Financial Review Checklist

Review New Restricted Gifts Established
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In this training, we will be covering the Financial Review Checklist step *Review New Restricted Gifts Established*. We will be walking you through the step’s *Objective, Focus On* and the *Workday Reports*.

The walkthrough of the report will include:

- The parameters used to run the report in Workday.
- The results that you would expect to see.
- How the report should be used in your analysis to operationally finish the objective of the step.
<table>
<thead>
<tr>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gift</strong></td>
</tr>
<tr>
<td>- A voluntary unconditional transfer of cash or other assets to the University by an individual or another entity, for which the donor does not receive goods or services in exchange.</td>
</tr>
<tr>
<td><strong>Gift Planning</strong></td>
</tr>
<tr>
<td>- All solicitations and donor arrangements are coordinated in advance with the Office of Development. The Office of Development is responsible for establishing gift agreements, recording donor commitments, and sending official acknowledgments to donors.</td>
</tr>
<tr>
<td><strong>Gift Receipt</strong></td>
</tr>
<tr>
<td>- When a gift for a new restricted purpose is received, Gift Administration is contacted by Development or the recipient department. Gift Administration establishes a new Workday Gift as appropriate.</td>
</tr>
<tr>
<td><strong>Gift Management</strong></td>
</tr>
<tr>
<td>- Schools and departments are responsible for using gifts in accordance with a donor's intentions. Gift Administration is responsible for the proper setup of gift accounts and proper accounting of specific gift transactions.</td>
</tr>
</tbody>
</table>
Definitions

Endowment Gifts
- Gifts that are held in perpetuity and the investment income is spent for the purpose designated by the donor or, if no purpose is designated, for unrestricted use.

Spendable Gifts
- Gifts that are entirely expendable, which may be for unrestricted use or a specific purpose, including those for construction or renovation of an existing building.
Financial Review Checklist
Activity Details
Review New Restricted Gifts Established, along with contributions received.

**Objective**

1) To become familiar with and understand donor restrictions to ensure compliance with the gift agreement.

2) To review COA values to ensure contribution was posted to the correct gift.

**Focus On**

1. Review and understand donor restrictions for new gifts established.

2. Review restriction description, contribution amount and COA values for accuracy.

**Workday Reports**

Gift Set-Up With Contributions - Yale

**Related Resources:** [2200 PR.01 Gifts Processing and Stewardship](#)
Workday Parameters
1) Type Gift Set-Up With Contributions – Yale into the Workday Search Bar.
2) Company: Yale University
3) Organization: Enter your cost center hierarchy.
4) Period/Time Period: Enter in the month and Current Period YTD.
5) Journal Source: Automatically limits to Blackbaud CRM which is the subledger for gifts.
6) Ledger Accounts and Summaries: Automatically limits to those listed.
7) Date Gift Established Between: Select the dates for the month under review.
8) Then click “Ok” at the bottom to submit the report.
You can either work within Workday and use the column filters or you can export the data to Excel for analysis. If you have a large list of new restricted gifts, it may be useful to download to Excel to track comments and possible follow-up.

You may use these column filters to manipulate your data within Workday.
Analysis – Workday & Excel
### Columns to Focus On

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit Minus Debit</strong></td>
<td>This displays the net contributions to the new gift.</td>
</tr>
<tr>
<td><strong>Date Gift Established</strong></td>
<td>Date of the actual gift setup in Workday</td>
</tr>
<tr>
<td><strong>Restriction Description</strong></td>
<td>Details on how the gift can be used. (I.e., Expendable income shall be used to provide financial aid to students.)</td>
</tr>
<tr>
<td><strong>Primary Purpose</strong></td>
<td>Purpose codes are a shorthand method to designate the general purpose of a gift. (I.e., purpose code 42 is for scholarship gifts and purpose code 65 is for general support.)</td>
</tr>
<tr>
<td><strong>Initial Contribution Amount</strong></td>
<td>Amount of gift initially contributed by donor.</td>
</tr>
<tr>
<td><strong>Cost Center/Program/Project (Chart of Accounts)</strong></td>
<td>You will be able to focus on COA details in these columns.</td>
</tr>
</tbody>
</table>
Important Recovery Flags:

- **Auto recovery** – gifts that can be swept to cover expenses in an unrestricted YD, usually a General Appropriations YD. Auto recovery designation needs to be reviewed in relation to departmental funding status and is currently directed by the Provost Office. Departments without GA funding cannot auto-recover a gift’s spending distributions.

- **Direct Charge** – gifts to which expenses can be charged directly.

Additional Recovery Flags for Central Use:

- **Multiple (including Multiple with journal entries)** - these are for central use only. The Provost Office directs the recovery of the spending distributions. These gifts are reviewed annually with the Provost. Spending could be recovered, split among two or more cost centers, or partially or fully reinvested to principal.

- **Unrestricted** – auto recovery for **unrestricted** gifts that are assigned purpose codes 10, 11 and 12.
Analysis – Workday
Focus On
Step # 1: Review and understand donor restrictions for new gifts established.

1. This endowment is restricted to using the expendable income to provide financial aid to students within a specific school.

2. This spendable gift is restricted to awarding cash prizes to students, faculty, and mentors.

3. This spendable gift is restricted to awarding cash prizes to students, faculty, and mentors.

4. This spendable gift is restricted to supporting research in a specific area.

5. This spendable gift is restricted for use in Covid-19 Research.

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<table>
<thead>
<tr>
<th>Restriction Description</th>
<th>Gift Type</th>
<th>Primary Purpose</th>
<th>Recovery Flag</th>
<th>Initial Contribution - Donor Name</th>
<th>Initial Contribution - Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The expendable income from the fund shall be used to provide financial aid to students within [redacted] in accordance with policies in effect at the time of the award. The university may direct the expendable income in a variety of ways, including, but not limited to, tuition, room, board, and other educational expenses as well as to provide support to enhance the education experience of students participating in Yale programs during term time or for summer study, travel, or internships.</td>
<td>True Endowment</td>
<td>Scholarship Restrictive 42</td>
<td>Direct Charge</td>
<td>Donor Name</td>
<td>5,000.00</td>
</tr>
<tr>
<td>To support students, faculty, and mentors as they develop pilot projects into student led ventures. The fund will award cash prizes to the best ventures focused on social innovation in health and education.</td>
<td>Spendable Gift</td>
<td>Prize 46</td>
<td>Direct Charge</td>
<td>Anonymous</td>
<td>50,000.00</td>
</tr>
<tr>
<td>To support students, faculty, and mentors as they develop pilot projects into student led ventures. The fund will award cash prizes to the best ventures focused on social innovation in health and education.</td>
<td>Spendable Gift</td>
<td>Prize 46</td>
<td>Direct Charge</td>
<td>Anonymous</td>
<td>50,000.00</td>
</tr>
<tr>
<td>To support the research of [redacted] in the area of [redacted] or the work of his successors if [redacted] is no longer affiliated with the at the time of my death.</td>
<td>Spendable Gift</td>
<td>Departmental Research 50</td>
<td>Direct Charge</td>
<td>Donor Name</td>
<td>400,000.00</td>
</tr>
<tr>
<td>For COVID-19 Research</td>
<td>Spendable Gift</td>
<td>Departmental Research 50</td>
<td>Direct Charge</td>
<td>Donor Name</td>
<td>95,000.00</td>
</tr>
</tbody>
</table>
Focus On Step #2: Review restriction description, contribution amount, and COA values for accuracy.

Departments are responsible for reviewing the new gift fund, accessing the donor agreement and understanding the requirements of the gift.

Focus on the primary purpose of the gift, the restrictions that apply, and ensure the contribution amount and COA details are accurate.

<table>
<thead>
<tr>
<th>Gift ID and Name Description</th>
<th>Journal Source</th>
<th>Fiscal Period</th>
<th>Ledger Account</th>
<th>Accounting Date</th>
<th>Credit minus Debit</th>
<th>Date Gift Established</th>
<th>Responsible Organization</th>
<th>Origination</th>
<th>Restriction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackbaud CRM, JUL-FY22 Actuals</td>
<td>Yale University</td>
<td>43003 Contributions to Endowment</td>
<td>07/08/2021</td>
<td>24,650.27</td>
<td>04/29/2020</td>
<td>Cost Center # and Name</td>
<td>Donor Contribution</td>
<td>The expendable income from the fund shall be used to provide financial aid to students in accordance with the policies in effect at the time of the award. The University may direct the expendable income in a variety of ways, including, but not limited to, tuition, room, board, and other education expenses as well as to provide support to enhance the education experience of students participating in Yale programs during term time or for summer study, travel, or internships.</td>
<td></td>
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</table>
Analysis - Excel
Working in Excel can be beneficial for documenting your comments or other notes applicable to your analysis.

You will complete your analysis in Excel the same way outlined in the Workday slides above.
Follow-up Actions
Follow-up Actions

Revise Restricted Gifts

- If you believe any of the COA segments of the gift or associated codes are inaccurate or have a question regarding the appropriate use of a restricted gift, contact the Gift Administration office.

Missing Gift Agreements

- If the gift agreement is not in Workday, contact Gift Administration.
• Financial Compliance: financial.compliance@yale.edu

• Interpretation of policy: Office of the Controller: controllers.office@yale.edu

• Gift Administration: giftawards@yale.edu