

University Service Provider Federal Fund Balance Training

April 2022



What is the Federal Fund Balance?

• The federal fund balance is a calculation to calculate the federal surplus or deficit

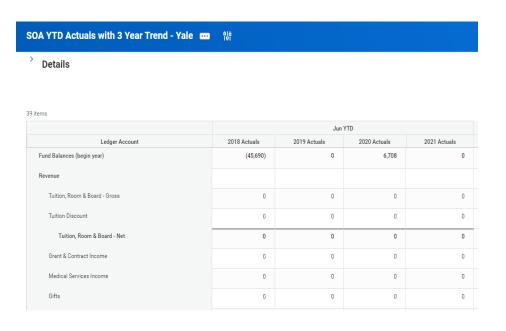
Revenue – Expenses + Unallowable Expenses = Federal Fund Balance

 This calculation is important as it allows us to show that we are not overcharging the government for the services we are providing

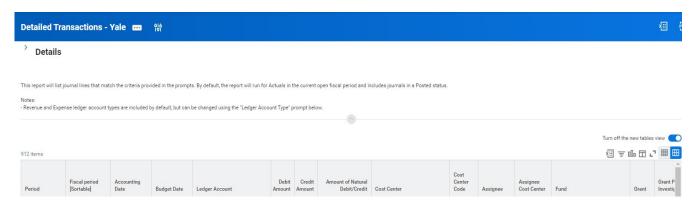


Workday has two reports that are useful when completing the federal fund balance

SOA YTD Actuals with 3 Year Trend – Yale



- Detailed Transactions Yale
 - This should be exported and made into a pivot table to show ledger, Revenue Category, Spend Category, Amount Natural Debit/Credit





Completing the Federal Fund Balance – Section 1 Operating Results

- Using the SOA report, you can enter in the details around Revenue & Operating expenses
- For revenue you will want to break up based on categories
 - Internal Revenue (50002) enter as a positive number
 - All Other Internal Revenue not common in USPs
 - External Income this is generally what is in the section called "Total External Revenue"
 - All other revenue categories (exclusions) should include revenue not related to services provided by the USP, i.e. funding for the USP via Endowment

Yale Finance

- For operating expenses this should be the line called "Total Expenses Before Internal Revenue"
- The operating results should tie to the line called "Operating Results", this is prior to fund transfers

		Actual												
		FY												
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
USP Revenue (In	ternal & External)													
50002	Internal Service Credit													
	All Other Internal Revenue													
	External Income													
	All Other Revenue Categories (Exclusions)													
Total USP Reveni	ue (agrees to University Statement)	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Operation	ng Expenses													
Operating Result	ts (before transfers - agrees to University	0	0	0	0	0	0	0	0	0	0	0	0	0

Completing the Federal Fund Balance – Section 2 Unallowable Revenue Exclusions

- There are a few Revenue Categories (RC) that should be excluded
 - Internal Income Discounts on Std Rates (RC123)
 - External Income Discounts on Ext USP Sales (RC076)
 - External Income Premium on Ext USP Sales (RC075)
- These are exclusions because discounts and premiums are a choice of the USP and all users should not be impacted by the decision to include in your rates

			Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY	Actual FY
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue Exclusions (input premiums/surcharges as a positive number, and discounts as a negative					ative number)										
50002	Internal Income - Discounts on Std Rates (RC123	3)													
45018	Exernal Income - Discounts on Ext USP Sales (RO	C076)													
45017	Exernal Income - Premium on Ext USP Sales (RC0	075)													
	All Other Revenue Categories		0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal"Unallo	owable" Revenue Exclusions		0	0	0	0	0	0	0	0	0	0	0	0	0



Completing the Federal Fund Balance – Section 3 Unallowable Cost Exclusions

- Unallowable costs follow the guidelines of 2 CFR 200 of what is not allowed to be charged to awards
- The unallowable list can be found in the rate form on the tab called "Unallowable Costs"
 - The first 3 ledger/spend categories listed on the form are those that are most used
- Using the detailed transaction pivot table, this will help you easily identify those that should be excluded

Cost Center(s):		Actual												
Program(s):		FY												
Project(s):		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unallowable Cost	Exclusions:													
Add LA & SC as ne	eeded for USP in row 31 - 58													
91001	Allocation Expense - Fringe Benefits													
81037	Entertainment and Alcohol Expense (SC256)													
81038	Equipment (All SC with equipment > \$5,000)													



Completing the Federal Fund Balance – Section 4 Other Adjustments

- The other adjustments section is to capture items that should be included, these are allowable but do not reside on the general ledger for the USP.
- The two most commonly used are:
 - Fringe Benefits at negotiated rates this takes the salaries at the federal fringe and adds back in, as we have removed the fringe benefits at the University rates
 - Depreciation this should be all the non-federally funded depreciation that is allowable to charge on rates. This expense does not sit on the COA for the USP as it is held at University level
- For any others, please reach out to <u>ISP@yale.edu</u> to determine whether those are applicable to your USP.

		Actual												
		FY												
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Adjustments(Federal Allowable-Contact ISP@yale.e	du with ?'s):												
Fringe Benefits at Negotiated Rates		0	0	0	0	0	0	0	0	0	0	0	0	0
Moveable Equipment Depreciation (excl. Depreciation on Fed Purchases)													0	0
Prior to FY20, input the amounts from prior fund balance calcula	itions.												U	U
Building & Fixed Equip Depreciation														
Allowable Interest Expense														
Other Property Expenses														
Other Adjmts (Please Specify):														



Completing the Federal Fund Balance – Section 5 Fund Balance Transfers

- The beginning and ending book balances should agree to the SOA.
 - As a note, we know that there are some difference when we rolled over to Workday, if you need assistance with changing your beginning balance, please contact ISP@yale.edu and we can adjust the beginning balance as needed.
- The "Fund Balance Transfers" line comes from the SOA, this is the line called "Total Fund Transfers".

Cost Center(s): Program(s):		Actual FY												
Project(s):		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning Book Fu	and Balance (agrees to Workday)		0	0	0	0	0	0	0	0	0	0	0	0
Fund Balance Transfers														
Ending Book Fund	Ending Book Fund Balance (agrees to Workday)		0	0	0	0	0	0	0	0	0	0	0	0
	University Statement: Fund Balances at Year-end													
	Difference (s/b	0) 0	0	0	0	0	0	0	0	0	0	0	0	0

Total Fund Transfers	(46,588)	67,943	1,117,608	629,459



Completing the Federal Fund Balance – Section 6 Fringe Calculation at Negotiated Rates

- This section allows us to recalculate the salaries at the Negotiated Federal Fringe Rates (see section 4 other adjustments)
- Using the detailed transactions pivot table, include the payroll ledger accounts 71XXX and 72XXX to populate on the appropriate line to recalculate the fringe rates

Fringe Calculation	on at Negotiated Federal Fringe Rates	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Salary	Exempt													
	Non-Exempt													
	PT													
Federal Fringe %	Exempt	28.5%	31.5%	31.0%	30.1%	31.2%	32.4%	29.5%	30.8%	31.1%	32.3%	30.5%	27.5%	29.5%
	Non-Exempt	44.0%	48.0%	46.0%	52.4%	54.5%	54.6%	56.9%	61.7%	62.5%	61.7%	69.2%	68.1%	72.4%
	PT	8.0%	8.5%	9.0%	8.8%	8.3%	7.8%	8.6%	8.9%	8.7%	7.6%	7.1%	8.8%	8.6%
Fringe	Exempt	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non-Exempt	0	0	0	0	0	0	0	0	0	0	0	0	0
	PT	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0



Completing the Federal Fund Balance – Section 7 Adjusted Federal Fund Surplus/(Deficit)

- In the event you have a surplus in the current year, we will want to adjust this to remove the 60 days of operating expenses
- The cell for Adjusted Ending Federal Fund Balance will need to be included in your rates to reduce the rates.

Adjusted Federal Fund Surplus/(Deficit)										
60 Days of Operating Expenses (cell populates if surplus in Row 69)										-
Future Equipment Purchase for USP										
Adjusted Ending Federal Fund Balance										-



Questions?

