

FINANCIAL INFORMATION SYSTEM

Understanding Earmarked Funds



Course Objectives



This course will help you:

- Understand the purpose of Earmarked Funds
- Create Earmarked Funds using Single and Multiple lines
- Post transactions using funds committed within Earmarked Funds
- Change and release Earmarked Funds
- Run reports to view the current balance of an Earmarked Fund

Course Map



- What are Earmarked Funds?
- Why Use Earmarked Funds?
- Creating Earmarked Funds
- Changing Earmarked Funds
- Using Earmarked Funds in FIS transactions
- Reporting Earmarked Funds
 - Funds Center Report
 - All Postings Line Item Report
 - Earmarked Funds

What are Earmarked Funds?



Earmarked Funds are:

- FIS documents created by departments to reserve available budget dollars for expenses
- can be changed, reversed and released by the department at any time

Earmarked Funds are also referred to as:

- *Manual Reserves*
- *Funds Commitments*
- *Encumbrances*

Why Use Earmarked Funds?



PROs	CONs
<ul style="list-style-type: none">• Opportunity to “protect” available budget dollars for future expenditures (e.g., building renovations, written agreements)	<ul style="list-style-type: none">• Need to have Earmarked Fund document number to “spend” as part of an A/P or journal entry posting
<ul style="list-style-type: none">• Will appear on Funds Management reports as a Commitment	<ul style="list-style-type: none">• Not available for use on some FIS transactions (e.g. ERDD on the Web, Mastercard)
<ul style="list-style-type: none">• Enables FIS users to “spend” the reserve amount through A/P or Journal Entry postings for values less than \$9,999.99	
<ul style="list-style-type: none">• Provides change history detail on activity posted to reserve	
<ul style="list-style-type: none">• Carried forward at end of fiscal year; stays in the system until changed by user	

Creating Earmarked Funds – Overview Screen



SAP Menu Path: Accounting >> Funds management >> Posting >> Earmarked Funds >> Funds Commitment >> Create

Transaction Code: FMZ1

Doc. Text:
Enter overall
reason for
reserve

Funds commitment: Create Overview scrn

Park Document | Entry

Document number		New	Document Date	08.01.2020
Document type	11	Funds commitment standard	Posting Date	08.01.2020
Company Code	UOFT	University of Toronto	Currency/rate	CAD
Doc.text	Reason for Earmarked Fund			
Currency	CAD			
Grand total	0.00			

Line Items

Overall amount	Document item	Commitment Item	Funds Center	Fund	G/L Account	Cost Center	Order	Vendor	Due on	Text

For **all lines** complete the following fields:

- Overall amount
- Funds Center & Fund (if applicable)
- Text - specific reason for each line

AND *either a) or b)*:

- G/L Account No. and Cost Center or Order
- ONLY** Commitment Item

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

QRG: Funds Commitment – Create

- <https://utoronto.ancileuperform.com/#/content/1.11.2533>

Creating Earmarked Funds – Display Details



Select “Acct.asst.changeable” checkbox

Funds commitment: Create Detail screen: Indicator

Acct.asst.changeable Redctn in LC only
 Exceed without limit Override Global Tol.

Funds commitment: Create Detail

Line Item: 1 Position: 1 / 1

Text: TEST EARMARKED FUND

Control data

Completion indicator Item blocked Item block More

Values

Currency: CAD

Overall amount: 1,000.00

Open amount: 1,000.00

Due on:

Referenced document

Set to 'Done'

More data

Vendor:

Coding Block

Business Area: 1000

Cost Center: 11042 Order: Fund:

Commitment Item: SUPPLIES

Funds Center: 100820

More

Click the “More” icon to make the “account assignments” changeable”.

- enables you to use **different account codes** (e.g., G/L, CC) when posting a transaction against the Earmarked Fund

Note: If you don't select the “Acct.asst.changeable” checkbox, the system will **only allow you to post to the account assignments used** in the Earmarked Fund.

Changing Earmarked Funds



SAP Menu Path: Accounting >> Funds management >> Posting >> Earmarked Funds >> Funds Commitment >> Change

Transaction Code: FMZ2

Use the **Funds Commitment Change** function to:

- Increase/decrease the amount of the reserve:
 - **Increase Reserve:** the additional amount will be *deducted* from the funds available
 - **Decrease Reserve:** the difference will be *released* into the funds available
- Change account assignments associated with reserve
- Change Document and/or Reference text
- “**Complete**” or release the reserve to the funds available

QRG: Funds Commitment – Change or Display

- <https://finance.utoronto.ca/wp-content/uploads/2015/10/fcchngdisplay.pdf>

Changing Earmarked Funds – Detail Screen



To increase or decrease Earmarked Fund:

Overall amount cannot be changed to less than the current level of Consumption

Note: Consumption = Overall amount - Open Amount(remainder).

Example:

$$\$5,000 = \$55,000 - \$50,000$$

Funds commitment: Change Detail scr

Funds commitment: Change Detail scr

Line Item 100945550 1 Position / 1

Text SPPG MPP Depart Fellowsh

Control data

Completion indicator Item blocked Item block [More](#)

Values

Currency CAD

Overall amount 55,000.00

Open amount 50,000.00

Due on

Referenced document

Set to 'Done'

More data

Vendor

Coding Block

Business Area 1000

Cost Center 19134 Order

Commitment Item SERVICES Fund

Funds Center 104128

[More](#)

Using Earmarked Funds in FIS Transactions



FIS users can “**spend**” directly against the Earmarked Fund through A/P or Journal Entry postings. Transactions greater than \$9,999.99 must follow the Procurement Policy.

Required when entering a transaction for:

- **Single line item** reserves:
 - Earmarked Fund document number

- **Multiple line item** reserves:
 - Earmarked Fund document number **and** specific line item number

Using Earmarked Funds in FIS transactions (cont'd)



Example: Posting an invoice against a **single** line item Earmarked Fund.

Enter Vendor Invoice: Company Code UOFT

Tree on Company Code Hold Simulate Park

Transactn Invoice Bal. 0.00

Basic data Payment Details Tax Notes

Vendor 100817
Invoice date 13.01.2020 Reference Training Invoi
Posting Date 13.01.2020 Period 9
Document Type KN:A/P Vendor inv...
Cross-CC no.
Amount 100 CAD Calculate tax
Text Inv. processed against a single line item. ear.fun
Company Code UOFT University of Toronto

0 Items (Screen Variant : Line Item Entry - FB60 + FB65)

Status	G/L acct	Short Text	D/C	Amount in doc.cu	Text	Earmarked funds	Ea
	825000		Debit	100	Inv. processed against a single line ite...	10041957	
			Debit				
			Debit				
			Debit				

To pay against the Earmarked Fund, enter the **reserve number** in the “**Earmarked funds**” field

NOTE: If the account assignments are changed, there will be a warning message. Press “**Enter**” to continue.

Using Earmarked Funds in FIS transactions (cont'd)



Example: Posting an invoice against a **multi-line item** Earmarked Fund.

Enter Vendor Invoice: Company Code UOFT

Tree on Company Code Hold Simulate Park

Transactn Invoice Bal. 0

Basic data Payment Details Tax Notes

Vendor 100817

Invoice date 13.01.2020 Reference Training Invoi

Posting Date 13.01.2020 Period 9

Document Type KN:A/P Vendor inv...

Cross-CC no.

Amount 100 CAD Calculate tax

Text Inv. processed against a mult line item. ear.fun

Company Code UOFT University of Toronto

0 Items (Screen Variant : Line Item Entry - FB60 + FB65)

Status	G/L acct	Short Text	D/C	Amount in doc.cu...	Earmarked funds	Earmarked funds: Document ite...
	825000		Debit	100	10041957	2
			Debit			
			Debit			

To pay against a specific line, enter the **reserve number** in the “Earmarked funds” field

AND

line item number in the “Earmarked funds: Document Item” field

NOTE: If the account assignments are changed there will be a warning message. Press **“Enter”** to continue.

Reporting Earmarked Funds



Earmarked Funds are displayed in the Commitments/Reserves section of reports.

They are displayed differently in reports depending on whether they were created using a **G/L account** or a **Commitment Item**.

Earmarked Funds created using:

- **G/L Accounts:**
 - displayed under the G/L details as individual documents
- **Commitment Items:**
 - G/L account field will be blank for line item details report (e.g., All Postings Report)

Reporting Earmarked Funds – Funding: FC or Fund Report/Funds Center Report



Funding: FC or Fund Report/Funds Center Report :

<i>Funds Center Report</i>							
Show all Commitment Items		Switch to spreadsheet view					
Funds Center Report							
Fiscal Year	2014				Report	ZFTR111	
Funds Center	104128	FAST Training			Instance	TNG	
Include FC Hierarchy	X				User	MACINSUZ	
FC Hierarchy variant	0000				Date/Time	13.11.2013 10:54:23	
Include PI FCs	X						
Commitment Items	Original Budget	Revised Budget	Commitments	Actuals	Commitments+ Actuals	Revenue	Variance/ Funds Available
Revenues							
+ REVENUE-S	1,423,317.00-	400,000.00-	0.00	990,847.42-	990,847.42-		590,847.42
Total Revenues	1,423,317.00-	400,000.00-	0.00	990,847.42-	990,847.42-		590,847.42
Expenditures							
EXP-UTFA	0.00	18,778.29	0.00	1,716.68	1,716.68		17,061.61
+ EXPENSE-S	3,450,866.00	4,182,409.87	1,504,250.10	1,719,389.66	3,223,639.76		958,770.11
Total Expenditures	3,450,866.00	4,201,188.16	1,504,250.10	1,721,106.34	3,225,356.44		975,831.72
Net	2,027,549.00	3,801,188.16	1,504,250.10	730,258.92	2,234,509.02		1,566,679.14

Reporting Earmarked Funds – Funds Center Report



List Edit Goto Views Settings System Help

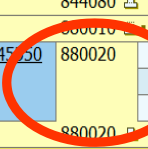
All Postings: Line Items by Document Number (w/ addnal flds)

All Postings: Line Items by Document Number (w/ addnal flds)

RefDocNo	G/L Acc	Payment budget	Cost C	Funds Ctr	Order	Fun	Commitment Item	Line Item Text	Posting Date	Doc. Date	Val.type text	P	Cost center name	Vendor Name
101134042		100,000.00		104128			SER-BLDG-REPAIRS	Renovations at Canadiana Gallery Building	29.10.2010	29.10.2010	Funds Commitment	1		
		100,000.00												
	801010	361,708.92												
	801015	8,500.02												
	801030	67,006.50												
	801050	172,295.02												
	801140	22,500.00												
	801160	36,800.00												
	801165	7,996.76												
	801270	21,765.24												
	801910	152,103.83												
	801920	8,835.71												
	821420	4,162.48												
	825000													
	825800													
	835000	416,975.62												
	835200	19,600.00												
	836410													
	837200													
4500130691	837800	8,500.00	20447	105348			SERVICES	SP2013-002, TVO, Bill Davis	21.06.2013		Purchase Orders	2	A&S:SPPG:Mowat ON	TV Ontario VIPS ...
		8,500.00	20447	105348			SERVICES	SP2013-002, TVO, Bill Davis	21.06.2013		Purchase Orders	2	A&S:SPPG:Mowat ON	TV Ontario VIPS ...
4500131588		16,737.15	20447	105348			SERVICES	2013 CUSLI Conf Sponsorship	12.08.2013		Purchase Orders	4	A&S:SPPG:Mowat ON	Canada-US Law I ...
		30.66	20447	105348			SERVICES	2013 CUSLI Conf Sponsorship	12.08.2013		Purchase Orders	4	A&S:SPPG:Mowat ON	Canada-US Law I ...
		16,767.81	20447	105348			SERVICES	2013 CUSLI Conf Sponsorship	12.08.2013		Purchase Orders	4	A&S:SPPG:Mowat ON	Canada-US Law I ...
	837800													
4500132855	844010	875.18	21515	106170			TRAVEL	2013-053, Toupin, Airfare	30.09.2013		Purchase Orders	5	A&S:SPPG:Mowat HC...	Lynne Toupin
		875.18	21515	106170			TRAVEL	2013-053, Toupin, Airfare	30.09.2013		Purchase Orders	6	A&S:SPPG:Mowat HC...	Lynne Toupin
	844010													
4500132992	844080	647.50	21822	106337			TRAVEL	Research Expenses	28.08.2013		Purchase Orders	4	A&S:SPPG:Mowat:Op...	David McLaughlin...
		647.50	21822	106337			TRAVEL	Research Expenses	28.08.2013		Purchase Orders	6	A&S:SPPG:Mowat:Op...	David McLaughlin...
	844080													
		54,000.00												
100945550	880020	50,000.00	19134	104128			SERVICES	SPPG MPP Depart Fellowsh	02.10.2008	02.10.2008	Funds Commitment	1		
		5,000.00	19134	104128			SERVICES	SPPG MPP Depart Fellowsh	02.10.2008	02.10.2008	Funds Commitment	2		
		5,000.00	19134	104128			SERVICES	SPPG MPP Depart Fellowsh	02.10.2008	02.10.2008	Funds Commitment	2		
	880020	50,000.00												
		1,504,250.10												

With CI

With G/L



Reporting Earmarked Funds – All Postings Line Item



Report

Menu Path: Accounting >> Funds Management >> Information System >> Funds Management Section (UofT Reports) >> Line Items >> All Postings: Line Items by Document Number (ZFIR079A)

Report on a single fiscal period
or across a range of fiscal years

Fund Acct: defaults with “=”
(to restrict output to a single fund, enter a Fund acct).

To change symbol:

- select “=”
- left click on mouse
- select “Options”
- Choose alternate symbol (e.g., greater than, less than)

Note: If field is left blank, funds will **NOT** be included in the report output.

To include Funds Center hierarchy

Restrict report output

QRG: All Postings Report
<http://finance.utoronto.ca/wp-content/uploads/2015/10/allpostings.pdf>


Reporting Earmarked Funds – Earmarked Funds Display

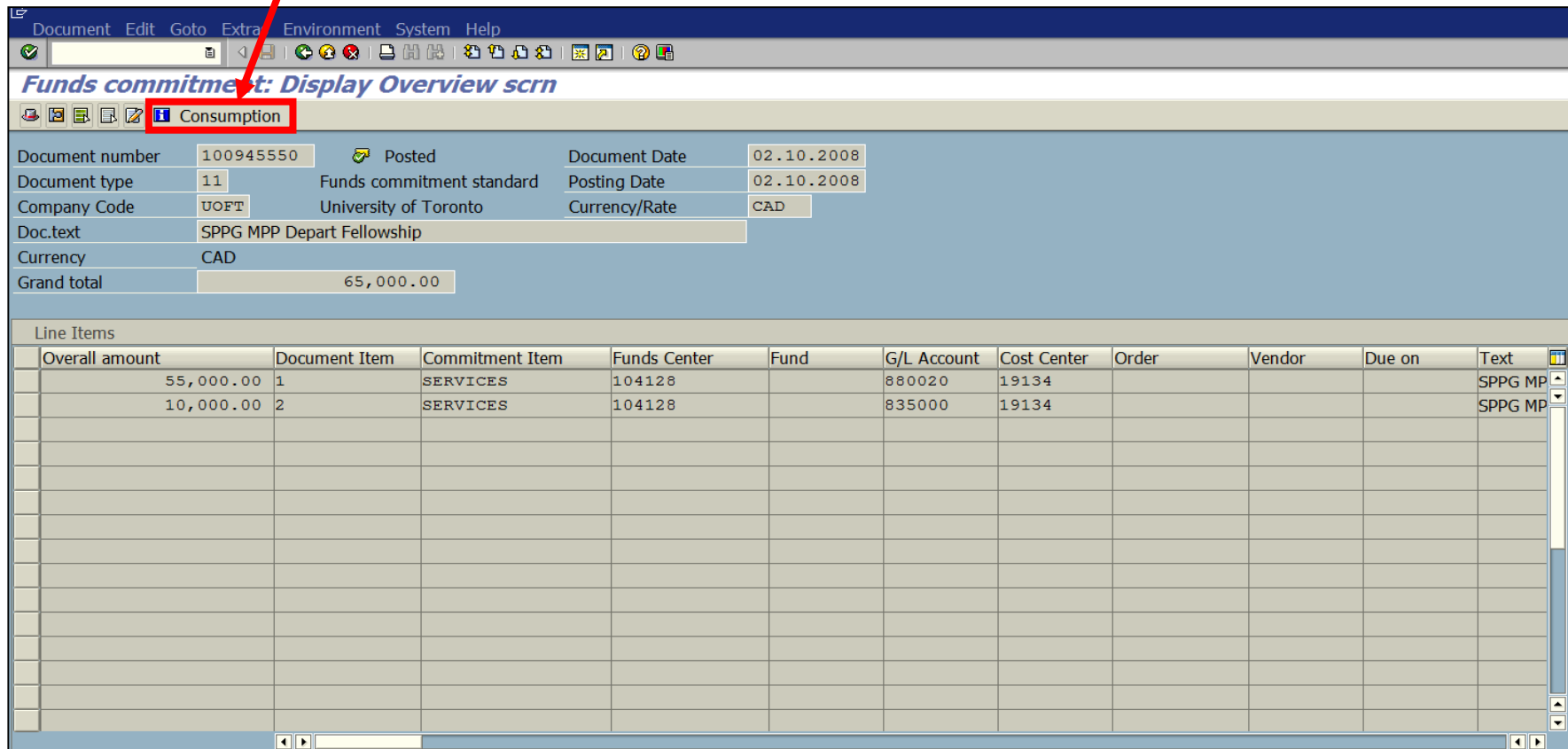


SAP Menu Path: Accounting >> Funds management >> Posting >> Earmarked Funds>>Funds commitment >> Display

Transaction Code: FMZ3

The “usage” of the Earmarked Fund can be viewed by displaying the Earmarked Fund or performing drill down in report.

Select  Consumption



The screenshot shows the SAP 'Funds commitment: Display Overview' screen. A red arrow points from the 'Consumption' button in the text above to the 'Consumption' button in the toolbar. The screen displays document details for document number 100945550, dated 02.10.2008, with a grand total of 65,000.00 CAD. Below this, a table lists line items with overall amounts and details for two services.

Overall amount	Document Item	Commitment Item	Funds Center	Fund	G/L Account	Cost Center	Order	Vendor	Due on	Text
55,000.00	1	SERVICES	104128		880020	19134				SPPG MP
10,000.00	2	SERVICES	104128		835000	19134				SPPG MP

Reporting Earmarked Funds – Earmarked Funds Display



Receipt Amt:
Total value of Earmarked Fund by item #

Consumption:
Total value of expenditures by item #

Open amount:
Remainder of Earmarked Fund by item #

Doc. No.	It	Business Transaction	Trigger document	Consumptn	Crcy	Text for reservation reduction
100945550	1	Receipt amt		55,000.00	CAD	
		Invoice/Credit Memo	<u>1001021816</u> UOFT2013	5,000.00	CAD	MPP awards Kirkpatrick Petersen +W/13 TBA
		Total Invoices/credit memos		5,000.00	CAD	
		Consumpt.		5,000.00	CAD	
		Open amount		50,000.00	CAD	
	2	Receipt amt		10,000.00	CAD	
		Invoice/Credit Memo	<u>1903424988</u> UOFT2014	5,000.00	CAD	Fellowship Guidelines
		Total Invoices/credit memos		5,000.00	CAD	
		Consumpt.		5,000.00	CAD	
		Open amount		5,000.00	CAD	

Trigger document column: List of documents posted against Earmarked Fund by item #.

Note: Double-click on the document number to go to Document Overview.

Course Objectives



Review:

- Understand the purpose of Earmarked Funds
- Create Earmarked Funds using Single and Multiple lines
- Post transactions using funds committed within Earmarked Funds
- Change and release Earmarked Funds
- Run reports to view the current balance of a Earmarked Fund



WEB Documentation

- **Training Material & Course Summaries**
 - <http://finance.utoronto.ca/fast/fis-training/>
- **Documentation & Support**
 - <http://finance.utoronto.ca/fast/support-documentation/>
 - **QRG: Earmarked Funds**
<http://finance.utoronto.ca/fast/support-documentation/funds-management/manual-reserves/>
- **Financial Forms**
 - <http://finance.utoronto.ca/forms/processing/>
- **Policy & Documentation**
 - <http://finance.utoronto.ca/policies/gtfm/>
- **Glossary of Terms**
 - <http://finance.utoronto.ca/fast/fis-glossary/>

NEED HELP?



<https://easi.its.utoronto.ca/ams-help-form/>

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select the appropriate AMS module
(e.g., FIS: FAST Team)
- Complete all the information required on the form
- Click on the **Send it!** button

**Mail box is monitored Monday to Friday
9:00 a.m. - 5:00 p.m.**

FAST Team Contacts



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Evaluation:

<http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/>

FAST website:

<http://finance.utoronto.ca/fast/>