GUIDELINES FOR MANAGING FUND DEPOSITS AND DISBURSEMENTS

Policy Id:

Bus.029 - Guidelines for Managing Fund Deposits and Disbursements

Contact:

Executive Director of Finance and Business Services
(212) 237-8516

Last Modified:

January 2013
Guidelines for Managing Fund Deposits and Disbursements

Overview

There are several accounts where funds received from sources outside the College may be deposited within the College, its related and non-related entities and CUNY. This document provides an overview of each account and a summary of the typical purposes, types of expenditures and restrictions. The College may or may not have the discretion to select the account where funds are to be deposited. The appropriate account may be determined by the University or the funding entity. The Business Office will assist staff in managing funds and accounts. Any recipient of funds should notify the Executive Director for Finance and Business Services as soon as possible after they are aware of the award. The fund recipient should submit a brief summary of how the funds will be expended to the Executive Director. The following chart summarizes the accounts where funds may be deposited. This is intended as a guide. The Business Office should be contacted so that a final determination can be made to ensure funds are properly accounted for and disbursed.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Payroll Function</th>
<th>Procurement Rules Apply?</th>
<th>Surcharge or Overhead?</th>
<th>Use to Pay Consultants</th>
<th>Sources of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Levy (T/L) Regular</td>
<td>Yes, salaries must conform to CUNY titles</td>
<td>Yes: Bids or state contracts required over $5k</td>
<td>No</td>
<td>Yes: Bids required over $5k</td>
<td>NYS, NYC, Tuition Revenue</td>
</tr>
<tr>
<td>Income Fund Reimbursable (IFR)</td>
<td>Yes, salaries must conform to CUNY titles</td>
<td>Yes: Bids or state contracts required over $5k</td>
<td>Yes: 6% CUNY + 14% NYS on Revenue collected</td>
<td>Yes: Bids required over $5k</td>
<td>Contract Courses, Continuing Ed, NYC Funded programs</td>
</tr>
<tr>
<td>College Depository</td>
<td>No</td>
<td>Not required. But should be followed</td>
<td>No</td>
<td>Yes</td>
<td>Short term deposits, conference fees, testing fees, Refunds, etc</td>
</tr>
<tr>
<td>Capital</td>
<td>No</td>
<td>Yes: Bids or state contracts required over $5k</td>
<td>No</td>
<td>No unless directly associated with Cap project</td>
<td>City Council, Borough Pres, CUNY DDCM, NYS</td>
</tr>
<tr>
<td>JJC Foundation</td>
<td>Yes</td>
<td>Not required. But should be followed</td>
<td>No</td>
<td>Yes</td>
<td>Donations, Conf fees, some private grants</td>
</tr>
<tr>
<td>Auxiliary Services Corp</td>
<td>No but may reimburse T/L</td>
<td>Not required. But should be followed</td>
<td>No</td>
<td>Yes</td>
<td>Contracts for Food, Beverage Vending, Pouring, cell towers, bookstore</td>
</tr>
<tr>
<td>Student Activities Association</td>
<td>Yes</td>
<td>No but bids must be obtained and prices must be fair</td>
<td>No</td>
<td>Yes if related to SAA purpose</td>
<td>SAA fees paid by students</td>
</tr>
<tr>
<td>Account Type</td>
<td>Payroll Function</td>
<td>Procurement Rules Apply?</td>
<td>Surcharge or Overhead?</td>
<td>Use to Pay Consultants</td>
<td>Sources of Funding</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td>--------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Children's Center</td>
<td>Yes</td>
<td>No but bids must be obtained</td>
<td>No</td>
<td>Yes if related to SAA purpose</td>
<td>NYS and Federal Grant, childcare fees</td>
</tr>
<tr>
<td>Research Foundation</td>
<td>Yes</td>
<td>Yes for direct grant expenses and travel</td>
<td>Yes approx 8%</td>
<td>Yes</td>
<td>Federal, State and City Grants</td>
</tr>
</tbody>
</table>

**Types of Accounts**

There are several types of accounts held by the College, its related and non-related entities and the University. Within each account or fund there are multiple ledgers or types of accounts.

1. **Tax Levy**

   All tax levy funds are processed through New York State and expenditures must comply with NYS procurement guidelines and personnel titles, salary rates and rules. Expenditures must be approved by the Vice President of the respective Department or Unit via personnel action forms and purchase requisitions.

   **Tax Levy Regular (T/L)**

   - The T/L funds include NYS appropriations and CUNY appropriations. The base operating budget allocation funds payroll expenditures for faculty, staff, adjuncts, college assistants and other than personal services (goods and services that are procured with OTPS funds). The base allocation also includes dedicated funding for specific programs and initiatives (some examples are: CUE, SEEK, Disabled Student Services, Neighborhood Work Project, and College Now). Throughout the fiscal year, the College’s allocations are adjusted for new or revised appropriations through budget certificates which are processed by the University. These adjustments include funding for collective bargaining, contractual release time, approved CUNY collaborative grants, Campaign for Success and other CUNY initiatives.

   - COMPACT – The CUNY COMPACT is the University’s plan for funding key goals and initiatives of the CUNY Master Plan. The COMPACT was a four (4) year plan. The first two years of the plan were implemented in FY 2007 and FY 2008. Due to fiscal constraints, the remainder of the plan was placed on hold in FY 2009. With the exception of the funds raised through philanthropy, all COMPACT Funds are part of the T/L allocation.

   - Investment Plan – The Investment Plan is a proposal made by the college and approved by the Chancellor to invest in key areas within the college. These funds have been added to the t/l allocation.

   - City University Tuition Revenue Account (CUTRA) – The University allows colleges to retain any funds collected from tuition revenue that exceed the University revenue target for the college. These funds are transferred to CUTRA at the end of each fiscal year and are added to the T/L allocation.
II. Other Funds

Other funds are funds received from sources other than the University. These funds are deposited and spent through College accounts for Income Fund Reimbursable and College Depository, University accounts for Capital and miscellaneous central accounts, Related Entities accounts, namely, the Student Activities Association, the Children’s Center, and the Auxiliary Services Corporation, and the John Jay College Foundation, which is considered a non-related entity.

Income Fund Reimbursable (IFR)

- The State Division of the Budget mandates that funds received for such activities at the College, including but not limited to the following, be deposited into the Income Fund Reimbursable account (IFR). This account is managed by the State, all payments are made by the State, and all activities must be performed in accordance with College, CUNY, and State regulations. Typical sources and uses of IFR Funds include:
  
  o Adult and continuing education; income from publications;
  o Use of buildings by outside organizations (if funds are not deposited in the Auxiliary Services Corp);
  o John Jay’s contract courses; materials and transportation fees;
  o Athletics programs and gym rentals (if funds are not deposited in the Auxiliary Services Corp);
  o Certain programs funded by the City Council such as Black Male Initiative;
  o Student Technology Fees are deposited into a separate IFR account which is dedicated for use by the Technology Fee Committee. Other deposits may not be made to this account;
- IFR accounts are charged a NYS overhead fee of 14% of each deposit and a CUNY fee of 5.9% of each deposit. Overhead charges appear as expenditures from the account

College Depository

- The College Depository is a short-term exchange system. Funds are collected by the college and held in trust until such time requests are made to spend or transfer those funds. These are funds which are expected to be completely expended in a short period of time and will not carry a balance. There are no overhead or administrative fees. This account is most appropriate for those funds that are temporary in nature and do not involve payment of salaries to full time or part time staff. Deposits and expenditures may be tracked by individual accounts. Expenditures must be approved by account managers (where applicable) and the Business Office. Typical types of expenditures include:
  
  o Conferences
  o Honor Societies
  o Testing fees
  o Donations for Faculty and staff memorials
o Retirements
  o Baby showers
  o ‘Going Away’ parties
  o Other social events
  o Memberships and subscriptions
  o Some non-research related grants (Need to discuss with the Business Office)
  o Workshops where a donor funds travel and program activities (International Programs)
  o Reimbursements and refunds prior to transfer to NYS or tax levy accounts.

**Capital Funds**

- Capital funds are made available from the sale of long term bonds by New York City or NYS. Funds are allocated from the City Council, Borough President’s Office or New York State and are distributed by the CUNY Office of Design and Construction. Projects funded with Capital funds are typically construction projects or large equipment and computer system purchases.

**University Accounting Office (UAO) Funds**

- Prior to the incorporation of the John Jay College Foundation, donations to the college, including scholarship funds, were deposited in accounts held and managed by the University Accounting Office. The college may still direct that funds from the UAO be expended. If additional donations are received for an existing UAO account, those funds must be deposited in the existing account and not in a new account established in another entity. CUNY Board of Trustees approval is required to transfer the balance of the UAO accounts to another account (i.e., to a John Jay College Foundation account).

**John Jay College Foundation**

- John Jay College Foundation conducts fund raising activities to support educational, cultural and social activities of the College. Major events are coordinated through the Office of Institutional Advancement. Actions are approved by the Board of Directors. There are no overhead or administrative fees. Expenditures must be approved by account managers and the Treasurer and Secretary of the Foundation. Typical receipts and expenditures include:
  o Donations for Scholarships
  o Donations and expenditures for privately funded research projects
  o Other Fund Raising events, such as Annual Gala, Children’s Holiday Party, McCabe Fund raising breakfast
  o Some non-research grants. (Need to discuss with Accounting Department.)

**Auxiliary Services Corporation**

- Auxiliary Services Corporation (Aux. Corp.) supports educational, social, cultural, and recreational activities among students, faculty and staff, and derives its revenue primarily from vendor contracts for bookstore, cafeteria, and other auxiliary services.
An annual budget and spending plan for the revenue is approved by the Board of Directors. The President and each Vice President receive an allocation for their programs. Requests by individuals in their divisions are submitted and approved by them. Typical uses for the Aux Corp include:

- Expenses identified in budget allocations approved by the Board of Directors such as scholarships, miscellaneous contractual services, food, promotional items and other miscellaneous expenses for college events. (i.e., Open House, Orientation, Welcome Week)
- Non-NYS legislated purchases (i.e., purchases other than Tax-Levy)
- Purchases that exceed tax-levy allocations

**Student Activities Association**
- The Student Activities Association (SAA) supports the development and cultivation of educational, social, cultural, and recreational activities among students of the College. Revenue is derived from student activity fees. These fees are earmarked according to guidelines set forth in the City University of New York’s Fiscal Accountability Handbook. An annual budget is approved and mandated by the Board of Directors.
- Typical uses of funds for the SAA are Commencement, student clubs, student events, athletic programs including:
- Expenses identified in budget allocations approved by the Board of Directors.

**Children’s Center of JJC, Inc.**
- The Children’s Center (CC) provides childcare services to students enrolled at the College, and derives most of its revenue from New York State and Federal grants. Expenditures are approved by the Board of Directors. The college cannot add to the appropriation.

**Research Foundation**
- The Research Foundation of the City University of New York (RF) administers all the research grants of the College. The primary purpose of RF is to ensure compliance with the specified terms and conditions of the grants, and to provide detailed financial activities. The President of the College usually makes arrangements with the Principal Investigator, Provost, Department Chair, etc. as to how the monies derived from grants (indirect overhead revenue) will be divided. The Principal Investigator is the faculty member who initiates the grant. The RF invests grant monies and allocates interest accordingly to the College’s interest account. Expenditures must be processed through the Office of Sponsored Programs and must be approved by the Principal Investigator for the account.

Typical uses for Research Foundation include:
- Overhead Recovery Account (Indirect Overhead Account): Discretionary expenses approved by the President, Provost, Department Chair, and Principal Investigator from their individual accounts
○ Grant Accounts: Expenses identified in approved grant proposals, usually submitted by Principal Investigator.

**Establishing Accounts and Depositing Funds**

Once a determination has been made as to the appropriate fund that will be used, the Business Office will send the account manager the appropriate forms and instructions to open an account, make deposits and expend the funds.

All deposits must be processed through the Bursar’s Office. Individual employees or outside organizations are not authorized to establish bank accounts in the name of, or associated with the College. Deposits must be hand delivered to the Bursar’s Office in-person and may not be transmitted via inter-office mail. Persons making the deposit should contact the Bursars Office to ensure that there is a staff member available to process the payment. Funds will be counted and verified in the presence of the representative making the deposit. If it becomes necessary to hold checks and/or cash in a college office overnight, those funds must be kept in a secure location. Under no circumstance should funds be held off campus.

It is our hope that these guidelines provide a better understanding of the College’s funds and accounts. If you have any questions regarding any provisions of these guidelines, please contact the Executive Director of Finance and Business Services at (212) 237-8516.