



CREATION OF NEW DRIVER WORKTAGS, CHANGES TO DRIVER WORKTAGS ALREADY ESTABLISHED, OR INACTIVATION OF DRIVER WORKTAGS.

I. CREATION OF NEW DRIVER WORKTAG

New driver worktags are set up in the University's accounting system (Workday) to keep track of specific sources of revenues, track expenses for specific programs or projects, or because a donor or grantor has established restrictions on the use of the funds. The University has the following types of driver worktags to record receipt and expenditure of funds:

Programs:

- Unrestricted. Funds received for the ongoing operations of the University. Includes funds received for tuition and fees, gifts that do not have donor stipulations or restrictions, and sales and services of auxiliary enterprises (residence halls, food services, athletics, etc.).
- Designated. Funds received for activities or programs segregated by the Board of Trustees or by management in order to better account for and report on operations. These funds include gifts for research, gifts designated to a particular school or college, patient care revenue, etc. Example of designated gift: donor states that the gift is for a School of Music scholarship (see restricted below). These funds carryforward year to year.
- Restricted. Funds available for funding operations but which contain stipulations from donors or external agencies as to specific purpose. Funds whose purposes are internally designated by the Board and/or management cannot be classified as restricted. Only external sources can place restrictions. Example of a restricted gift: donor states that the gift is for a School of Music scholarship for a student from Michigan. Or for a student majoring in jazz guitar. The restriction must be specific. A general designation, such as scholarships or other activities regularly carried on by a department or school is not sufficient to set up a restricted account. Gift accounts are also deemed 'Restricted' if the subject donation is pledged to be paid over a period of more than one year.
- Grants: funds received via an award mechanism that requires the expenditure to follow the sponsor or agency restrictions. Sponsored projects are not gifts as they require that the University complete a scope of work (deliverables), usually contain limitations as to what expenses can be charged to the project, have a set limit of time for completing the scope of work, have a budget and are subject to restrictions by an external body. Sponsored funds can be received from federal, state, local and private agencies. The Office of Research Administration in each of the three campuses sets up sponsored accounts upon receipt of an award notice from the sponsor.
- Permanent Endowments, are those for which donors or other external agencies have stipulated, under the terms of the gift instrument, that the principal of the fund not be expendable - that is, it is to remain inviolate in perpetuity and is to be invested for the

purpose of producing present and future income, which may be expended or added to principal, as stipulated in the gift instrument. Such funds are classified as permanently restricted for external financial reporting purposes. See policy E010 for additional information.

- Term endowment are similar to permanent endowment funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a specified event, as stipulated in the gift instrument. These funds are classified as temporarily restricted for external financial reporting purposes.
- Quasi-endowment (also known as funds functioning as endowment) are unrestricted, designated or restricted funds that management has determined are not needed for current operations in the near future and are therefore moved to the endowment fund for investment purposes. Approval by the Board of Trustees is required before the quasi-endowment account is established. The principal, as well as the income, may be utilized in its entirety in accordance with any designations or restrictions originally stipulated by the donor. In other words, a restricted fund transferred to quasi-endowment for investment purposes, upon withdrawal from quasi maintains the restrictions originally stipulated by the donor and can only be spent for the purposes so restricted. Quasi endowment funds are subject to withdrawal limitations. Quasi-endowment funds are classified as unrestricted for external financial reporting purposes. See policies E005 and E010 for additional information.
- Annuities. Funds acquired under agreements whereby money or other property is made available to the University on condition that stipulated amounts (annuity payments) are paid periodically to the donor or other individuals designated by the donor. The annuity payments terminate at the time specified in the agreement.

To create a driver worktag for a permanent endowment, a term endowment, a quasi-endowment, or an annuity, please contact Brenda Banks at the Controller's Office.

- **Projects:** These driver worktags are created for one of two purposes:
 - The acquisition, construction and/or renovation of buildings (separate driver worktags are maintained for each project), or
 - to hold departmental reserves in separate driver worktags to be used for future commitments.

Real Estate/Facilities creates new projects for the acquisition, construction and/or renovation of buildings. Departments request projects for reserves. The Controller's Office approves all projects.

Please note that all driver worktags originating at the School of Medicine require the signature of the Medical Finance Office prior to final approval by the Controller's Office.

II. CHANGES TO DRIVER WORKTAGS ALREADY ESTABLISHED

- a. Change of Purpose. The documenting of the purpose of a driver worktag is important when the driver worktag is initially established. Coding in the accounting system reflects the purpose for which the driver worktag was established. This is needed in order to properly report the University's revenues and expenditures in the financial statements according to purpose or function. Therefore, a material change in a driver worktag's purpose cannot be approved because it would cause inconsistencies in external financial reports. If the original purpose for which the driver worktag was opened has been completed, or has significantly changed, a new driver worktag needs to be opened and the old driver worktag inactivated. For new driver worktags, follow the process under I. For inactivation of driver worktags, follow the process under III.
- b. Change of Name. Usually a change of name indicates a change in purpose. See IIa for a change of purpose. However, if the purpose remains essentially the same and only the account title is changing to better align with current University nomenclature, please send an email to David Salzburg at dsalzburg@miami.edu and he will obtain appropriate approvals from the Controller's Office, Budget, and/or Advancement. Please make sure the email specifically states that the driver worktag purpose is not changing, otherwise an email requesting information will be generated.
- c. Inactivating driver worktags. Driver worktags can be inactivated to stop receipts and charges from entering the driver worktag. Please note that this does not eliminate open encumbrances (purchase orders) already in the driver worktag. Payment of invoices for existing open encumbrances will occur even if the driver worktag is inactivated. To inactive a driver worktag, please e-mail your request to David Salzburg at the Controller's Office. Following specific instruction from David, you will need to communicate with Janet Ramirez in Property Accounting and gain approval from Andreina Zambrano at the Office of Financial Planning & Analysis (Budget), as well as Madeleine Mulet at the Controller's Office. If your driver worktag relates to the School of Medicine, please address Rebecca Travieso in Medical Finance instead of Budget.

Requests must now be evaluated and approved by two central offices before account statuses can receive this type of update. Also copy Angela Marte and Marvin Katz from EBS in your e-mail, to check for possible disruption to Allocations due to the proposed account inactivation. If approved, the EBS team change the account status change effective in Workday, unless they direct David Salzburg to do so.

Aside from a zero balance forward for each account, please be sure that no organization assignments are associated with any of the driver worktags you are requesting be inactivated, nor any costing allocations which might have been allowed to remain active.