

COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 1-3

1. Procedure Title: Funds/Sub-funds

2. Procedures Purpose and Effect: The purpose is to define the sources of revenue and permitted expenditures for each of the University's funds.

3. Application of Procedures: This policy applies to all departments and areas within Colorado State University-Pueblo.

4. Exemptions: None

5. Definitions: (see chart in Appendix A for accounts and sub-funds in each fund group)

- A. Unrestricted Funds (Fund Group A)
- B. Auxiliary + Self Funded (Fund Group B)
- C. Restricted Funds (Fund Group C)
- D. Student Loan Fund (Fund Group D)
- E. Endowment Fund (Fund Group E)
- F. Capital Projects (Fund Group F)
- G. Reserve Fund (Fund Group H)
- H. Capital Assets (Fund Group I)
- I. Presentation Fund (Fund Group P)
- J. Bank (Fund Group Z)

A. Unrestricted Fund (Fund Group Code "A"):

1. Includes sub-funds: 1COURSE, 1EG, and 1RARSP.
2. This fund group includes those economic resources of a college or university which are expendable for the purpose of performing the primary mission of the institution (instruction, research, and public service) and which are not restricted by external sources or designated by the governing board for anything other than operating purposes.
3. There are two categories of State funding to Institutions of Higher Education: Re-appropriated Funds and Cash Funds. Re-appropriated funds include the College Opportunity Fund (COF) and Fee For Service (FFS). Cash Funds come from the State through the Long Appropriations Bill (Long Bill) and may include tuition and fees, indirect cost recoveries, and miscellaneous sources that have traditionally been appropriated as cash funds to institutions and agencies of higher education.
4. Expenditures of this fund represent the cost incurred for goods and services used in the conduct of the institution's or agency's operations in carrying out the primary mission of the institution (instruction, research, and public service). They include the acquisition cost of capital assets, such as equipment and library books, to the extent appropriated funds are budgeted for and used by operating departments for such purposes.
5. Any unexpended budget remaining at year-end is subject to University regulations regarding carry forward into the new year. There is no automatic carry forward of budget balance (fund balance). Approved carry forward amounts are brought back into the account through the budgeting process.
6. Each of the sub-funds in this fund group has a specific stated purpose and the revenues and expenditures recorded in that sub-fund are to be only for that specific purpose.

- a) **1COURS** - The Student Course Fees sub-fund is for instructional fees charged to those students enrolled in certain academic courses. Such fees are designed to cover specific supplies, services, facility rentals, equipment replacement, and/or maintenance and other costs not covered by general tuition. The assessing of a course fee is subject to extensive review and approval by the deans of the colleges and the Provost. The Provost makes the recommendation to the President for submission to the Board of Governors. Accounts may only be established in this fund for course fees that have such approval.
- b) **1EG** – The Educational and General sub-fund is a budget based sub-fund that is used for the accounts stated purpose and is from appropriated dollars.
- c) **1RARSP** – The Research Admin Resources Scholarly Program sub-fund is used for research activity at CSU-Pueblo that does not fit in the other sub-funds.

B. Auxiliary and Self-Funded Fund (Fund Group Code “B”):

1. Includes sub-funds: 1ATHLE, 1AUX, 1CONFE, 1CONTE, 1DCESU, 1GENOP, 1POOLE, 1RECHA, and 1STUOR.
2. This fund group is used to account for the sale of goods and services incidental to the University's primary mission (instruction, research, and public service). Included are only those activities that are substantially related to the functions of the institution. In general, the purpose of such activities is focused primarily on serving the students, faculty, and staff of the University. Sales of goods and services to the external community are allowed provided such goods and services represent a resource, which is directly related to a specific element of the University's mission. In addition, activities in these funds are: 1) self-supporting, 2) NOT primarily for the discovery of new knowledge, 3) NOT to compete with private industry in serving the general public, and 4) NOT to engage in business-type operations unrelated to the mission of the University.
3. Revenues of this fund group are generated by a vendor/customer relationship. Sources may include (but are not necessarily limited to): sales of goods and services, room and board charges, facility rentals, student fees, ticket sales, continuing education tuition, and parking permits.
4. Expenditures of this fund group include all reasonable and necessary costs related to the goods or services provided.
5. Each of the sub-funds in this fund group has a specific stated purpose and the revenues and expenditures recorded in that sub-fund are to be used only for that specific purpose.
6. Specific information for each sub-fund follows:
 - a) **1ATHLE and 1AUX** – The Athletics and Auxiliary sub-funds record revenue and expenses related to self-funded activities that furnish goods and/or services to students, faculty, staff, and the general public. Some accounts within this sub-fund record activity related to students where the revenue is from a student fee that is approved by the Board of Governors.
 - b) **1CONFE** – The Conferences sub-fund is for the activities of conferences managed by Auxiliary services or the designated department, all expenditures associated with providing such conferences, and all conference administrative costs.
 - c) **1CONTE** – The Continuing Education sub-fund is for the activities of the Extended Studies, including all tuition for Extended Studies credit courses, all expenditures associated with providing such courses, and all Extended Studies administrative costs as approved by the Colorado Commission on Higher Education (CCHE).
 - d) **1DCESU** - The Division of Continuing Education Support sub-fund was created to monitor activities in various departments that pertain to Extended Studies programs. Revenues reported in these accounts are those received through Extended Studies and redistributed to the departments on an agreed upon percentage/distribution basis. Expenditures in these accounts are to be those incurred by the departments in direct relation to the Extended Studies programs.

- e) **1GENOP** - The General Operations sub-fund is for goods and services provided to students, faculty, staff, and the external community which are created as a result of operations of a self-supporting nature and which are substantially related to the University's mission (instruction, research, and public service).
 - i. There may be some sales to University departments, but never to Sponsored accounts.
 - ii. In general, operations in this sub-fund are linked to one or more of the following activities:
 - Instructional or laboratory experiences for students
 - Laboratory experiences for students in support of research
- f) **1POOLE** - The Pooled Accounts sub-fund is used for segregating specific assets of the University for Control Purposes. Use of these funds is restricted to the OFM.
- g) **1RECHA** - The Recharge Center sub-fund is a fiscal entity for the purpose of accumulating and billing costs. Individual accounts or a group of accounts record the supplying of goods and services at cost by one University department or unit to multiple University departments, projects, or units. This is the only sub-fund allowed to bill sponsored projects (1SPONP sub-fund).
- h) **1SUSPE** - The Suspense sub-fund is reserved for accounting transactions, which require correction. The accounts in this sub-fund are referred to as continuation accounts. The first three digits of the continuation account are "200" with the last four digits being the department number.

C. Restricted Fund (Fund Group Code "C"):

1. Includes sub-funds: 1AGENC, 1COSFA, 1DIRLN, 1FEDSF, 1GIFT, 1SPONP, and 1WORKS.
2. This fund group includes resources received from an external source for a specific purpose. These sub-funds are only restricted by externally imposed limitations (external donor, legislature, or other sponsor). Restricted funds include appropriated funds restricted by an appropriating government for a specific use, which cannot be changed without permission of the appropriating agency. Other sources of restricted funds are restricted government contracts and grants and private restricted gifts, grants, and contracts. There are legal limitations on the use of all of these funds.
3. Revenues of this fund group are categorized as: appropriations, contract and grant revenue, gifts, student group revenue, and investment income.
4. Monies in this fund group are to be expended according to the restrictions placed by the external sponsor. However, regardless of sponsor restrictions, these funds may still NOT be expended for any purpose which is not allowed by State or Federal law, State Fiscal Rules, Colorado State University System Fiscal Rules, or Colorado State University-Pueblo-Financial Policies.
5. For some funds in this fund group, receipts are recognized as revenue only to the extent that they equal expenditures.
6. Specific information for each sub-fund follows:
 - a) **1AGENCY and 1DIRLN** - The Agency Fund sub-fund and the Federal Direct Loan sub-fund are held by the University as a custodian for students, faculty, and others. Ownership of the funds is retained by the agency or sponsor. For an agency relationship to exist, the deposit must be received before expenditures are incurred. Expenditures are made at the direction of the agent. Unused funds must be returned to the agent or sponsor. Expenditures from this sub-fund must also comply with all applicable University policies and regulations as well as restrictions from the agent.
 - b) **1COSFA** - The Student Financial Assistance sub-fund source of revenue is CCHE. The expenditures are limited to scholarships and work-study salaries and must conform to CCHE guidelines.

- c) **1FEDSF** - The Federal Student Financial Aid sub-fund source of revenue is appropriated by the Department of Education. Funds are expended based on the guidelines placed by the federal program. Indirect administrative costs are not allowable. Following are some examples of allowable expenses which must be directly related to the specific program: staff salaries, travel, printing and mailing brochures, supplies, equipment, etc.
- d) **1GIFT** - The Gift Fund sub-fund source of revenue is limited to gifts and investment income earned on accumulated gifts. Cash gifts and gifts in kind for the University are received and processed by the CSU-Pueblo Foundation. The Foundation invests the gift revenue and deposits funds into the Gift sub-fund to cover anticipated expenditures. Income earned on endowments held by the CSU-Pueblo Foundation may also be expended through Gift sub-fund accounts. Funds are to be expended according to the restrictions placed by the donor and must also comply with all other regulations which apply to expenditures of University funds.
- e) **1SPONP** - The Sponsored Programs sub-fund revenue comes from federal, state, and private contracts, grants and agreements as reimbursement for costs incurred. The nature of the relationship between the University and the external sponsor can be characterized as grantee/grantor, sponsor/contractor, or cooperators. Each account is supported by a signed funding document, although an individual funding document may have several accounts. Funds are to be expended for the purpose specified by the external sponsor and must be allowable as defined by the sponsor.
 - i. Accounts in this fund generally carry the federally negotiated indirect cost rates. Activities administered in this sub-fund include organized research, sponsored instruction, and other sponsored activities.
- f) **1WORKS** - The Work-Study sub-fund revenue comes from federal appropriations and payments from off-campus employers. The only appropriate expenses in this fund are salaries and administrative costs.

D. Student Loans Fund (Fund Group Code “D”):

- 1. **1LOANS** - The Student Loans sub-fund records and monitors the activity for the Perkins Loan and Health Professional Loan Programs.

E. Endowment Fund (Fund Group Code “E”):

- 1. **1ENDOW** - This sub-fund must comply with all University policies and procedures. Its use is restricted primarily to OFM and Facilities Management. The Endowment Sub-fund includes the investment monies managed by the Colorado State University-Pueblo Foundation which are restricted in nature.

F. Capital Projects (Fund Group Code “F”):

- 1. Includes sub-funds: 1AEP, 1CPAD, 1CPLB, 1CPOTH, and 1CPRR.
- 2. These sub-funds must comply with all University policies and procedures. In addition, their use is restricted primarily to OFM and Facilities Management.
- 3. The Capital Projects sub-funds are used to accumulate all the costs for a construction project while it is being built. At the end of the project, the entire cost of the project is capitalized if it meets the capitalization guidelines. Regardless, the accounts are closed at the conclusion of each project.
- 4. Specific information for each sub-fund follows:
 - a) **1CPLB** - The Capital Projects, Long Bill sub-fund accounts for projects, which are directly appropriated by the State through the Long Bill.
 - i. There are two categories of revenue: Reappropriated Funds and Cash Funds. Reappropriated Funds are distributed from State revenues. Cash funds come from sources other than State revenues and are designated in the Long Bill.

- b) **1AEP** - The Academic Enrichment Program sub-fund is a source of one-time funds with the purpose of assisting CSU-Pueblo in making strategic investments that support unique, high quality academic programs with the potential for national and international recognition.
- c) **1CPAD** - The Capital Projects, Auxiliaries/Debt sub-fund accounts for projects that are financed by the operating sub-funds of Auxiliaries, Athletics, or by the issuing of bonds for the construction of a specific facility. There must be sufficient cash to pay vendors/contractors when the bills come due. Revenues to this sub-fund can come from any number of sources, but are usually proceeds from a bond issue.
- d) **1CPOTH** - Capital Projects, Institutional sub-fund accounts for all other construction projects of the University. Revenues to the sub-fund come from a variety of sources.
- e) **1CPRR** - Capital Projects, Renew & Replace sub-fund is exclusively for reserves held for repair, renewal, and replacement of specific plant assets as required by bond indentures or authorized by the BOG.

G. Reserve Fund (Fund Group Code “H”):

- 1. Includes sub-fund: 1RESER.
- 2. Specific information for the sub-fund follows:
 - a) **1RESER** - Reserve Fund sub-fund accounts are created to hold funds set aside by a department for specific projects. They must stay in the reserve account for at least one year after they are initially transferred to the reserve account. Interest is earned on the balances in these accounts, which means the department will be able to use the interest earnings for project expenses. Transfers in and out of a reserve account are closely monitored to ensure funds are being used as originally intended. There should be no expenses occurring in these accounts, just the transfers in and out.

H. Capital Assets Fund (Fund Group Code “I”):

- 1. Includes sub-funds: 1CAPAUX and 1CAPGEN.
- 2. These sub-funds are used to record all capital assets that appear on the balance sheet, including equipment used for research and teaching, library books, films, buildings, land, improvements to land, construction-in-progress (CIP), along with long term debt, and interest to be capitalized.
 - a) **1CAPGEN** – Capital Assets, General sub-fund accounts are used to track CIP, capitalized equipment and building construction projects, and the related accumulated depreciation for non-auxiliary buildings.
 - b) **1CAPAUX** - Capital Assets, Auxiliary sub-fund accounts contain any building or CIP project funded by an auxiliary.
- 3. Accounts in these sub-funds should not carry any cash balances, and should remain open as long as the University is in ownership of the associated building asset.

I. Presentation Fund (Fund Group Code “P”):

- 1. **1PRESE** - The Presentation sub-fund must comply with all University policies and procedures. In addition, their use is restricted primarily to OFM.

6. Procedure Statement:

This procedure provides guidance for determining which funds will be used to account for each of the activities of the University. Activities are to be assigned to funds based on the type of activity involved. Issues not related to the specific type of activity (indirect cost, approvals required, and so on) are used to assign account numbers to activities. Where confusion exists about which fund should be used to account for a particular activity, the final decision rests with the Controller.

All funds of the University are subject to State and Federal laws. All University fund groups are subject to the CSU System Fiscal Rules and the Colorado State University-Pueblo Financial Policies.

7. Reference and Cross-References: Fund and Sub-fund structure is posted in Kuali Financial Systems.

8. Forms and Tools: None.

APPENDIX A

Fund Group Code	Sub-Fund Group Code	Description	Account Numbers Begin With
A	1COURS	Student Course Fees	25
A	1EG	Education & General	13
A	1RARSP	Research Admin Resources Scholarly Prog	16
B	1ATHLE	Athletics	26
B	1AUX	Auxiliaries	26 & 27
B	1CONFE	Conference	26
B	1CONTE	Continuing Education	12
B	1DCESU	DCE Support	12
B	1ENTER	Enterprise Fund	29
B	1GENOP	General Operations	22
B	1INTLPR	International Programs - Study Abroad	26
B	1POOLE	Pooled Accounts	24
B	1RECHA	Recharge Centers	21
B	1SPWIP	Sponsored Work Orders	88
B	1STUOR	Student Organizations	23
B	1SUSPE	Suspense	20
B	1WIP	Work Orders	89
C	1AGENCY	Agency Fund	99
C	1COSFA	Student Financial Assistance	64
C	1DIRLN	Federal Direct Loans	9
C	1FEDSF	Federal Student Financial Aid	64
C	1GIFT	Gift Fund	64
C	1SLICE	Student Leadership Involvement and Community Involvement	23
C	1SPONP	Sponsored Programs	53
C	1WORKS	Workstudy	64
D	1LOANS	Student Loans	5
E	1ENDOW	Endowment Fund	60
F	1AEP	Academic Enrichment Program	18
F	1CPAD	Capital Projects, Auxiliaries/Debt	72 & 772
F	1CPLB	Capital Projects, Long Bill	771

Fund Group Code	Sub-Fund Group Code	Description	Account Numbers Begin With
F	1CPOTH	Capital Projects, Institutional	73 & 773
F	1CPRR	Capital Projects, Renew & Replace	74 & 774
H	1RESERV	Reserve Fund	75
I	1CAPAUX	Capital Assets, Auxiliary	78
I	1CAPGEN	Capital Assets, General	77
P	1PRESEN	Presentation Fund	11
Z	1BANK	Bank Accounts	000