



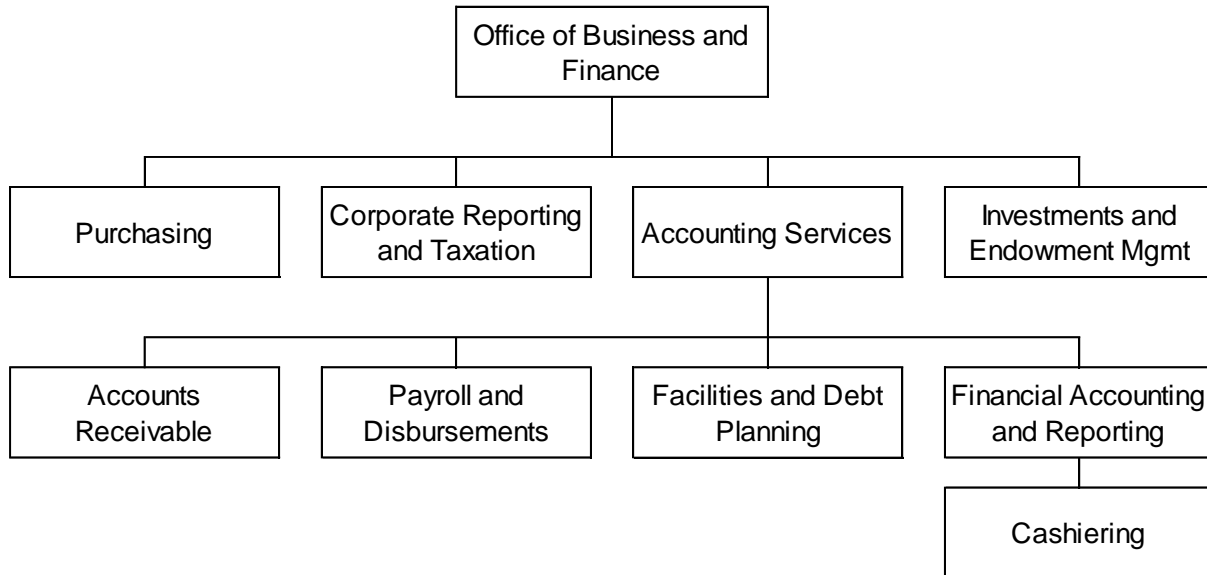
WESTERN MICHIGAN
UNIVERSITY

Accounting Manual

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Accounting Functions Org Chart



The University has a decentralized accounting system, which means Accounting Services relies on Administrative Assistants, Budget Analysts, Business Managers, etc. throughout the University to perform detailed accounting functions, such as paying invoices, making deposits, and making journal entries.

What is accounting and why should you care?

Accounting is the process of recording, classifying, and summarizing financial transactions.

Accounting includes summarizing and reporting economic information in a way that is meant to drive decision making within an organization.

Accounting information must be reliable, verifiable, relevant, comparable, and consistent.

The University has an external audit performed each year. The audited financial statements are submitted to several agencies, including the State of Michigan.

The University's leadership also uses accounting information to make decisions.

Like any language, accounting has its own terms and rules.

Financial Statements

Accounting Services supplies information to people both inside and outside the University by issuing formal reports called financial statements.

A set of rules, called Generally Accepted Accounting Principles (GAAP), govern the preparation of the financial statements. GAAP has been defined as a set of objectives, conventions, and principles to govern the preparation and presentation of financial statements.

The University also follows accounting standards set by the Governmental Accounting Standards Board (GASB), which is the independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow GAAP.

The University is considered a governmental unit because it receives public funding from the State of Michigan.



When you perform your daily activities of paying invoices, making deposits, and making journal entries, you contribute to the preparation of the University's financial statements.

The University has three basic financial statements:

1. Statement of Net Position (Balance Sheet)
2. Statement of Revenue, Expenses, and Changes in Net Position (Income Statement)
3. Statement of Cash Flows

You can view the University's audited financial statement on Accounting Services' website: <https://wmich.edu/accounting-services/accounting/accounting-forms>

Accounting Terms

1. Accounting Equations:
 - $\text{Assets} - \text{Liabilities} = \text{Net Position}$ ("Summary Balance" in GLOW)
 - $\text{Revenue} - \text{Expenses} = \text{Net Revenue}$ ("Net Revenue/Expenses Subtotal" in GLOW)
2. General ledger – an electronic record-keeping system where all financial transactions and account balances are stored (GLOW)
3. Debit – the part of a transaction denoted as a positive number
 - Assets and expenses are usually debited
 - A debit to an asset or expense increases the asset or expense
 - A debit to a liability or revenue decreases the liability or revenue
4. Credit – the part of a transaction denoted as a negative number
 - Liabilities and revenues are usually credited
 - A credit to a liability or revenue increases the liability or revenue
 - A credit to an asset or expense decreases the asset or expense

5. Double Entry System – there are at least two sides to every transaction: a debit and a credit. The debits (positive numbers) and credits (negative numbers) must net to zero to be “in balance.” For example, when you pay an invoice for supplies, the net transaction looks like this in the general ledger:

| | | |
|---------|------------------|-------------|
| Debit: | Supplies Expense | \$1,000.00 |
| Credit: | Cash | -\$1,000.00 |

6. To Book/To Record/To Post – the process of making a journal entry to get a transaction into the general ledger. Generally, you will be able to view the transaction the next day in GLOW.

7. Journal Entry (JES) – the method by which transactions are entered into the general ledger. Every journal entry contains debits and credits which must net to zero to be “in balance.” For example, if you need to correct an invoice for memberships and subscriptions paid out of your printing account:

| | | |
|---------|----------------------|-------------|
| Debit: | Membership Expense | \$ 750.00 |
| Debit: | Subscription Expense | \$ 250.00 |
| Credit: | Printing Expense | -\$1,000.00 |

8. Asset – a resource with economic value that the University owns and controls with the expectation that it will provide future benefit. For example:

- Cash (money at the bank)
- Accounts receivable (money students owe us for tuition)
- Prepaid expenses (money paid for next year’s memberships, rent, etc.)
- Fixed assets (land, buildings, equipment)

9. Liability – an obligation to pay for services or items received in the course of business operations. For example:

- Accounts payable (money we owe others for services received or items purchased)
- Accrued payroll (payroll we owe employees for time they have already worked)
- Deferred revenue (money students paid in advance for next semester’s tuition).
 - This is considered a liability because the University would have an obligation to issue a refund to a student if it does not provide the service for which it was paid in advance.
- Long-term debt (bonds we have to pay back)
- Net pension liability (money we owe MPSERS for retirees as their future income)

10. Net Position/Fund Balance (“Summary Balance” in GLOW) – net position equals assets minus liabilities. In GLOW, the current “Summary Balance” is “Fund Balance July 1” plus this year’s Net Revenue/Expense. If the “Summary Balance” is a debit (positive number), then expenses exceed revenues. If the “Summary Balance” is a credit (negative number), then revenues exceed expenses.

11. Revenue/Income – earnings from the sales (inflow of cash) of services or goods. For example:

- Tuition and fees
- Housing
- Dining operations
- Grants

12. Expense – costs (outflow of cash) necessary to perform and conduct programs and other operations. For example:
 - Compensation
 - Supplies
 - Bad debt (a student’s tuition or fee that the University was unable to collect)
13. Fund – a set of departments represented by a two-digit number that have a common purpose or restriction. For example, the general fund (11), scholarship fund (21), designated fund (23), designated gift fund (24), etc.
14. Department/Cost Center – a unit represented by a seven-digit number within a fund that tracks revenues and expenses that have a common purpose.
15. Account/Object Code – a four-digit number assigned to each asset, liability, net position, revenue, and expense. For example, cash (1011), accounts payable (6010), net position (9200), miscellaneous revenue (8980), and supplies expense (4570).
16. Accounting Period – a time frame (usually one month).
17. Fiscal Year – the twelve accounting periods that an organization uses for its financial reporting. For example, the University’s fiscal year ends June 30.
18. Accrual Basis of Accounting – the process of recording revenue when it is *earned* (rather than when cash is received) and recording expense when it is *incurred* (rather than when cash is paid). GASB requires the University to use the accrual basis of accounting. This is why some departments see journal entries for accounts receivable, prepaid expenses, accounts payable, accrued payroll, and deferred revenue at June 30 each year.

Accounting Functions at the University

1. Corporate Reporting and Taxation
 - Prepares the University’s and Foundation’s tax returns and other corporate reports
 - Provides advice to University departments in complying with current tax laws
2. Investments and Endowment Management
 - Liaison to banks and financial institutions
 - Manages cash and investments at the University and the WMU Foundation
 - Manages endowments at the WMU Foundation
3. Accounts Receivable
 - Responsible for University billing and collections
 - Administers the University’s student payment plan and Perkins Loan program
4. Payroll and Disbursements
 - Responsible to pay faculty, staff, and student payroll
 - Issues annual W-2s and other payroll forms and reports
 - Manages the University’s purchases and the processing of payments via invoices, procurement cards, and vouchers
 - Oversees the travel process

5. Purchasing
 - Establishes and manages supplier relationships
 - Assists the University's departments in procuring goods and services over \$5,000
 - Ensures the University complies with laws, regulations, policies, and procedures
6. Facilities and Debt Planning
 - Responsible for recording and inventorying capital assets
 - Manages the University's debt
7. Cashiering
 - Manages the University's centralized cashiering systems
 - Oversees the e-commerce system for departmental stores and sales
8. Financial Accounting and Reporting
 - Ensures the University's financial transactions are reported accurately, completely, and in a timely manner
 - Responsible for the financial reporting for the University as a whole
 - Provides monthly, quarterly, and annual financial reports
 - Responsible for the University's financial reporting systems: PeopleSoft, GLOW, and the online journal entry system (JES)
 - Ensures compliance with federal, state, and all other accounting and audit principles and standards, as well as establishes policies and procedures for the University to adhere to those standards
 - Responsible for the University's annual external audit and the published audited financial statements
 - Provides reporting for the State of Michigan and various other organizations
 - Provides accounting training and support to University departments

Fiscal Year vs. Calendar Year

Some organizations use the calendar year for financial reporting (January 1 - December 31).

Most Michigan universities and school districts use a fiscal year ending June 30 for their financial reporting (July 1 - June 30). The University's fiscal year ends June 30.

The State of Michigan uses a fiscal year ending September 30 for its financial reporting (October 1 - September 30).

Accounting Periods

An accounting period at the University refers to one month in the fiscal year. Accounting detail in GLOW should be reviewed on a monthly basis.

| | |
|------------|---|
| Period 1 | July |
| Period 2 | August |
| Period 3 | September |
| Period 4 | October |
| Period 5 | November |
| Period 6 | December |
| Period 7 | January |
| Period 8 | February |
| Period 9 | March |
| Period 10 | April |
| Period 11 | May |
| Period 12 | June |
| Period 998 | Period 998 – Year-end adjusting entries for Accounting Services’ use only |
| Period 000 | Period 000 – Carry-forward totals from one year to the next |

Accounting Structure

All transactions are made to a fund, department, and account. For example, 11-6411200-4570 is the supplies expense account in the accounting department in the general fund.

Funds

| # | Description | Explanation |
|-------|-----------------------|---|
| 11 | General Fund | The University’s operating fund. Revenues are state appropriations and tuition; expenses are salaries, supplies, utilities, equipment, etc. |
| 21 | Scholarships | Holds scholarship funds for Financial Aid to disburse. |
| 23 | Designated Funds | Departmental self-supporting activity. Funding source must be departmental activities, not general fund or grants. |
| 24 | Designated Gifts | Donations are transferred from the WMU Foundation. |
| 25-30 | Grants | Revenue is obtained through grants and contracts for a specific purpose. Restrictions are placed on the use of funding. |
| 25 | Federal Restricted | |
| 26 | State Restricted | |
| 27 | Local Restricted | |
| 28 | Foundation Restricted | |
| 29 | Other Restricted | |
| 30 | Grants Cost Share | |

| # | Description | Explanation |
|----------|------------------------------------|--|
| 31 | Student Loan Fund | Revenue originates from various places and once established, acts as a revolving loan fund for short-term student loans. |
| 32 | Annuity and Life Income Fund | Irrevocable planned gifts from donors where the income from the gifted asset is delayed until after the donor's death. |
| 41-46 | Auxiliary Activities | Revenue-producing, substantially self-supporting University activities that perform a service but are not themselves educational activities (athletics, health center, West Hills, student housing, etc.). |
| 41 | Student Affairs (Housing & Dining) | |
| 42 | Athletics | |
| 43 | Auxiliary Other | |
| 45 | Miller Auditorium | |
| 46 | Physical Plant – Internal Service | |
| 51-52 | Agency and Trust | Funds held by the University on behalf of organizations associated with the University. |
| 51 | Agency and Trust – Other | |
| 52 | Agency and Trust – Student Orgs | |
| 54 | WMU Foundation | |
| 55 | Insurance and Benefits | Employee insurance and benefits. |
| 56 | Paper Technology Foundation | |
| 61-65 | Physical Plant Funds | The University's physical properties and related indebtedness. |
| 61 | Plant Fund – General | |
| 63 | Construction in Progress | |
| 64 | Self-Liquidating Projects | |
| 65 | Auxiliary Debt Service | |

Accounts

The University has the following numbering convention for accounts.

- 1xxx Asset
- 2xxx Asset (Construction in Progress)
- 3xxx Payroll expense
- 4xxx Expenses other than payroll
- 6xxx Liabilities
- 7xxx Long-term liabilities
- 8xxx Revenues (income)
- 9xxx Fund balance
 - Fund balance carry-forward account is 9200
 - Journals should never be posted against 9200

A complete list of accounts can be found in GLOW under “list accounts” on the main menu.

Fund Balance

Always be aware of the fund balance in your department. This can be found in the “Summary Information” screen in GLOW. After entering your fund and department, scroll all the way down to “Summary Balance” for the fiscal year actuals.

| Account | Adjusted Budget | Actuals | Commitments | Closing Balance |
|--|-----------------|------------|-------------|-----------------|
| 4352 Service Contract Expense | 0.00 | 1,250.00 | 0.00 | -1,250.00 |
| *** Fees/Comp/Contracts Subtotal *** | 0.00 | 1,250.00 | 0.00 | -1,250.00 |
| 4995 Support To Oth Funds | 0.00 | 19,857.78 | 0.00 | -19,857.78 |
| *** Transfers/Support Subtotal *** | 0.00 | 19,857.78 | 0.00 | -19,857.78 |
| *** Other Expenses Subtotal *** | 0.00 | 21,107.78 | 0.00 | -21,107.78 |
| *** Total Expenses Subtotal *** | 0.00 | 21,107.78 | 0.00 | -21,107.78 |
| *** Net Revenue/Expenses Subtotal *** | 0.00 | 21,107.78 | 0.00 | -21,107.78 |
| 9200 Fund Balance July 1 | 0.00 | -16,503.74 | 0.00 | 16,503.74 |
| *** SUMMARY BALANCE *** | 0.00 | 4,604.04 | 0.00 | -4,604.04 |

If your “Summary Balance” in GLOW is a debit (positive number) as in the above example, then expenses are greater than revenues, and the department is in deficit. Deficits in funds 21, 23, 24, and 43 must be funded by June 30.



It is your responsibility to monitor your “Summary Balance” and to draw from an endowment or transfer other support by June 30 to avoid ending the year in a deficit.

Journal Entries

Journal entries at the University are made using the JES website. A link to the website and a user guide are on Accounting Services’ website: <https://wmich.edu/accounting-services>

The first two business days of the month are reserved for making journal entries for the prior month. For example, you have until 5:00pm on April 1-2 to make journal entries for March. Simply click the “post to prior period” button on the JES screen.

Journal entries (JES) are made for various reasons.

Administrative Assistants, Budget Analysts, and Business Managers might make journal entries to correct vouchers paid out of an incorrect account, to correct procards paid out of an incorrect account, to transfer payroll from one department to another, or to transfer support from one department to another, to name a few.

Accounting Services makes most of its journal entries at June 30 for the annual audited financial statements. These journal entries include recording accounts receivable, prepaid expenses, accumulated depreciation, accounts payable, deferred revenue, net pension liability, bad debt expense, depreciation expense, and pension expense, to name a few.

A journal entry will go through a scrubbing process overnight to verify certain information. If there is an error in it, the journal entry will not post to the general ledger (GLOW), and Accounting Services will contact you the next morning.

When making a journal entry, think about what you are trying to accomplish. Always check GLOW the next day to make sure the journal entry did what you intended it to do.

Example #1:

There is a voucher for supplies in department 11-0055000 that should have been charged to department 11-1100000. How do I correct this?

The expense is showing up in 23-0055000-4570:

| | | | |
|------------|-----------|----------------------|-------|
| 08/23/2018 | V01499668 | 144703426CENTURYLINK | 31.26 |
|------------|-----------|----------------------|-------|

To move the expense, the following entry is needed:

Debit: 11-1100000-4570 \$31.26
 Credit: 11-0055000-4570 -\$31.26

Example #2:

I forgot to allocate the expenses on my procard to the correct expense accounts before signing off on it. Now I have membership fees (4331) in supplies expense (4570). How do I correct this?

The expense is showing up in 11-0055000-4570:

| | | | |
|------------|---------|---------------|--------|
| 07/31/2018 | PROCARD | DILLON PAUL B | 275.00 |
|------------|---------|---------------|--------|

To move the expense, the following entry is needed:

Debit: 11-0055000-4331 \$275.00
 Credit: 11-0055000-4570 -\$275.00

Example #3:

I share a student employee with another department (11-1100000). Her hours vary from week to week, so her entire paycheck comes out of my department, and the other department reimburses me for the time she actually worked for them. How do I move 25% of the Z36 payroll to the other department (11-1100000)?

The expense is showing up in 11-0055000-3511:

| | | | |
|------------|---------|-----------------------|-------|
| 01/08/2019 | PAYROLL | Z26 X ACCOUNTS RECEIV | 84.42 |
|------------|---------|-----------------------|-------|

To move 25% of the expense, the following entry is needed:

Debit: 11-1100000-3511 \$21.11
 Credit: 11-0055000-3511 -\$21.11

Please see “Journal Entries to Payroll Accounts” for specific information on how to format the journal entry.

Example #4:

I am putting on a business managers meeting and need to pay for a room at the Fetzer Center and snacks for attendees. Another department (23-1100000) agreed to pitch in \$100.00 toward the cost of the meeting, which is not for any specific expenses.

The actual expense is showing up in 23-0055000-4364 and 23-0055000-4370.

For the other department to contribute \$100.00, the following entry is needed:

Debit: 23-1100000-4995 \$100.00
 Credit: 23-0055000-8995 -\$100.00

Please see “Transfer/Support Accounts” for more information on this type of journal entry.

Journal Entries to Payroll Accounts

Journal entries to payroll accounts must be formatted in a specific way for grant time and effort reporting purposes, even if the journal entry is not made to a grant fund.

The “Glow Description” entered in JES must contain the Employee ID, the pay period #, the employee’s last name, and any additional comments (not to exceed a total of 30 characters). Note that there are **no spaces** between the criteria.

| Phone ext + initials | Internal Description | Journal Date |
|----------------------|--------------------------|--------------|
| 74727srm | Transfer payroll charges | 071018 |

| Row # | Delete Row | Account | Fund | Department | Amount | Glow Description |
|-------|--------------------------|---------|------|------------|---------|------------------------------|
| 1 | <input type="checkbox"/> | 3311 | 23 | 2807610 | 550.00 | 23456,Y50,Bronco,Buster |
| 2 | <input type="checkbox"/> | 3311 | 23 | 2905520 | -550.00 | 23456,Y50,Bronco,Buster |
| 3 | <input type="checkbox"/> | 3211 | 26 | 7025670 | 275.00 | 356719,SM1812,Montgomery,NSF |
| 4 | <input type="checkbox"/> | 3211 | 11 | 1230500 | -275 | 356719,SM1812,Montgomery,NSF |

Please keep in mind:

- There should be **no spaces** in the “Glow Description” entered in JES.
- Each line of the journal entry is one pay period for one employee. If you are moving multiple pay periods for multiple employees, each pay period for each employee needs its own line. The system will automatically calculate the fringe benefits.
- Wait until the pay period is posted to GLOW before attempting to make a journal entry to move the payroll. For example, if Y50 ends 6/17/18, it won’t be posted to GLOW until 6/26/18. Wait until 6/26/18 to make the journal entry.

- You can only move payroll out of the account to which the original payroll was posted. For example, if Buster Bronco's payroll posted to 3311, you cannot try to move it out of any other account besides 3311.
- You can only move the amount of payroll that actually posted or less. For example, if Buster Bronco was paid \$550.00 for Y50, you cannot move \$551.00. You can move less than what the employee was paid, but you cannot move more.

Alternatives to having to follow these rules:

- Use a transfer/support code (4995 and 8995) instead of a compensation code. You will have to manually calculate and include the amount of fringe benefits in your transfer.
- Change or correct the cost center to which the employee is charged. This will involve contacting Human Resources and Payroll.
- For fund 11, you can transfer your budget by making a BES instead of transferring actual expenses with a JES.

Journal Entries to Grants

All journal entries made to grant funds (25-30) go to Grants and Contracts to review and approve before they are posted to the general ledger. Please make sure that your documentation for the journal entry is in order *before* making the journal entry in order to expedite the review by Grants and Contracts.

Even if only one line of your journal entry is made to a department in a grant fund (25-30), the entire journal entry goes to Grants and Contracts for review.

To expedite posting of your journal entries, you can keep your grant journal entries separate from your non-grant journal entries.

Accounting Transactions

A list of descriptions and reference codes found in GLOW is below.

| Code | Location | Explanation |
|------|-------------------------|--|
| IPAY | End of line description | Deposit posted by cashiering (generally only occurs in revenue accounts) |
| PP | End of line description | Physical Plant billings for projects |
| B | Ref# column | Budget Entry posted by anyone with access to BES |
| FM | Ref# column | Facilities Management billings |
| I | Ref# column | Journal Entry posted by anyone with access to JES |
| P | Ref# column | Purchase Order posted by Accounts Payable |

| Code | Location | Explanation |
|-------------|-----------------|--|
| V | Ref# column | Voucher posted by Accounts Payable |
| PAYROLL | Ref# column | Payroll posted by the Payroll Department (will always have the pay period in the line description) |
| PROCARD | Ref# column | Procard transactions for one month posted by Accounts Payable |
| TRAVEL | Ref# column | Travel transactions for one month posted by Accounts Payable |
| ENDGTD | Ref# column | Endowment distributions for one month posted by Investments |
| 000000 | Ref# column | Revenue posted by Accounts Receivable (will include the student's WIN, last name, and fee detail code in the line description) |
| 000000 | Ref# column | OFFSET OFFSETTING ENTRY 03 (the total of all Banner transactions/adjustments for a specific day) |



You are responsible for reconciling (reviewing) all transactions posted to your department in GLOW on a monthly basis. Always be aware of the transactions posted to your departments.

Example #5:

I am putting on a conference and received a check for \$355.00 for an attendee's registration fee, so I sent the check to cashiering for deposit.

Cashiering posts the deposit to your department's miscellaneous revenue (23-0055000-8980) as indicated on your deposit slip. The deposit will show as a credit to your revenue account and will include "IPAY" in the line description in GLOW. The debit will be to the University's cash account.

Debit: 23-0000000-1011 \$355.00
 Credit: 23-0055000-8980 -\$355.00

Example #6:

I bought sandwiches from a sandwich shop for my conference totaling \$1,049.00. I filled out a voucher and sent it to Accounts Payable for payment.

Accounts Payable posts the voucher to your department's meals and entertainment expense (23-0055000-4364) as indicated on your voucher. The voucher will show as a debit to your meals and entertainment expense and will include the voucher number (V12345678) in the Ref# column in GLOW. The credit will be to the University's accounts payable account.

Debit: 23-0055000-4364 \$1,049.00
 Credit: 23-0000000-6010 -\$1,049.00

Transfer/Support Accounts

4995 and 8995 are for transfers between different departments. 4995 can only be used in a journal entry with 8995.

These accounts should be used when one department is giving “support” or “funding” to a different department.

- There is not necessarily a *specific* expense involved.
- A department decides to contribute funds toward the expenses of another department, perhaps for a special project.

In the case of an actual expense being reimbursed, move the entire expense amount and use the *original* account code.

Example #7:

My employees want to go to the PSSO luncheon. I put my department (23-0055000) on the registration form. PSSO then transfers funds from my department to their department (51-0111000) to collect the registration fee. The debit goes to my department, and the credit goes to PSSO’s department.

Debit: 23-0055000-4995 \$30.00
Credit: 51-0111000-8995 -\$30.00

Example #8:

I paid for a new workspace to accommodate an employee per Title I. I put my department’s expense account (11-0055000) on the voucher. The credit goes to the University’s accounts payable.

Debit: 11-0055000-4481 \$2,300.00
Credit: 11-0000000-6010 -\$2,300.00

Human Resources (11-0000980) covered half of the cost to accommodate the employee’s workspace and transferred funds to my department (11-0055000).

Debit: 11-0000980-4995 \$1,150.00
Credit: 11-0055000-8995 -\$1,150.00

Now I have \$1,150.00 in support revenue and \$2,300.00 in expense. Can I move the revenue into the expense account? No, since Human Resources was contributing toward the cost, not paying for the entire cost, the revenue must stay in 8995 and the expense must stay in 4481.

However, you may make a budget entry (BES) to move budgeted dollars from your revenue account to your expense account so that you are not over budget in your expense account.

Example #9:

While reviewing my department's (11-0055000) activity for the month, I noticed printing costs in 4482 that did not belong there. Upon further investigation, I found out the printing costs belonged to Internal Audit (11-1100000).

In this case, since I am correcting an error, I would make a journal entry to move the entire amount out of my printing expense and into Internal Audit's printing expense. The debit would be to Internal Audit, and the credit would be to my department.

Debit: 11-1100000-4482 \$269.00

Credit: 11-0055000-4482 -\$269.00

Guidelines for WMU Designated Funds 23 & 24**1. Fund 23:**

For designated dollars in fund 23 to be used for a specific purpose, expenses related to those activities should be paid directly out of the fund 23 department. Specific examples might be conference expenses or training where the funds were designated for some specific purpose.

If there are remaining dollars in the fund 23 department after the specific purpose has been met, the department may transfer the remaining dollars to a new department by making a journal entry (JES) using 4995 and 8995 account codes.

2. Fund 24:

Gifts in fund 24 that have no restrictions placed on them by donors may be used to support general fund operations in fund 11. Expenses can either be paid directly from the fund 24 department or transferred as support (4995/8995) by making a journal entry (JES) to a general fund operation to offset an operating deficit.

For gifts in fund 24 that have donor restrictions, expenses related to those activities should be paid directly out of the fund 24 department. Specific examples might be guest lecturers or travel abroad where the funds were restricted for some specific purpose by the donor.

3. Transfers:

Transfers (4995/8995) from the General Fund (fund 11) to the Designated Funds (funds 23 and 24) are not allowed unless otherwise approved by Accounting Services or the University Budget Office on an exception basis.

Transfers (4995/8995) to the Designated Gift Fund (fund 24) should only be from the WMU Foundation (fund 54) unless otherwise approved by Accounting Services on an exception basis.

4. Common questions:

- a. May I transfer money from fund 11 to fund 23?
 - i. Only in rare circumstances.
 - ii. Generally, fund 11 money has to be spent on fund 11 expenses, and you wouldn't transfer money to other funds for other purposes.
 - iii. You may make a correcting journal entry if you determine that a specific expense has been charged to the wrong department, at which point the expense can be moved to the correct department using the original account code rather than 4995 and 8995.

- b. When may I deposit money into fund 24?
 - i. Fund 24 is for designated gifts to the University. Only gifts from the WMU Foundation can go into a department in fund 24.
 - ii. All gifts (cash and in-kind) should always go through the WMU Foundation. The Foundation transfers gifts to the departments in fund 24 in August and February.
 - iii. In-kind gifts are gifts other than cash, such as goods or services.
 - iv. The donor designates the University department.
 - v. Gifts to the University generally have a specific purpose and can only be used for that purpose.

Facilities and Debt Planning

When you purchase equipment equal to or greater than \$5,000 or when you purchase computer software, Facilities and Debt Planning needs to know so that they can properly account for those items as well as tag and track them.

You alert Facilities and Debt Planning that you have purchased equipment equal to or greater than \$5,000 by paying for it on a voucher or purchase order out of account 4850 or by paying for computer software out of account 4452.

Please make sure to use the following equipment accounts:

| # | Description | Explanation |
|----------|-----------------------|---|
| 4452 | Software | All software should be charged to this account regardless of cost. |
| 4481 | Office Supplies | Equipment costing less than \$5,000. |
| 4826 | Fabricated Equipment | Grant fund (funds 25-30) purchases of component pieces that will combine to form equipment with a final cost of at least \$5,000. |
| 4850 | Equipment > \$5,000 | Equipment costing at least \$5,000. |
| 4865 | Technical Initiatives | Computers and related hardware costing less than \$5,000 and that are not purchased with a procard or through Technology Purchases website. |
| 8980 | Miscellaneous Income | Proceeds received from the sale of equipment. |

For more detailed information about Facilities and Debt Planning or to see their frequently asked questions, please visit their website: <https://wmich.edu/accounting-services/facilities-debt-planning>

Yearend Close and Rollforward

The University’s fiscal year ends on June 30. Accounting Services posts a newsletter to its website to explain the timeline of events to wrap up the fiscal year’s activity. The first couple of weeks in July are spent making journal entries to prepare for the annual audit.

The University hires independent, external auditors to come in and audit the University’s financial statements. Once the audit is complete (late August or early September), the end “Summary Balance” in GLOW is rolled forward to the new fiscal year and becomes the “Fund Balance July 1” in GLOW.

Some departments keep their “Summary Balance” from one year to the next:

- Scholarships (21), Designated Funds (23-24), Grants and Contracts (25-30), Student Loan Funds (31), Annuity and Life Income (32), some Auxiliary (41-47), Agency and Trust (51-52), Foundations (54 & 56), Insurance & Benefits (55), and Plant Funds (61-65)

| Account | Actuals 2019 | Actuals 2018 | Actuals 2017 |
|--|-----------------|-----------------|-----------------|
| *** Net Revenue/Expenses Subtotal *** | -23,458.42 | 21,107.78 | -2,258.22 |
| 9200 Fund Balance July 1 | 4,604.04 | -16,503.74 | -14,245.52 |
| *** SUMMARY BALANCE *** | -18,854.38 | 4,604.04 | -16,503.74 |

For other departments, the “Summary Balance” gets swept clean and they begin the year with a “Fund Balance July 1” of \$0 (which does not appear in GLOW).

- General Fund (11) and some Auxiliary (41-47)

| Account | Actuals 2019 | Actuals 2018 | Actuals 2017 |
|--|-----------------|-----------------|-----------------|
| *** Net Revenue/Expenses Subtotal *** | 688,870.91 | 924,420.30 | 893,378.94 |
| *** SUMMARY BALANCE *** | 688,870.91 | 924,420.30 | 893,378.94 |