

Plant Accounting

RMP Fiscal Contacts

October 10, 2013

Fund Classification

University accounts are classified into the following major fund groups:

Current Funds used for current operations. Further divided into unrestricted and restricted funds.

Plant Funds see presentation.

Endowment and Similar Funds nonexpendable funds that are being retained to produce investment income.

Loan Funds funds for student, faculty and/or staff loans.

UC Retirement System Funds contributions, income from investments and benefit payments of the University's retirement system.

Plant Fund Subgroups

	Plant Funds			
Sub Group	Unexpended Plant	Retirement of Indebtedness	Investment in Plant	Renewal & Replacement
Fund Range	00300A-00699A (Gift) 00700A-0799A (Federal) 00800A-00999A (State) 01000A-01481A (University) 01482A-01599A (Financing)	01700A-01799A	01990A-01999A	76001A-76999A
Purpose	Expenditures may be for land or building acquisition; construction or renovation of facilities; original equipment for new buildings; expanded, remodeled or altered parts of existing buildings; general planning studies and surveys connected with the physical planning of the campus.	Established to accumulate funds for the payment of debt service (principal and interest).	Value of the universities capital assets, net of accumulated depreciation and outstanding liabilities	Resources for the renewal and replacement of plant assets as distinguished from additions and improvements to plant. By way of depreciation transfers, this fund group is generally used to accumulate funds for the replacement of equipment. Generally established by Recharge activities
Fund Restriction (UCOP Appendix C)	Gift – Same as Current Federal - Restricted State - Restricted University – Same as Current External Financing - Restricted	Same as Current	Invested in capital assets (unexpendable)	Unrestricted

Unexpended Plant

UCOP Accounting Manual P-415-3

Costs > \$35,000 incurred in connection with significant alterations or structural changes that result in greater usefulness, increased efficiency, or the increased life of an asset should be capitalized (recorded in a Plant account).

Costs that are generally not capitalized include:

- Minor repairs (normal, regular recurring expenditures to keep property in an efficient operating condition that does not add to the value or prolong life).
- General campus planning studies not related to a specific asset.

Unexpended Plant - Organization

Separate accounts (organizations) are established for each capital project:

Organization	Project
962200	NIERENBERG HALL ANNEX/FDC
962210	GALBRAITH LECTURE HALL RENO / 4613
962220	SCRIPPS EARCH EXPLORATION CTR/4591
962230	TIOGA HALL FIRE LIFE SAFETY/4618
962240	SOUTHWEST FISHERIES BLDG D/4638
962250	CTR INNOVATIVE THERAPEUTICS / 4664
962260	TENAYA HALL FIRE LIFE SAFETY (4683)
962270	SUTDENT CENTER B RENOVATION (4699)

Unexpended Plant - Sources

The University receives funds for its capital improvement programs from the State of California, Federal agencies, gifts, borrowings, and transfers from other funds groups (Current Funds).

State, Federal, borrowings and (most) gift sources are received directly into plant.

Current fund allocations are moved into Unexpended Plant via transfer accounts

- 720520/723000 - Capital Outlay
- 720523/723005 – Capital Outlay from General Funds 199xx

Unexpended Plant - Fund

- Excluding gift funds, there is a one-to-one relationship between plant and current funds.
- Gift funds are generally specific to the project – one current gift fund may have multiple plant funds.

Current Fund	Unexpended Plant
07427A – Opportunity Fund	01043A – Oppor Funds (07427)
73100A – Bookstore Reserve	01052A – Reserve Bookstore (73100)
69901A – Chancellor’s STIP	01007A – Chancellor’s STIP (69901)
38030A – EB Scripps	00474A – EB Scripps (Scripps Green)
	00491A – EB Scripps (BSB Renov)

Unexpended Plant - Fund

- Projects need to be manage at the Organization and Fund level

Fund	Account Title	Budget	Financial	Balance
Galbraith Lecture Hall - 962210				
01003A	CAMPUS OPPORTUNITY FUNDS (07427)			
	Total Expenditures	5,061,500	6,692,040	(1,630,540)
	Total Transfers	(4,711,717)	(4,711,717)	-
	Net Transactions	(349,783)	(1,980,324)	(1,630,540)
01285A	SUMMER SESSION - FISCAL YEAR 20290A			
	Total Expenditures	5,319,676	2,878,307	2,441,369
	Total Transfers	(5,319,676)	(5,319,676)	-
	Net Transactions	-	2,441,369	2,441,369
01373A	GALBRAITH LECTURE HALL REN (75070A)			
	Total Expenditures	80,000	-	80,000
	Net Transactions	(80,000)	-	80,000

Unexpended Plant – Total Budget

Account Title	Budget	Financial	Balance
Galbraith Lecture Hall - 962210			
Total Expenditures	A 10,461,176	B 9,570,347	890,829
723000 Capital Outlay (0520)	(9,412,176)	C (9,412,176)	-
723610 Unex Plant To/Fr Inv In Plant	(619,217)	D (619,217)	-
Total Transfers	(10,031,393)	(10,031,393)	-
Total	429,783	(461,046)	890,829

A Project Budget = \$10,461,176

B Total Expended to Date = \$9,570,347

C Allocated to project this FY (Allocated in Prior FY's = A-C = \$1,049,000)

D Expended prior FY's (Expended this FY = B+D = \$8,951,130)

Unexpended Plant - In Process

- Expenditures for uncompleted construction projects are transferred by a reversing entry to a construction-in - progress asset account at fiscal year end and are carried forward to the next fiscal year.
- Unexpended funds (fund balance) remain in plant.

June

Unexpended Plant		Investment in Plant	
Cr.	6377xx	Dr.	101889 (Construction in Progress)
Dr.	723610 (to/fr Inv in Plant)	Cr.	723679 (Cap fr Unexp Plant - CIP)

July

Unexpended Plant		Investment in Plant	
Dr.	6377xx	Cr.	101889 (Construction in Progress)
Cr.	723610 (to/fr Inv in Plant)	Dr.	723671 (Cap fr Unexp Plant - CIP)

Unexpended Plant - Capitalization

Once a project is complete or beneficial occupancy occurs, the expenditures are moved to Investment in Plant. The expenditures are 'capitalized', becoming an asset of the university.

Capitalization (recorded in December):

Unexpended Plant		Investment in Plant	
Cr.	6377xx	Dr.	101800 (Buildings & Structures)
Dr.	723610 (to/fr Inv in Plant)	Cr.	723671 (Cap fr Unexp Plant -Bldg & Struct)

Write-Off

Unexpended Plant		Investment in Plant	
Cr.	6377xx	Dr.	n/a
Dr.	742001 (Write-Off Unexp Plant)	Cr.	n/a

Unexpended Plant - Closeout

At project completion, plant accounts should be closed out. This may include:

- Bringing the account to zero (return surplus or fund deficit)
- Align index and sub accounts – stops the re-appropriation of zero balances
- Inactivate index and/or organization numbers

Retirement of Indebtedness

- Consists of any funds set aside to repay indebtedness
- There are no revenue or expenditure accounts in Retirement of Indebtedness. All entries are recorded using transaction codes.

Current Funds	ROI Funds	UCOP
710544 – Debt Svc	713045 – Debt Svc	
710550 – Misc.	713098 – Misc.	
	742195 – Principal to OP	119500
	742295 – Interest to OP	119500

Debits Fund Balance	Nets to Zero
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Retirement of Indebtedness

ROI fund numbers generally correspond to a debt instrument (GRB 2009 Series C) or debt requirement (North Campus Recreation Sinking Fund).

Funds are comingled in Retirement of Indebtedness but retain their original organization code (VC/Department indicator).

ROI – Operating Ledger

Fund	Account	Account Title	Budget	Financial	Balance
Organization: 436242 Biology Field Station					
07427A	OPPORTUNITY FUND				
	680000	BUDGET - UNALLOCATED	-	-	-
	710544	DEBT SERVICE PAYMENTS (3045)	231,313.09	231,313.09	-
	710550	OTHER MISCELLANEOUS (3098)	218.47	218.47	-
		Total Transfers	231,531.56	231,531.56	-
01778A	GENERAL REV BOND 2009S				
	680000	BUDGET - UNALLOCATED	-	-	-
	713045	DEBT SERVICE PAYMENTS (0544)	(231,313.09)	(231,313.09)	-
	713098	OTHER MISCELLANEOUS (0550)	(218.47)	(218.47)	-
	715104	ADM FEES ON OP HELD DEBT	218.47	218.47	-
	742195	CAMPUS REPAY OF PRIN TO OFF OF PRES	121,353.85	121,353.85	-
	742295	CAMPUS PAY OF INT-TO OFFICE OF PRES	109,959.24	109,959.24	-
		Total Transfers	-	-	-

The diagram consists of blue arrows and a bracket. One arrow points from the 'Financial' column of the '710544 DEBT SERVICE PAYMENTS (3045)' row to the 'Financial' column of the '713045 DEBT SERVICE PAYMENTS (0544)' row. Another arrow points from the 'Financial' column of the '710550 OTHER MISCELLANEOUS (3098)' row to the 'Financial' column of the '713098 OTHER MISCELLANEOUS (0550)' row. A bracket on the right side of the table groups the rows for '715104 ADM FEES ON OP HELD DEBT', '742195 CAMPUS REPAY OF PRIN TO OFF OF PRES', and '742295 CAMPUS PAY OF INT-TO OFFICE OF PRES', with a line pointing to the text 'To UCOP'.

ROI – Reconciling Payments

Debt payments are recorded semi-annually, November and May of each year.

Principal and Interest payments can only be seen on the ROI fund (current fund will show total transferred to ROI)

Principal payments should always tie to the amortization schedule.

Interest payments may be reduced by interest income (minor credit adjustment).

ROI – Reconciling Payments

UNIVERSITY OF CALIFORNIA, SAN DIEGO					
CAMPUSWIDE DEBT SERVICE					
Download Date, 2012-05-07					
PROJECT NAME	BOND ID	FISCAL YEAR	BOND HOLDER DATE	PRINCIPAL PAYMENT	INTEREST PAYMENT
SIO Seawater - Stormwater Mgmt	GRB2008LVP	2012	5/15/2012	125,000	184,644

Amortization Schedules provided by Financial Analysis Office

Operating Ledger Transaction Detail Report by Organization

Index	Account	Doc. & Seq.	Date	Description	Financial	Fund	Organization
RMG1720	713045	FBGA0284-0004	5/1/2012	SIO SEAW STRW GRB2008 L RMGBD5V-05	(309,643.75)	01720A	800519
RMG1720	742195	FBGA0284-0002	5/1/2012	SIO SEAW STRW GRB2008 L INT RMGBD5V	125,000.00	01720A	800519
RMG1720	742295	FBGA0284-0001	5/1/2012	SIO SEAW STRW GRB2008 L INT RMGBD5V	184,643.75	01720A	800519
RMGBD5V	710544	FBGA0284-0003	5/1/2012	SIO SEAW STRW GRB2008 L DEBT RMG172	309,643.75	05397A	800519

Renewal & Replacement

- The American Institute of Certified Public Accountants (AICPA) Audit Guide prescribes that funds set aside for the renewal and replacement of institutional properties should be reported as a separate subgroup of Plant Funds.
- Renewal & Replacement funds are accumulated by recording depreciation expense in the Current Funds accounts.

Current Funds		Renewal & Replacement	
Dr.	73100A - TC 720500	Cr.	76600A - TC 723050

Renewal & Replacement

- Renewals and Replacements funds include:
 - maintenance and equipment replacement reserves,
 - auxiliary enterprises debt service funds.
- Excluded are:
 - reserves accumulated for payment of installment purchases or loans (Retirement of Indebtedness)
 - reserves set aside for improvements (Unexpended Plant)