

Finance Processes - FAQs

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THERE IS NO LONGER A DESCRIPTION AS TO WHAT FUND 18 AND 19 PROJECTS ARE USED FOR. WE READ THIS AS THERE WILL NO LONGER BE FUND 18 OR 19 PROJECTS SET UP, BUT IF SOMEONE ALREADY HAS A FUND 18 OR 19 PROJECT IT WILL CONTINUE TO OPERATE AS IS 8

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Externally Restricted Funds

What is the definition of Externally Restricted and why does it matter?

External Restriction refers to the restrictions placed on the use of funds by the external party providing the funding, such as a funding agency or donor. The restrictions can be specified in a contract, grant agreement, Notice of Award (NOA) or any other document from the external party that outlines how the funds must be spent. Because of the external restrictions associated with the funding, the University has an obligation to spend the funding in accordance with the external party's restrictions.

Externally Restricted projects are reported differently on the University of Calgary's financial statements, therefore it is important that the funds are properly classified. Externally Restricted funds often also have reporting requirements back to the funding agency or donor requiring clear reporting on the use of the funds requiring separate tracking within a project.

What are some examples of documents for Externally Restricted projects?

The documentation to support the External Restrictions include:

- Grant Agreement
- Contract
- Notice of Award
- Gift agreements
- Communication from donors

I have a Clinical Trial Agreement: why is that not considered Externally Restricted?

Most Clinical Trials are a fee-for-service contract where the UCalgary provides a service (i.e. Blood draw) and is paid a specific dollar amount for that service. At the time of invoicing and receiving funds for the clinical trial activities, the service has already been provided. Given the service has been provided to the external party, the University no longer has an obligation (again the service has already been provided to the satisfaction of the organization funding the clinical trial).

There may be instances where a clinical trial agreement may have external restrictions attached, i.e. Revenues must be used for a specific purpose, or unused funds are to be returned to the funding agency.

I used to be able to transfer funds between projects, why am I being asked additional questions about the transfer, or why can I no longer do this?

Because Externally Restricted Funds are accounted for differently than IRNA funds, we need to ensure that we properly record the funding within the same category of externally restricted or internally restricted. In most cases, there is a requirement to track the use of funds to ensure accurate reporting back to the funding agency or donor.

If you are wanting to transfer from one Externally Restricted project to another Externally Restricted project, we need to confirm that the first project allows for transfers out of the project, and the receiving project allows for the receipt of additional funds outside of the current funding agency. In some cases, we would need to set up a child project to receive the transfer. Please contact finance@ucalgary.ca to determine how best to initiate your transfer.

The best options would be to record the associated expenses against the proper project when possible.

Project Set Up

My project has no end date: why can I no longer use Dec/31/2100 end date:

The University of Calgary is using a guideline of a 5 year end date when the agreement/contract/Notice of Award does not specify an end date. This allows the University and the project holder to regularly review the project to ensure that is still being used for the purpose it was intended. Requests to extend an end date can be requested by completing the Project Update Form <https://www.ucalgary.ca/finance/files/finance/fr-project-update-request-form.pdf>. End date extensions on IRNA projects will require VP approval.

I used to be able to set up a project that has Multiple Source as a sponsor, can I still do that?

Projects will be set up with Multiple Source as a sponsor on Externally Restricted projects when there is a contractual requirement to do so, i.e. Industrial Research Chairs.

Multiple Source projects can be set up for IRNA projects for conferences or fee for service projects.

Projects funded by donations may also be set up as multiple source in Externally Restricted Projects, provided there is documentation outlining the external restrictions.

I received a notification that my new project is set up. Why can't I see it in eFIN?

You will be able to see your project in eFIN after the first transaction has been recorded into your project.

What is the definition of Internally Restricted Net Asset (IRNA) project?

IRNA balances are amounts in projects for specific purposes that are approved by the appropriate Vice-President at the time of creating the project and or transfer of funds and are approved on an annual basis by the University's Board of Governors.

Why does the Vice-President need to approve my new IRNA project?

Funds can only be internally restricted with Board approval or Vice-President approval; therefore any increases to IRNA must be approved by the Vice-Presidents if the request is during the fiscal year.

Journal Entries

I noticed that expenses are not recorded in the proper project, how do I request an entry to fix this?

The journal correction/transfer request form must be filled out (forms can be found here under Journal Corrections and Transfers: <https://www.ucalgary.ca/finance/finance-forms>) and the necessary approvals must be obtained.

Email approvals can be accepted provided that the body of the email clearly outlines the expenses to be reallocated and the projects being impacted are clearly listed.

Prior Fiscal Year Adjustments

If the expense is from a prior fiscal year (the University fiscal year is from April-March), VP approval will be required for entries impacting Externally Restricted projects, and agency approval will be required when necessary. If an agency financial report was issued, a restatement of the financial report will be required.

Why do I need approval for the credit side of the entry? I never used to have to provide this approval.

The entry needs approval from all impacted budget owners (dept. ID and or project holders) to ensure all impacted individuals are aware of and agree to the correction/transfer.

This is only for additional journal entry documentation that is not submitted & attached to the journal entry request.

When preparing the Journal Correction/Transfer Request Form, whose approval is required on the form for a correction to a Balance Sheet Account (if no fund / dept ID is associated with the account code)?

Each balance sheet account has a contact person assigned on the account reconciliation list. The contact person listed would be the approver of the balance sheet account. This account reconciliation list is posted on the Finance website.

If budget owner approval is acceptable via email, please elaborate on what you want to see in the body of the email?

Approvals may be in the form of an email or signed documents (approving the accounting chartfields and amounts of the journal entry)

- a) If the budget owner approval is acceptable via email, please elaborate on what you want to see in the body of the email and ensure that it is attached as documentation with the request form.

Is budget owner approval required for expense accruals?

No, if there is a PO # and/or evidence of goods/services received (i.e. invoice)

When is budget owner “notification” sufficient for a Journal Correction, instead of budget owner “approval”?

Budget owner email notification of a correction is sufficient for a change in account within the same dept ID/project within the same fiscal year.

Provide rounding instructions for Journal templates.

Please use 2 decimal places for journal templates.

What is the difference between a Salary Adjustment and a Salary Recovery?

- a) Salary Recoveries - are to be used to recover salary & benefit costs incurred in operating dept ID's from projects or from 3rd parties (i.e. Alberta Health Services).
- b) Salary, Scholarship, or benefit adjustments - are corrections or transfers of prior period postings/costs.

How do I request a salary, scholarship, or benefit correction or transfer?

There are two mechanisms for requesting a salary/scholarship/benefit adjustment:

- a) The [online Job Change Form \(JCR\)](#) is used to request a change in salary or benefit accounting in two scenarios:
 - 1) the change impacts prior periods but also will be ongoing into future pay periods, or
 - 2) the change impacts a prior period only. (**Note:** comments are required to provide the periods that the change is limited to, or the updated accounting will be implemented for future periods as well)

- b) The [Correction/Transfer Request Form](#) is used to request a change in salary, scholarship, or benefit accounting in the following instances:
 - 1) the adjustment is for a scholarship or a salary type (i.e.) hourly, that cannot be requested using the JCR form, or
 - 2) the adjustment impacts a prior period only

How are salary, scholarship, and benefit adjustments processed?

Salary, scholarship, and benefit adjustments are processed through PeopleSoft HCM module. If there are instances where the full amount cannot be processed using the HCM module, you will be contacted by a Finance representative to confirm how any residual amounts will be cleared.

Note: Salary and Benefit Adjustment (SBA) journals are no longer used to transact salary, scholarship, or benefits adjustments. These journals will only be used by Financial Operations in instances where there is a requirement to reverse a transaction that had previously been done via an SBA journal in order to accommodate a current request.

Who can I contact if I have more questions?

You can contact the UService at finance@ucalgary.ca or 403-210-9300

Invoicing and Deposits

I have a cheque or invoice I would like to apply to my Externally Restricted (funds 50, 60 or 70) project. Can I do that?

Cheques/deposits and invoices can be applied to an Externally Restricted project if the cheque/deposits agree to the amount of revenues outlined in the agreement/contract/Notice of Award (NOA).

How do I invoice or deposit a cheque for reimbursements of expenses that have already been charged against my project?

If you need to invoice a customer, please review the following document – “[External Billing procedures](#)” to create an external billing.

If you’ve received a cheque, complete the cheque deposit form at <https://www.ucalgary.ca/finance/files/finance/fo-ar-cheque-deposit-form.xlsx>, attach a copy of the expenses (EFIN screenshot) and send to finance@ucalgary.ca.

Having to set up a new project for my cheques/invoices is very cumbersome, I used to be able to put all revenues into one project. Why can’t I continue to do this?

Our funding agencies require that the UCalgary has strong financial stewardship of our funds and that our financial statements are accurate. This provides our stakeholders with the assurances to continuously provide funding to UCalgary.

I was expecting a customer payment for my project, who do I contact?

You can contact Accounts Receivable (AR) at finance@ucalgary.ca with the payment details (customer name, expected dollar amount, and cheque number) and Accounts Receivable (AR) will verify if the funds have been received. If you’re expecting funds from a customer, the best practice is to send an invoice request form to finance@ucalgary.ca.

How do I invoice a customer and what are the benefits of doing so?

When you invoice a customer through PeopleSoft, your project receives the revenue when the invoice is created and the AR team will follow up with the customer on payment of that invoice. You will not have to wait for a payment to arrive to receive the revenue in your project.

For more information on the billing procedures and process, visit -

<https://www.ucalgary.ca/finance/files/finance/fo-ar-external-billing-procedures.pdf>

Fund Definitions and Transfer Rules

There is no longer a description as to what fund 18 and 19 projects are used for. We read this as there will no longer be fund 18 or 19 projects set up, but if someone already has a fund 18 or 19 project it will continue to operate as is.

That is correct. All new internally restricted fund codes will be set up in either fund 11, 12, 13, or 14. Individuals with fund 18 or fund 19 projects will be able to continue to use the project.

Can revenue be deposited in any fund (regardless of funder) when it is for a reimbursement of existing expenses?

Revenue can be deposited into all fund codes, except for fund 05.

Can one project be set up for multiple conferences?

Yes, an internally restricted project can be set up for multiple conferences. If the conference is funded from an externally restricted project/funding source, we will need to set up one project per conference.

What fund code is donations? If the donation does not come through the Development Office is it recorded to a different fund code?

If the donor has indicated the funds are restricted for a specified purpose the donation will be recorded in a project in fund 50, 60, or 70.

Do Internally Restricted Net Assets (IRNA) to IRNA fund transfers require VP approval?

No, transfers between IRNA fund codes do not require VP approvals. All transfers are considered current year transactions.

If Inter department billings (IDB's) are in IRNA will they be going through VP approval?

Inter department billings is internal revenue not a transfer. VP approval is required on transfers from operating into IRNA.

Can IRNA projects be set up as multi-source with unrestricted revenue coming in from different streams?

Yes, an IRNA project can be set up as a multi-sourced project. Note that VP approval is required to set up a new IRNA project.

I have a project currently set up in fund 18/19, can I ask for an extension on this project since no new fund 18/19 projects will be set up?

Yes, you may request for an extension for fund 18/19 projects.

Can externally restricted funds be transferred to IRNA for conferences/workshops/symposiums? If yes, is there a requirement that the IRNA project receiving the transfer be set up as a conference/workshop/symposium only project?

Yes, with approval from the Director Research Accounting and Associate Director Financial Reporting. Note that transfers from externally restricted projects to IRNA for conferences/workshops/symposiums must be in line with the funding purpose. Each transfer can only relate to one fiscal year (i.e. the funding must be used by the end of the fiscal year). Amounts in excess of one fiscal year of funding should remain in externally restricted. The IRNA project does not have to be a conference/workshop/symposium only project but must meet the objectives of the externally restricted funding agreement. To capture the cost of the conference/workshop/symposium in a multi-purpose IRNA project, please use an accounting chartfield (i.e. activity code, internal chartfield, etc).