



Brown University
CONTROLLER'S OFFICE

Ledger Facts-Unrestricted Accounts

Unrestricted Income (1-XXXXX)

Income only is recorded in this ledger
It is used for such items such as tuition, fees, athletics income, fines and advertising).
There is no one for one correlation with a general ledger.

Budget Appropriations (2-XXXXX)

Accounts in the 2 Ledger are assigned for the normal operating costs of academic and administrative departments. These accounts are budgeted on a fiscal year basis (July 1 - June 30)
Funds remaining in these accounts at June 30 do not carry over to the next year unless special conditions exist which meet the approval of the senior officers.
Since the University can determine how the funds are to be budgeted, 2 Ledger accounts are "unrestricted."
The Accounting office assigns account numbers with notification made to the Budget office.

Auxiliary Enterprises (3-XXXXX)

The accounts in this series are used to track auxiliary enterprises of Brown that have their own revenue stream.
The accounts have both income and expense.
Some examples are residence life, parking office, food services, bookstore, camps, etc.
There is no one for one correlation with a general ledger.

Ledger Facts-Restricted Accounts

Endowment Accounts (0/4-6xxxx)

Accounts in this series are used to account for gifts that are to be invested in the endowment fund in perpetuity. The corpus of the gift generally cannot be spent at any time. The income earned on the endowment gift is spent in accordance with the donor's wishes.
Endowment gifts are recorded in a 0-5xxxx account. These gifts are regularly



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invested in the endowment pool, so the account should never show a cash balance. Due to the fact that this balance cannot be spent, the distribution of these ledger sheets is usually suppressed.

The income earned on the endowment gift is recorded in a corresponding 0-6xxxx account. The income earned on the endowment gift can be spent. The cash balance in the 0-6xxxx account will show your available balance for spending.

Expenditures against endowment gifts are recorded in a corresponding 4-6xxxx account. A budget equal to the endowment yield (income) is established in some 4 ledgers. If the account is budgeted, your balance available in the SL will indicate what can be spent in that fiscal year.

If you want to spend prior year money that is available in your 0-6xxxx account, you must obtain permission from the Budget Office.

The type of expenditures that can be charged to this account is dictated by the donor.

Example: Receive \$1,000,000 endowed gift to be used for undergrad scholarships. The \$1,000,000 will be recorded as a gift to the 0-5xxxx account. The income earned on gift is \$40,000 and would be accounted for in the 0-6xxxx account. The spending of \$35,000 on a scholarship would be accounted for in the 4-6xxxx account. The cash balance available in your 0-6xxxx account would be \$5,000 after these transactions are posted.

Grants Accounts (0/5-2xxxx)

Accounts in this series are used to record the grants and contracts received by the University from federal and private sources.

Grant funding received is recorded in the 0-2xxxx account. The printing of these ledgers is often suppressed because ORA (Office of Research Administration) manages the billing and recording of cash receipts.

Expenditures against the grant accounts are charged to a 5-2xxxx account.

Grants and contracts are not closed out at the end of the University's fiscal year (June 30), but rather are governed by the time period specified in the award document.

A budget is established in the 5-2xxxx account equal to the funding granted.

Grants accounts are examined on a Project to Date basis. The term "Project -To-Date" is used to describe the time period of an account that exceeds the University's fiscal year.

Restricted Gifts (0/6-3xxxx)

An account number in this series is assigned to each gift given to the



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University where the donor has placed specific “restrictions” on its use.

Restricted gifts can take the form of money or something other than money (i.e. art collections, books, land) and must be used according to the wishes of the donor.

All gifts received must be brought to the attention of the Gift Accounting Office in Advancement/Development, which coordinates with the Accounting office, the assignment of an account number.

Restricted gifts are recorded in a 0-3xxxx account.

Spending against these gifts is charged to a 6-3xxxx account.

Since accounts in the 6 Ledger are not budgeted, the actual unspent balance of a gift is shown in the GL account.

- Example: Receive \$50,000 gift to support a lecture series. The \$50,000 gift is recorded in a 0-3xxxx account. The expenditures are accounted for in a 6-3xxxx account. If you spend only \$45,000, a cash balance will remain in the 0-3xxxx account of \$5,000.

Agency Funds (0/9-9xxxx)

- Accounts in this series are used to track activity in which Brown is acting as the custodian for an external group's funds. Requests for agency accounts are subject to the approval of the Controller's Office.

Agency accounts must not fall into a deficit position.

All agency fund deposits must be recorded to control code 4200 in the 0-9xxxx account.

Expenditures against the agency fund are accounted for in the 9-9xxxx account.

Subsidiary Ledgers – 7 and 8

7 Ledger - Plant Funds - hold the expenditures related to construction and improvements

8 Ledger- Separate Entities - Includes Farview.



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