

<b>Subject: Financial Statement Process</b>	Author: Anne Rademaker
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Contact Name: Anne Rademaker	Contact Email: atrade02@louisville.edu
Approved By: Controller's Office	Page 1 of 3

### **Chartfield String/Speedtype**

The chartfield string includes five components, which together determine how the amount is reported. These components include: Fund, Department, Program, Project/Grant, and Account. Every transaction includes the chartfield string and a debit or credit amount.

In order to facilitate data entry, the University has developed Speedtypes. A Speedtype is a value that includes the Fund, Department, Program, and Project/Grant. This lowers the risk of keying errors for both the unit creating the entry and the person entering the entry as there are fewer pieces of information.

### **Entity**

The entity is determined by the Fund Code of the chartfield string. The Crystal Reports used to generate the financial statements require an input of fund ranges from the user.

### **Statement of Net Position**

The financial statement line is determined by the general ledger account. Each general ledger account is assigned a FIN\_1 attribute value by the Director of Reporting and University Accounting. During year-end closing, a list of all account numbers and attribute values are reviewed to ensure completeness and accuracy.

The Crystal Reports used to generate the leadsheets and statements group account balances according to the attribute value. This determination is generally independent of any other chartfield such as fund, program, etc. The few exceptions include: 1) Restricted cash is any cash balance in the funds: 1041, 1042, 1241, 1242, or 1255; and 2) All assets in funds 1264, 1265, 1266, and 1267 are reported as Investments held with University of Louisville Foundation Inc. regardless of account.

Net Position is reported using the fund codes within the entity. Generally the reporting is as follows:

	<b>University</b>	<b>Research Fdn</b>	<b>Athletics</b>
<b>Unrestricted</b>	1000, 1005	1100, 1105, 1120	1200, 1201, 1202, 1264*, 1265*
<b>Restricted</b>	1010, 1015, 1035, 1041, 1042, 1055	1110	1210, 1241, 1242, 1255
<b>Invested in Plant, net</b>	1060	1160	1260, 1266, 1267

\* A portion of the net assets in these funds is restricted

**Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)**

In accordance with GASB 35, Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities -- an Amendment of GASB Statement No. 34, the University classifies revenue and expense as operating or nonoperating. Generally, all exchange transactions are considered operating and non-exchange transactions are considered nonoperating. For more detail, see policy: Operating vs NonOperating Revenues and Expenses.

Operating

The Operating Revenue and Expense lines are determined by a combination of the program and account in order to report by function as opposed to natural classification. Every program is assigned a revenue and expense PSC Code attribute value when created by the Budget and Financial Planning office. This PSC Code determines the financial statement line in the operating section. The attribute FIN\_1 value is either OP\_REV or OP\_EXP, assigned to all operating revenue and expense accounts.

Exceptions:

Service centers: Operating expense from service centers as determined by the FIN\_1 attribute and the program code are manually moved to offset service center revenue. This is only applicable for the University standalone statements.

Grant revenue: The attribute project type determines the type of revenue – Federal, State and local, Non-governmental or Nonexchange. The appropriate attribute is assigned to the grant by Sponsored Program Accounting when the billing set up is established. The Crystal Report used to generate the financial statements automatically adjusts for this exception.

Contra-Assets: These accounts (597993, 597997, 597999) are used to facilitate the recording of fixed assets. These accounts are always manually moved to the line Operations and maintenance of plant. However, in total the accounts should net to zero by the end of each fiscal year.

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Gains or losses on disposal of equipment: This entry is made automatically by the fixed asset system upon disposal of a fixed asset. The account is manually moved to the Operations and maintenance of plan line of the financial statements.

NonOperating

With the exception of nonexchange grants and contracts as discussed previously, the NonOperating lines are determined by the FIN\_1 value assigned by the Director of General Reporting and University Accounting. These lines include: State appropriations, Gifts, Interest expense, nonexchange grants and contracts Realized and unrealized gains and losses, Transfers, etc.