Accounting Guidelines for Cash Deposit

All cash must be handled in accordance with the Policy for Cash and Cash Equivalents Received, BUS-49. Monies received can be recorded as income (revenue), reduction to expense, or gifts or donations.

**Income (revenue)** - Receipts resulting from cash sales (point-of-sale transactions), selling goods, or providing services. Think of “exchange transactions”. The full cost of the activity, including expense (cost) reimbursement, is considered revenue. The university's most common forms of revenue are tuition, contributions, contracts and grants, government appropriations, sales and service activities, and auxiliary operations. When a financial unit provides a good or service and permits the customer to defer payment to a future date, an account receivable (A/R) should be recorded and managed by creating an invoice in Oracle (Receivables or Project Billing) or SPARCM (Industry Initiated Trials or Other).

The typical entry to record this activity is **debit** Accounts Receivable and **credit** Revenue. When payments for outstanding A/R are received, **do not record revenue again** by requesting a miscellaneous receipt. Instead, request the deposit to be processed as a standard receipt and provide the customer account and invoice transaction number.

Cost (Expense) reimbursement transactions related to revenue-generating activities are considered revenue. Common examples of this are:

- When a third-party organization wants to reimburse us for some of the expenses incurred when the University hosts an event such as a conference or any event that includes service.
- When a faculty member travels as part of a research award.
- When a faculty member provides lab services to an external entity.
- When a campus recharge operation provides services or sells goods on credit to an external (outside UCSD) entity.

**Sponsored project revenue** is processed through billing to sponsors to create revenue and accounts receivable accounting entries. Please review Awards Management - Revenue Recognition in OFC for more information. Payments received for awards from sponsors are applied to receivables invoices in Oracle Financial Cloud (OFC) and would not be deposited directly to a revenue account. Contact the Sponsored Projects Finance award accountant for questions on sponsored project billing.

*Program Income is gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the award. Includes, but is not limited to, income from fees for services performed, and any registration or other fees paid by conference participants or sponsors. Income will be posted as miscellaneous cash receipt. And then imported automatically to the Manage Project Cost screen in PPM under expenditure type “405401 - Program Income on Sponsored Research”

For additional information, refer to the Revenue & Expense Recognition Policy.

**Revenue Deposit Account Code Reference when depositing as a Miscellaneous receipt (not invoice)**
1. Revenue cannot be deposited to SOFI funds (1399X), or Sponsored Research Funds (20000, 20400, 20700)
   a. Exception is Program Income on Sponsored Projects (account 405401)-see above
2. Must use external revenue account that starts with 4xxxxx
   a. The function code must be 000
   b. Do not post to Gift Revenue account 480000–see the Gift process below
3. Do not post to accounts: 3xxxxx, 7xxxxx, 8xxxxx
4. Auxiliary departments depositing cash resulting from point-of-sale transactions typically credit unearned revenue account: 222000

**Gifts and Contributions** - Receipts resulting from a contribution that is donative in intent, given voluntarily, and without expectation of consideration. In addition to a cash transfer, a contribution may involve a transfer of other assets such as investments, equipment, real estate, etc. Think of “one-way” transactions where a third party is not expected to receive goods or services of equal value.

As indicated in the Gift Funds blink page, all Regents gifts must have a completed Gift Acceptance Form (UDEV-100) plus any additional supporting documentation to be processed. For questions on Gift processing, contact the Advancement Services Office.

**Gifts: Cash or Check Deposits**
1. Fund: Starts with a letter
2. Account: 480000
3. When completing the cash deposit form for cash contributions:
   a. Select receipt type: Miscellaneous
   b. When adding a row, select deposit type revenue
   c. Enter the full chart string the gift should be recorded to.
   d. Attach supporting documentation, including a copy of the check, a gift document or evidence from the donor of donative intent, and the completed UDEV-100
   e. The ticket will initially route to Gift Services for review and then be redirected to the Cashiers Office for processing
   f. Gift Services will direct the deposit to the appropriate clearing account until they have completed their processing, which may include Conflict of Interest (COI) disclosure by the Principal Investigator (PI).
   g. Once processing is complete, Gift and Foundation Accounting will record a General Journal entry to record the gift revenue.

**Gifts: Unclaimed Wire or ACH**
1. Fund: Starts with a letter
2. Account: 480000
a. Attach supporting documentation, including a copy of the check, a gift document or evidence from the donor of donative intent, and the completed UDEV-100
b. In the description field, make a note that this is a gift
c. The ticket will route to Gift Services for review and processing
d. Gift Services will direct the deposit to the appropriate clearing account until they have completed their processing, which may include Conflict of Interest (COI) disclosure by the Principal Investigator (PI).
e. Once processing is complete, Gift and Foundation Accounting will record a General Journal entry to record the gift revenue.

If there are questions regarding the allocation of a gift to your chart string, please contact Gift and Foundation Accounting via Services and Support About: Gift Funds; Related to: Gift Fund Inquiries; More Specifically: Gift Fund Questions.

Expense Reduction (AKA Credit to Expense/Refund of Overpayment of Expense) - A receipt recorded as an expense reduction means the expense being reduced was not for official university business. Expense reduction is allowed for the following cases:

1. Refunds from vendors for returned or defective items
   a. Subaward refund (Kuali Research to OFC AP): please review How to Handle a Subaward Credit Memo
   b. Returned equipment
   c. Supplier invoice credit memo
2. Accidental personal purchases on a procurement or travel card
   a. For reconciliation and audit purposes, when a faculty or staff member incurs personal expenses on a procurement or travel card, they need to make sure to use the same chart string when allocating the expense in Concur that they do when they prepare the cash deposit form. That way the expense and the reimbursement will offset each other.
   b. Canceled travel - airline/hotel refunds/ registration fees

Deposits to expense accounts require the original expense transaction documentation to match the deposit/credit to the original expense.

Expense Reduction Account Code Reference

1. Function code cannot be 000
2. The account number/expenditure type should be 5xxxx or 163xxx. Salary and Benefits accounts should not be used. Credits to student accounts should be processed to the ISIS Student AR account. Consult with Student Financial Solutions to determine the next steps if a payment needs to be posted against a student account. Job aid on How to Process an Overpayment Payroll Request in UCPath
a. If the original expense is in PPM, provide the PPM Expenditure type and reference the PPM transaction number of the original transaction. The project, task number, and expenditure type **must** match the original transaction.

3. The amount of credit must be equal to or less than the original amount(s).

4. Ensure the original cost/expense is posted before processing a reimbursement.

5. Include a copy of the GL Transaction Detail report (bah.ucsd.edu > General Ledger & Account Info. Panoramas > General Ledger Panorama > General Ledger Transaction Details) or PPM Project Cost translation Detail report (bah.ucsd.edu>Transactions Details) that shows the expense recorded to the chart string specified on the form.

### UCOP CCOA Segment Information

The Common Chart of Accounts (CCOA) is a set of codes used to classify and record financial transactions providing structure for reporting and monitoring financial activity. The table below illustrates the fields that are required for financial reporting. Departments involved in Systemwide Programs must use the related program code for all revenues and expenses transactions.

#### Segment Values - Required/Optional

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