



## What is Fund Equity?

Fund Equity is the sum of accumulated revenue and expenses to date as well as any fund adjustments made for the cost center. Fund 1xxx with the exception of fund 1008 cost centers, are the only cost centers that do not have Fund Equity. Fund Equity does not include Soft Commitments. For a more conservative view of Fund Equity, use "Fund Equity less Commitments".

## Where do I see my Fund Equity amount?

Fund Equity is on the following reports:

- Balance Sheet – this is section 6 of the UGLS1074 report.
- Fund Equity Report – this is the UGLC016 report. There are multiple ways to run this report. They are:
  - Fund Equity Report by Department (UGLC016)
  - Fund Equity Report by Department Tree Node (UGLC016A)
  - Fund Equity Report by Dept Tree Node, By Fund Group (UGLC016B)
  - Fund Equity Detail Report – By Fund Group, By Cost Center (UGLC016C)
  - Fund Equity Summary Report – By Fund Group, By Fund (UGLC016D)
  - Fund Equity by Fund Range (UGLC016E)

## How is Fund Equity reflected on these reports?

Fund Equity is reflected as a credit balance (negative number). If Fund Equity is listed as a debit balance (positive number), it means the cost center is in a deficit position.

## How can I spend my Fund Equity?

Fund Equity must be budgeted before it can be spent. The amount of Fund Equity available to be budgeted is reflected on the Unbudgeted Fund Equity with Exp/Rev Report (UGLC033A). This amount is the net of:

Fund Equity + Open Commitments + Soft Commitments + Current Year Expenditure BBA +  
Unrealized Revenue

This number is listed in column 5 (Difference) on the Unbudgeted Fund Equity with Expense and Revenue Budgets Report (UGLS033A). Unrealized Revenue is included in this calculation because the assumption is made that the revenue will be realized (received) for the year. This amount is also referred to as "Unbudgeted Reserve".



## How do I budget my Fund Equity?

To budget fund equity, two budget journals will be created. Create a REVEST budget journal increasing the B4035 budget node in the cost center where the fund equity will be spent. Create an ORG budget journal increasing the expenditure budget node (usually B5009) in the cost center where the fund equity will be spent. A current UGLS1033A must be attached to both budget journals to show there is available unbudgeted fund equity. Please refer to the training materials for Budget Journals for more information.

## What do I do if my Fund Equity is deficit (debit balance/positive number)?

Deficit fund equity balances must be corrected. There are different options available to correct a cost center where the fund equity is in a deficit position (the number is a positive number). A journal entry can be done to move expenses to another cost center or to move fund equity from another cost center with the same fund. For personnel and benefit expenses, a payroll reallocation can be done if the problem is caught timely. Payroll reallocations are highly discouraged. Please contact the Finance Office or the Budget Office for help in making these corrections.

## What are the rules for keeping my Fund Equity?

There are some guidelines for retaining fund equity balances.

- Fund 2064 cost centers – annually, fund equity from fund 2064 cost centers will be taken via a journal entry created by General Accounting where fund equity is in excess of 33% of the current year expenses. To have fund equity returned, a justification for the use of the funds must be completed and approved.
- Funds 2061, 2063, 2065, and 2066 cost centers – excess fund equity above 33% of the current year expenses must be justified as to why those funds have not been spent.

## Who do I contact if I have Fund Equity questions?

For questions related to Fund Equity, contact:

- General Accounting – Usha Mathew, ext 2131 or Arlene Lockwood, ext 2128
- the Budget Office at extension 2120