2002 biennium.

GIFT CODES – Show the amount of donor gifts in an endowment fund. Below are the various codes:

- 425320 – Endowment Gifts-Non-RCTF-Nonexpendable
- 425102 – Endowment Gifts-RCTF II
- 425103 – Endowment Gifts-RCTF III
- 425104 – Endowment Gifts-RCTF IV
- 420104 – Endowment Gifts-Non-RCTF-Expendable (a)
- 425202 – Endowment Gifts-RCTF II-KMSF (b)
- 425203 – Endowment Gifts-RCTF III-KMSF (b)
- 425204 – Endowment Gifts-RCTF IV-KMSF (b)
- 425303 – Endowment Gifts-RCTF III-Noncash (c)
- 425304 – Endowment Gifts-RCTF IV-Noncash (c)

- (a) This G/L code should be used when a deposit is made to a Term, Quasi, or Trust Account starting with 071 – 075 to distinguish the gift as “restricted expendable” for GASB 35 reporting purposes. Only true endowments (starting with 070) are classified as “restricted nonexpendable”.
- (b) These new G/L codes should be used for gifts from KMSF.
- (c) These new G/L codes should be used to record non-cash gifts such as land or restricted stock that the University must hold for a period of time. These codes will typically only be used by Endowment Services.

GIFT TRANSFER CODES – Shows donor gifts that have been transferred between funds/cost centers. Currently there are four endowment gift transfer codes as follows:

- 740301 – Endowment Gift Non-RCTF Transfer
- 740302 – Endowment Gift RCTF II Transfer
- 740303 – Endowment Gift RCTF III Transfer
- 740304 – Endowment Gift RCTF IV Transfer

NOTE: By adding the gift code and gift transfer code together, users can determine the true gift amount in an endowment fund, for each round of RCTF.

430050: REALIZED GAIN/LOSS – POOL – Shows the cumulative amount of realized gains/losses in the endowment fund. Realized gains/losses result from sales of pooled endowment investments. The monthly amount of realized gains/losses is allocated to each endowment fund based on each fund’s number of pool shares to the total number of pool shares.

431100: ENDOWMENT ACTUAL INCOME – Shows the amount of interest and dividends the endowment fund has received since 7/1/99. The pooled endowment investments generate actual income in the form of interest and dividends. The monthly amount of actual income is allocated to each endowment fund based on each account’s number of pool shares to the total number of pool shares.

431101: ENDOWMENT INCOME DISTRIBUTION – Shows the amount of spending distributions the endowment fund has received since 7/1/99. This field applies to those endowments that are set to distribute income back to the endowment fund rather than a restricted cost center.

433020: UNREALIZED GAIN/LOSS – POOL – Shows the amount of unrealized gains/losses in the endowment fund for the prior month-end. Unrealized gains/losses fluctuate based on changes in the market value of the pooled endowment investments. The monthly amount of unrealized gains/losses is allocated to each endowment fund based on each fund's number of pool shares to the total number of pool shares.

740XXX: NON-GIFT TRANSFER CODES – Shows non-gift activity transferred from another fund/cost center. Typical non-gift transfer codes used are as follows:

740540 – Non Mandatory Transfer from Endowment – transfer from another endowment fund

740580 – Non Mandatory Transfer from Restricted – transfer from a restricted cost center.

EXPENSE G/L CODES:

545030: ENDOW DEVELOPMENT FEE – Shows the amount of development/management fee assessed on the endowment fund since 7/1/99. Monthly assessment made based on beginning-of-month market value multiplied by 1/12th of .75%. Note that an endowment fund is coded as being either subject to the fee or exempt from the fee upon set up of the endowment fund in SAP based on review of the endowment agreement. Also note that the management fee will be reduced to .50% in FY07.

750270: TRANSFER BASED ON ENDOW SPENDING RULE – Shows the amount that has been distributed from the endowment fund for spending since 7/1/99. The monthly distributions are calculated as follows:

Number of Pool Shares * Spending Rate / 12 = Monthly Distribution

EXAMPLE:

80,064.17 shares * .2368 (FY06 spending rate) / 12 = \$1,579.93**

** Monthly amount to be distributed to the restricted cost center in 431001 G/L account (or endowment fund in 431101 G/L account)

750XXX: NON-GIFT TRANSFER CODES – Shows non-gift activity transferred to another fund/cost center. Typical non-gift transfer codes used are as follows:

750540 – Non Mandatory Transfer to Endowment – transfer to another endowment fund

740580 – Non Mandatory Transfer to Restricted – transfer to a restricted cost center