FIS Training –
Understanding Earmarked Funds
(Manual Reserves)
Learning Objectives

- Understand what are Earmarked Funds and how they can help you manage your budget
- Create Earmarked Funds
- Process transactions against funds reserved in Earmarked Funds
- Change and release Earmarked Funds
- Generate reports to track the status of Earmarked Funds
What is are Earmarked Funds?

**Earmarked Funds** are FIS documents that departments can create to reserve available budget dollars for future expenses.

Earmarked Funds are also known as **Manual Reserves, Funds Commitments** and **Encumbrances**.

They are a form of **Commitment** that you will encounter in FIS, similar to **Purchase Orders, Purchase Requisitions** and **Payroll Reserves**.
Why should I use Earmarked Funds?

Similar to a savings account, Earmarked Funds enable departments to put aside money for expenses that will occur in the future, particularly if your department is not sure how much the total cost will be.

For example: if your department is planning on replacing all of laptops for staff in the next 6 months, they may create an Earmarked Fund to set aside money based on an estimate of what the laptops may cost.

Earmarked Funds are deducted from the Funds Available in a Funds Center or Funds Center/Fund account.
## Pros & Cons of Earmarked Funds

<table>
<thead>
<tr>
<th>PROs</th>
<th>CONs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity to “protect” available budget dollars for future</td>
<td>Need to have Earmarked Fund document number to “spend” as part of an</td>
</tr>
<tr>
<td>expenditures (e.g., building renovations, written agreements)</td>
<td>A/P or journal entry posting</td>
</tr>
<tr>
<td>Will appear on Funds Management reports as a Commitment</td>
<td>Not available for use on some FIS transactions (e.g. ERDD on the Web,</td>
</tr>
<tr>
<td></td>
<td>Mastercard)</td>
</tr>
<tr>
<td>Enables FIS users to “spend” the reserve amount through A/P or</td>
<td></td>
</tr>
<tr>
<td>Journal Entry postings for values less than $9,999.99</td>
<td></td>
</tr>
<tr>
<td>Provides change history detail on activity posted to reserve</td>
<td></td>
</tr>
<tr>
<td>Carried forward at end of fiscal year; stays in the system until</td>
<td></td>
</tr>
<tr>
<td>changed by user</td>
<td></td>
</tr>
</tbody>
</table>
Creating Earmarked Funds in FIS
Creating Earmarked Funds

[Image of SAP Easy Access menu with highlighted "Funds Commitment" and "FMZ1 - Create"]

[Image of Funds commitment: Create InitScrnn form]

- Document Type: 11
- Document Date: 09.01.2022
- Posting Date: 09.01.2022
- Company Code: U0FT (University of Toronto)
- Currency: CAD
- Translation Date

[Link to Reference Guides/Simulation]
Creating Earmarked Funds

For all lines complete the following fields:
   a) Overall amount
   b) Funds Center & Fund (if applicable)
   c) Text - specific reason for each line

AND either a) or b):
   a) G/L Account No. and Cost Center or Order
   b) ONLY Commitment Item

Vendor field is “Optional” since payment not restricted to a particular Vendor.

Document Text:
Enter reason for reserve

Link to Reference Guides/Simulation
Creating Earmarked Funds

Connection to Reference
Guides/Simulation
Exercise # 1 & 2 – Create Earmarked Funds

Instructions (approx. 15 minutes)
Use the reference guide and complete exercise 1 & 2 in SAP-QTI.
Changing Earmarked Funds in FIS
Making Changes to Earmarked Funds

Once an Earmarked Funds is created, users can:

- **increase/decrease the value** of the Earmarked Fund (if there is sufficient funds available)
- **Modify the account assignments** (i.e. Funds Center, Fund, Cost Center, Internal Order, G/L Account)
- **Change the text** within the Earmarked Fund
- **Release all/some of the remaining reserve** if it is no longer required

Link to Reference Guides/Simulation
If there have been no postings against Earmarked Fund, you can change:

- Total/Line item Amount
- Account Assignment
- Text (Reference, Document)

Once there have been charges/postings against an Earmarked Fund, you cannot change account assignments.

Any field that is white can be changed.
The Total Amount can be reduced UPTO the level of consumption (i.e. reduced by Open Amount).

Consumption = Total amount – Open Amount (i.e. remainder)

Example: $10,000 – $5,881.91 = $4,118.09

To release all remaining reserves in a line item, click the Item Completed checkbox.
Exercise # 3 – Change Earmarked Funds

Instructions (approx. 10 minutes)
Use the reference guide and complete exercise 3 (i.e. increase Earmarked Fund from exercise 1) in SAP-QTI.
Posting against Earmarked Funds in FIS Transactions
One of the benefits of creating Earmarked Funds to reserve money for future expenses is that the reserve can be accessed directly when processing some FIS transactions, such as:

- A/P Invoices
- Expense Reimbursements
- Journal Entries

**REMINDER:** Certain transactions such as ERDD – Web application and automated postings such as PCard (i.e. MasterCard) cannot draw from an Earmarked Fund.
Using Earmarked Funds in FIS Transactions

Example:
Invoice processed against a single & multi-line Earmarked Fund

You can locate a list of all your Earmarked Funds by running the ZFIR079A – All Postings Line Item report OR maintain an spreadsheet with a list of Earmarked Funds.
Exercise # 4 – Process Payment against Earmarked Fund

**Instructions** (approx. 10 - 15 minutes)
Use the reference guide and complete exercise 4 (i.e. process invoice against Earmarked Fund from exercise 1).
Reporting on Earmarked Funds
Reporting on Earmarked Funds

There are three common reports used to track Earmarked Funds:

- **ZFM1** – Funding: Funds Center or Fund Report
- **ZFIR079A** – All Postings Line Item Report
- **FMZ3** - Display Earmarked Funds
The **Commitments** column in the ZFM1 report will indicate all reserves, including:
- Earmarked Funds
- Purchase Orders
- Payroll Reserves

To view a list of all Earmarked Funds, double click on the Commitment Item amount (e.g., EXPENSE-S, SUPPL-S).
The All Postings Line Item report provides a list of all Earmarked Fund created against a Funds Center or Funds Center/Fund combination.

If the Earmarked Fund was created using the Commitment Item and NOT the G/L Account, the G/L Account will be blank.

It also details the line item reserve amount and consumption.
To display all postings against an Earmarked Fund, as well as remaining reserves, click the **Consumption** button.

![Consumption button](image)

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Posted</th>
<th>Document Date</th>
<th>Document Type</th>
<th>Funds Commitment Standard</th>
<th>Posting Date</th>
<th>Company Code</th>
<th>University of Toronto</th>
<th>Currency/Rate</th>
<th>Reserve for 5 desktop computers</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>102190366</td>
<td></td>
<td>13.01.2022</td>
<td>11</td>
<td>Funds commitment standard</td>
<td>13.01.2022</td>
<td>U0FT</td>
<td>University of Toronto</td>
<td>CAD</td>
<td>17,000.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line Items</th>
<th>Total Amount</th>
<th>Document Item</th>
<th>Commitment Item</th>
<th>Funds Center</th>
<th>Fund</th>
<th>G/L Account</th>
<th>Cost Center</th>
<th>Order</th>
<th>Vendor</th>
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</thead>
<tbody>
<tr>
<td>10,000.00</td>
<td>1</td>
<td>EQUIP-PUR</td>
<td>100654</td>
<td></td>
<td></td>
<td>821119</td>
<td>11049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000.00</td>
<td>2</td>
<td>SUP-OFFICE</td>
<td>100654</td>
<td></td>
<td></td>
<td>825820</td>
<td>11040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,000.00</td>
<td>3</td>
<td>SUP-OFFICE</td>
<td>100654</td>
<td></td>
<td></td>
<td>825200</td>
<td>11040</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Link to Reference Guide**
## Report 2 – ZFIR079A: All Postings Line Item Report

**Reserve/Receipt amount by line item**

### Document Numbers of transactions posted against Earmarked Funds (drilldown)

<table>
<thead>
<tr>
<th>Item Activity</th>
<th>Trigger Document</th>
<th>Consumption in Doc</th>
<th>Consumption in Ccy</th>
<th>Non-Relevant (FC)</th>
<th>Non-Relevant (LC)</th>
<th>Delete Date</th>
<th>Doc. Date</th>
<th>Reduction Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Receipt amt</td>
<td>1904977392 UOF2022</td>
<td>10,000.00 CAD</td>
<td>10,000.00 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td>13.01.2022</td>
<td>11.01.2022</td>
<td>remaining laptops</td>
</tr>
<tr>
<td>Invoice/Credit Memo</td>
<td>1904977325 UOF2022</td>
<td>4,575.67 CAD</td>
<td>4,575.67 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td>13.01.2022</td>
<td>10.01.2022</td>
<td>partial laptops</td>
</tr>
<tr>
<td>Total Invoices/credit memos</td>
<td>1904977325 UOF2022</td>
<td>9,151.33 CAD</td>
<td>9,151.33 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumpl.</td>
<td></td>
<td>9,151.33 CAD</td>
<td>9,151.33 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open amount</td>
<td></td>
<td>846.67 CAD</td>
<td>846.67 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Receipt amt</td>
<td>1904977326 UOF2022</td>
<td>5,000.00 CAD</td>
<td>5,000.00 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td>13.01.2022</td>
<td>11.01.2022</td>
<td>supplies</td>
</tr>
<tr>
<td>Invoice/Credit Memo</td>
<td>1904977326 UOF2022</td>
<td>1,830.26 CAD</td>
<td>1,830.26 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td>13.01.2022</td>
<td>11.01.2022</td>
<td></td>
</tr>
<tr>
<td>Total Invoices/credit memos</td>
<td>1904977326 UOF2022</td>
<td>1,830.26 CAD</td>
<td>1,830.26 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumpl.</td>
<td></td>
<td>1,830.26 CAD</td>
<td>1,830.26 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open amount</td>
<td></td>
<td>3,169.74 CAD</td>
<td>3,169.74 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Receipt amt</td>
<td></td>
<td>2,000.00 CAD</td>
<td>2,000.00 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice/Credit Memo</td>
<td>1904977327 UOF2022</td>
<td>955.13 CAD</td>
<td>915.13 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td>13.01.2022</td>
<td>11.01.2022</td>
<td>software - partial</td>
</tr>
<tr>
<td>Total Invoices/credit memos</td>
<td>1904977327 UOF2022</td>
<td>955.13 CAD</td>
<td>915.13 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumpl.</td>
<td></td>
<td>955.13 CAD</td>
<td>915.13 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open amount</td>
<td></td>
<td>1,084.87 CAD</td>
<td>1,084.87 CAD</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Consumption & Open Amount (i.e. remainder)

- **Consumption**: The amount used or consumed from the earmarked funds.
- **Open Amount**: The amount remaining or the remainder after consumption.
Exercise # 5 – Determine Usage against Earmarked Fund

Instructions (approx. 5 minutes)
Use the reference guide and complete exercise 5 (Display Earmarked Fund Usage).
Learning Objectives

- Understand what are Earmarked Funds and how they can help you manage your budget
- Create Earmarked Funds
- Process transactions against funds reserved in Earmarked Funds
- Change and release Earmarked Funds
- Generate reports to track the status of Earmarked Funds
Contact Information & Additional Resources

- FAST General Mailbox – fast.help@utoronto.ca
- Faculty FAST Team Representatives List

- GTFM Policy – Deposits with the Cashier
- Knowledge Centre
- Documentation & Support

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