

Net Balance Requirements

All units are required to evaluate net balances as part of period close or when certain chart of accounts (COA) segments are closed.

The institutional requirement is to close the fiscal year with a positive (or zero) net balance at the Cost Center level for each combination of Fund and Funding Component value (Yale Designated, Gift or Grant). Distributed units are responsible for this activity for the section of the fund hierarchy called “OP Funds Budgeted by Units”. When evaluating the fiscal year-end balances and performing ongoing monitoring, please note that the COA segments often appear in most reports as a “block”. However, these segments are not a connected string of values. Users must ensure that reviews are performed using the net total of all COA combinations for a given Cost Center and Funding Component in order to fully evaluate the remaining balances. Be sure to adhere to any additional requirements established for your department or school/planning unit.

The institutional requirement for COA segment closures are included in the [online checklist](#). Grants will be closed in partnership between the responsible departments and the Office for Sponsored Projects (OSP). The requirement for closing a Grant is that the Grant balances to zero for the respective “grants and contracts” fund (FD02 Grants and Contracts – Federal, FD28 Grants and Contracts - Non-Federal, or FD29 Grants and Contracts - Industry Clinical Trials). The Office of Sponsored Projects posts [archive of historical “brown bag” sessions](#), including one on the Award Closeout Process.

NEW Information about Cost Sharing in FY19:

If there has been cost sharing (including but not limited to salary over the pension cap), the Grant will not net to zero in total and a deficit balance is expected on the fund(s) that provided the cost sharing for the total shared amount. This is because the Grant worktag is informational only on the cost-sharing transactions.

Where units need to balance (aka. “fund” or “clear”) the remainder of the cost sharing COA (Cost Center, Funding Component (Yale Designated or Gift), etc.), such funding is permitted.

- The ledger account and spend category must be LA 92023 / SC730 (Funding for Cost Share on Grants). This is discussed in the online guidance for [reclassification/transfer of funds](#).
- Use this LA/SC on both the debit and credit.
- Example - a debit cost share balance exists on CO01.GR123456.YD000220.PG00032.PJ000001.FD18. The positive net balance (available credit) sits on the same COA combination but without the Grant. The journal entry to fund would be to:
 - Debit - CO01.YD000220.PG00032.PJ000001.FD18
 - Credit - CO01.GR123456.YD000220.PG00032.PJ000001.FD18
- Questions can be directed to your Grant Accountant in OSP.

In addition, facilities and administration (F&A) allocation credits include the Grant worktag. These transactions are booked on ledger account 51017:Allocation Credit - F&A Indirect Costs; the remainder of the COA segments relate to a central cost center and either FD01 or FD30. Individuals with the ability to see all cost center activity

on a Grant will also see a credit balance in this ledger account. All non-Medical-School balances on YD000002/FD30 and YD000004/FD30 and all Medical School Balances on YD000003/FD01 will be swept in the year-end GA Sweep. Any other balances resulting from the F&A credits can be used to fund other activities with LA 92020 / SC722 (Transfer of F&A Credits for Use in Planning Unit). This is discussed in the online guidance for [reclassification/transfer of funds](#).