

Endowments Processes Document

Document Control

Revision History

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3. Introduction

The 2015 HE SORP introduces some significant changes to the accounting for endowments. However, please note in terms of financial reporting in the annual report there is effectively no change in the required disclosure of endowment funds other than being relabelled “endowment reserves”.

Accounting for endowments was complex under the 2007 SORP, and becomes even more so under the 2015 SORP, due to the introduction of the concept of restricted reserves. Also, under the 2015 SORP new endowments must now be recorded as income within the Statement of Comprehensive Income (SOCi), and Capital appreciation / depreciation (on endowments invested) will be recognised as a gain or loss in the SOCi under the gain/loss on investments. This will introduce volatility.

In response to these changes UoM have performed a review of all endowment processes. New endowment processes have been designed to enable the accurate and efficient accounting for endowments under the 2015 SORP.

Each process contains a process map, a description of the process, details of the required inputs into the process, and the expected outputs once the process has been completed. In order to progress through the process there are a number of key stages that require specific criteria to be met in order to continue. Where these are present, the criteria have been documented within each section.

These processes become effective from 1st August 2015, upon the implementation of the new SORP.

4. Glossary of Terms

Endowment Funds

An endowment fund is a form of charitable trust retained for the benefit of the institution. Endowment funds must be sub-divided into their **capital element** (i.e. amount gifted, plus any capital appreciation or less any capital depreciation), and an **accumulated income fund** (i.e. interest earned). When a grantor indicates an intention for the institution to establish an endowment then the income should be accounted for as an endowment fund.

Permanent Endowments

Restricted Permanent

- If a donor wishes to create an endowment, and there is a requirement to invest the capital permanently, this will be classified as 'restricted permanent'.

Unrestricted Permanent

- However if the donor categorically states that the income can be applied for general university purposes or for the general purpose of a faculty, school, or Institute, the endowment will be classified as 'unrestricted permanent'.

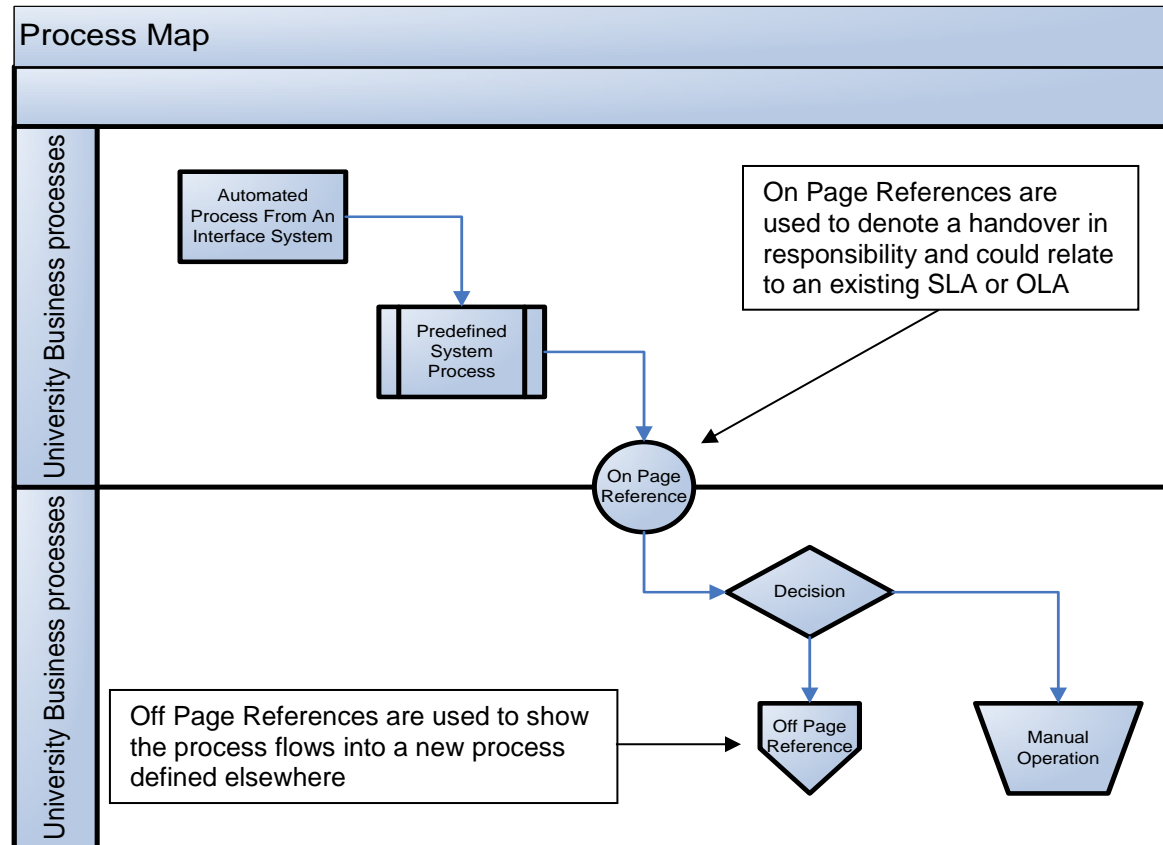
Expendable Endowments

Restricted Expendable

- If a donor wishes to create an endowment, and there is no requirement to invest the capital permanently, this will be classified as 'restricted expendable'.

5. Diagram Conventions

The output of our work is in the form of process maps (written in a software product called Visio) that describe the activities which take place and the key decision points that determine the course of action to be taken by the team. An example of the process map is below.



Every process in this document is accompanied with an overview of the process, the inputs to the process and the potential outputs together with any process specific improvements and any validation or rules that govern the movement into the next process.

6.1.1. Description

The key output of this process is the correct classification of the gift, in line with the SORP.

Gifts are required to be classified as either a **Donation** (unrestricted, or restricted or restricted with performance-related conditions) or an **Endowment** (unrestricted permanent, restricted permanent or restricted expendable). The classification is decided using the '**Donations and Endowments – Decision Tree**'.

The gift initiation process begins with a discussion between DDAR and the donor as to the donor's wishes. Academics may be involved in these negotiations. The output of these discussions is a draft gift agreement, which outlines the contractual implications of the gift.

Based on this draft gift agreement, and on any discussions with the donor, DDAR classify the gift using the 'Donations and Endowments – Decision Tree'. Gifts more than £50,000 are subject to the acceptance review process outlined in the 'Criteria' section below. Once gift acceptance is agreed, Management Accounts review the classification of the gift, and an agreement is reached as to the correct classification. Management Accounts keep a record of all new endowments agreed (donor, amount and classification), to be used in the 'Receipt of Gifts' process.

6.1.2. Inputs

- DDAR discussions with donor
- Draft gift agreement, outlining contractual implications of gift
- Gift acceptance guidelines
- 'Donations and Endowments – Decision Tree'

6.1.3. Outputs

- The decision to accept the gift
- The correct classification of the gift
- A record of all new endowments agreed (donor, amount, classification and restriction in use), to be used in the 'Receipt of Gifts' process

6.1.4. Criteria

The acceptance of the gift is subject to the following review process:

- Gifts **more than £50,000** must be sent to the relevant HOFF to confirm whether the gift (and its proposed classification) fits with the faculty's operational strategy.

- Gifts **more than £100,000** must first be sent to the Gift Oversight Group (GOG) to confirm that the source of funding, and intended purpose of the gift, are consistent with the University's principles, values, missions and goals, as set out in the 'University of Manchester – Strategic Vision 2020'

DDAR must be informed of any proposed approaches to donors for a gift above £100,000, or for a gift below £100,000 if is considered likely to involve ethical issues or to attract public interest.

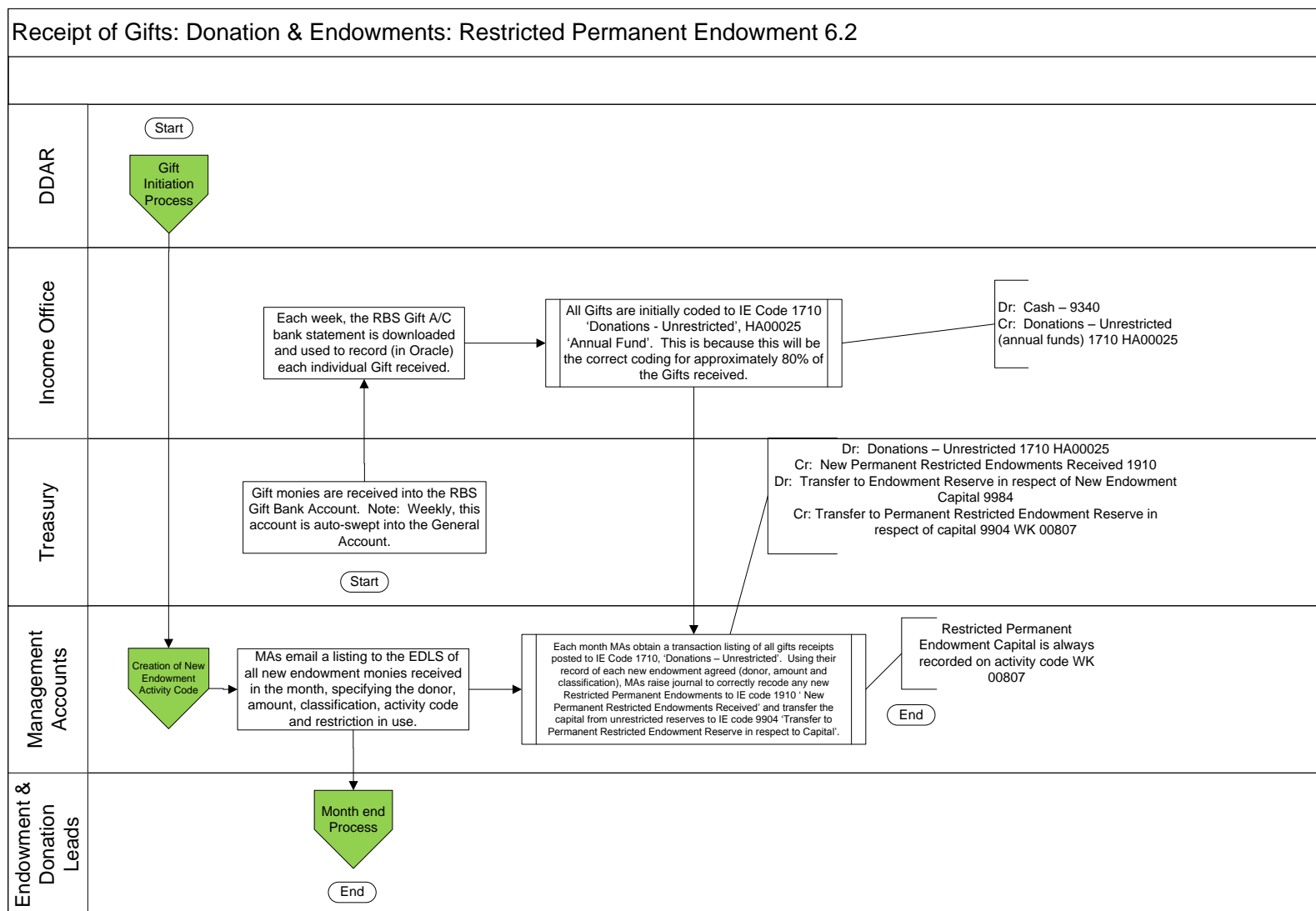
6.1.5. Key Measurements

The key measurement of this process is the number of gifts which DDAR correctly classify first time.

6.1.6. Review

In January and July, Corporate Accounts will review a sample of 3 new endowments to confirm classification is correct, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree'.

6.2. Receipt of Gifts: Donation & Endowments: Restricted Permanent Endowment



6.2.1. Description

The key output of this process is the correct recoding of any new Restricted Permanent Endowments income to IE Code 1910, and the correct transfer of this capital from unrestricted reserves to IE code 9904.

Income Office

Each week, the Income Office downloads the RBS Gift Account bank statement, and use this to record (in Oracle) each individual gift receipt to IE code 1710 'Donations-Unrestricted', activity code HA00025 'Annual Fund'.

Management Accounts

Each month end, Management Accounts run a transaction listing on IE code 1710, and, using their record of all new endowments agreed, raise a journal to **recode any new Restricted Permanent Endowments income to IE Code 1910**, and to **transfer this capital from unrestricted reserves to IE code 9904**.

Management Accounts will then email a listing to the Endowment and Donation Leads of all new endowment monies received in the month, specifying the donor, amount, classification, activity code and restriction in use.

6.2.2. Inputs

- RBS Gift Account bank statement (Income Office)
- Monthly transactions listing of all gift receipts posted to IE code 1710 (Management Accounts)
- The record of all new endowments agreed (donor, amount, classification and restriction in use) produced by Management Accounts in the 'Gift Initiation' process

6.2.3. Outputs

- An Oracle journal, to correctly record all new Restricted Permanent Endowments
- A listing of all new endowment monies received in the month, specifying the donor, amount, classification, activity code and restriction in use

6.2.4. Criteria

- The record of all new endowments agreed (donor, amount, classification and restriction in use - produced by Management Accounts in the 'Gift Initiation' process) is used to determine which gift receipts should be recognised as Restricted Permanent Endowments

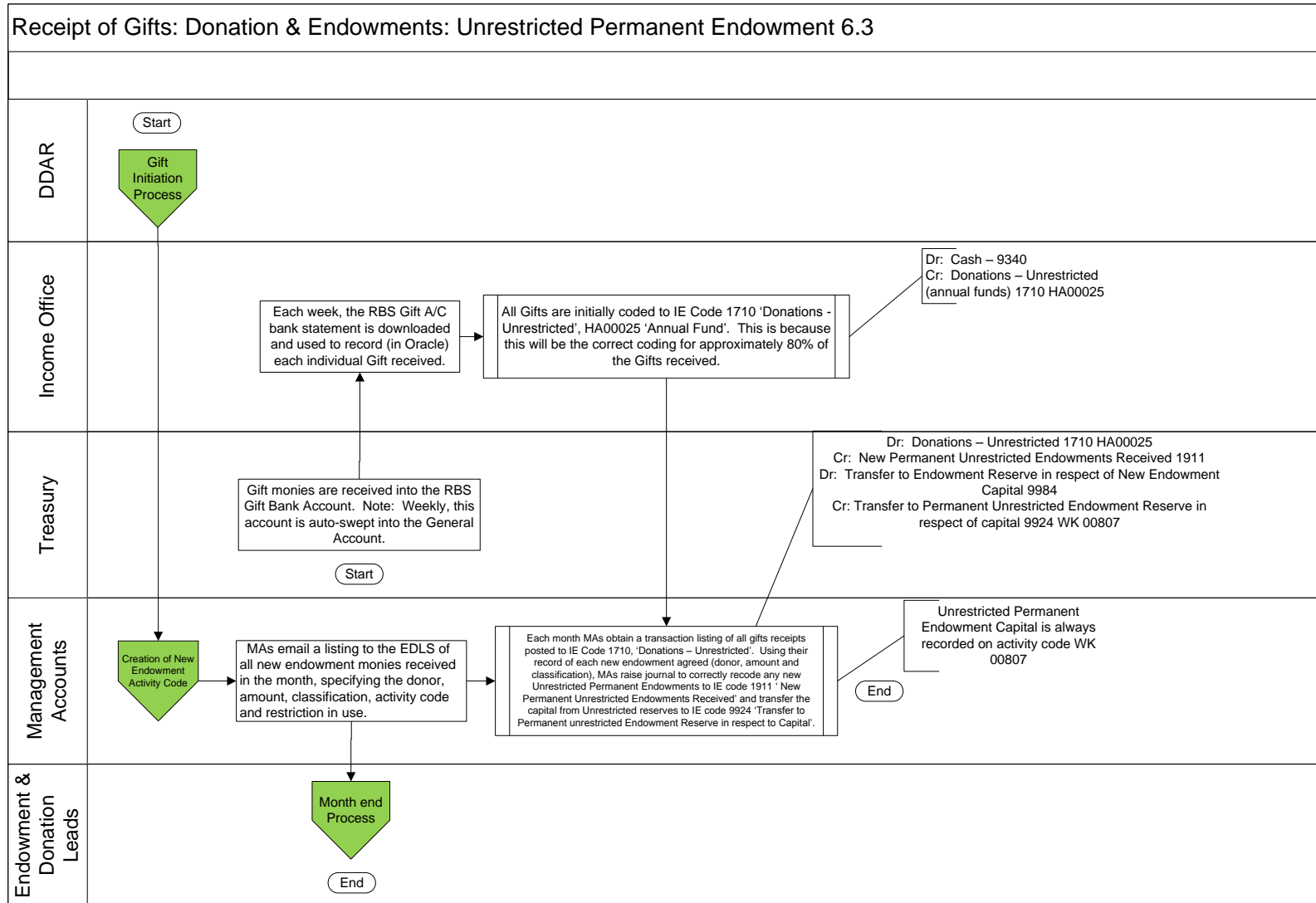
6.2.5. Accounting Transactions

| | | | SOCI | B/S |
|--|------|---------|------|-----|
| Receipt of Funds by Income Office | | | | |
| Dr: Cash | 9340 | | | X |
| Cr: Donations - Unrestricted | 1710 | HA00025 | (X) | |
| | | | | |
| | | | | |
| Transfer of Funds to Correct Classification and Reserve | | | | |
| | | | | |
| Dr: Donations - Unrestricted | 1710 | HA00025 | X | |
| Cr: New Permanent Restricted Endowments Received | 1910 | WK00807 | (X) | |
| Dr: Transfer to Endowment Reserve in respect of New Endowment Capital | 9984 | WK00807 | | X |
| Cr: Transfer to Permanent Restricted Endowment Reserve in respect of Capital | 9904 | WK00807 | | (X) |

6.2.6. Key Measurements

The key measurement of this process is this number of new Restricted Permanent Endowments that are correctly recorded in Oracle.

6.3. Receipt of Gifts: Donation & Endowments: Unrestricted Permanent Endowment



6.3.1. Description

The key output of this process is the correct recoding of any new Unrestricted Permanent Endowments income to IE Code 1911, and the correct transfer of this capital from unrestricted reserves to IE code 9924.

Income Office

Each week, the Income Office downloads the RBS Gift Account bank statement, and use this to record (in Oracle) each individual gift receipt to IE code 1710 'Donations-Unrestricted', activity code HA00025 'Annual Fund'.

Management Accounts

Each month end, Management Accounts run a transaction listing on IE code 1710, and, using their record of all new endowments agreed, raise a journal to **recode any new Unrestricted Permanent Endowments income to IE Code 1911**, and to **transfer this capital from unrestricted reserves to IE code 9924**.

Management Accounts will then email a listing to the Endowment and Donation Leads of all new endowment monies received in the month, specifying the donor, amount, classification activity code and restriction in use.

6.3.2. Inputs

- RBS Gift Account bank statement (Income Office)
- Monthly transactions listing of all gift receipts posted to IE code 1710 (Management Accounts)
- The record of all new endowments agreed (donor, amount, classification and restriction in use) produced by Management Accounts in the 'Gift Initiation' process

6.3.3. Outputs

- An Oracle journal, to correctly record all new Unrestricted Permanent Endowments
- A listing of all new endowment monies received in the month, specifying the donor, amount, classification, activity code and restriction in use

6.3.4. Criteria

- The record of all new endowments agreed (donor, amount, classification and restriction in use - produced by Management Accounts in the 'Gift Initiation' process) is used to determine which gift receipts should be recognised as Unrestricted Permanent Endowments

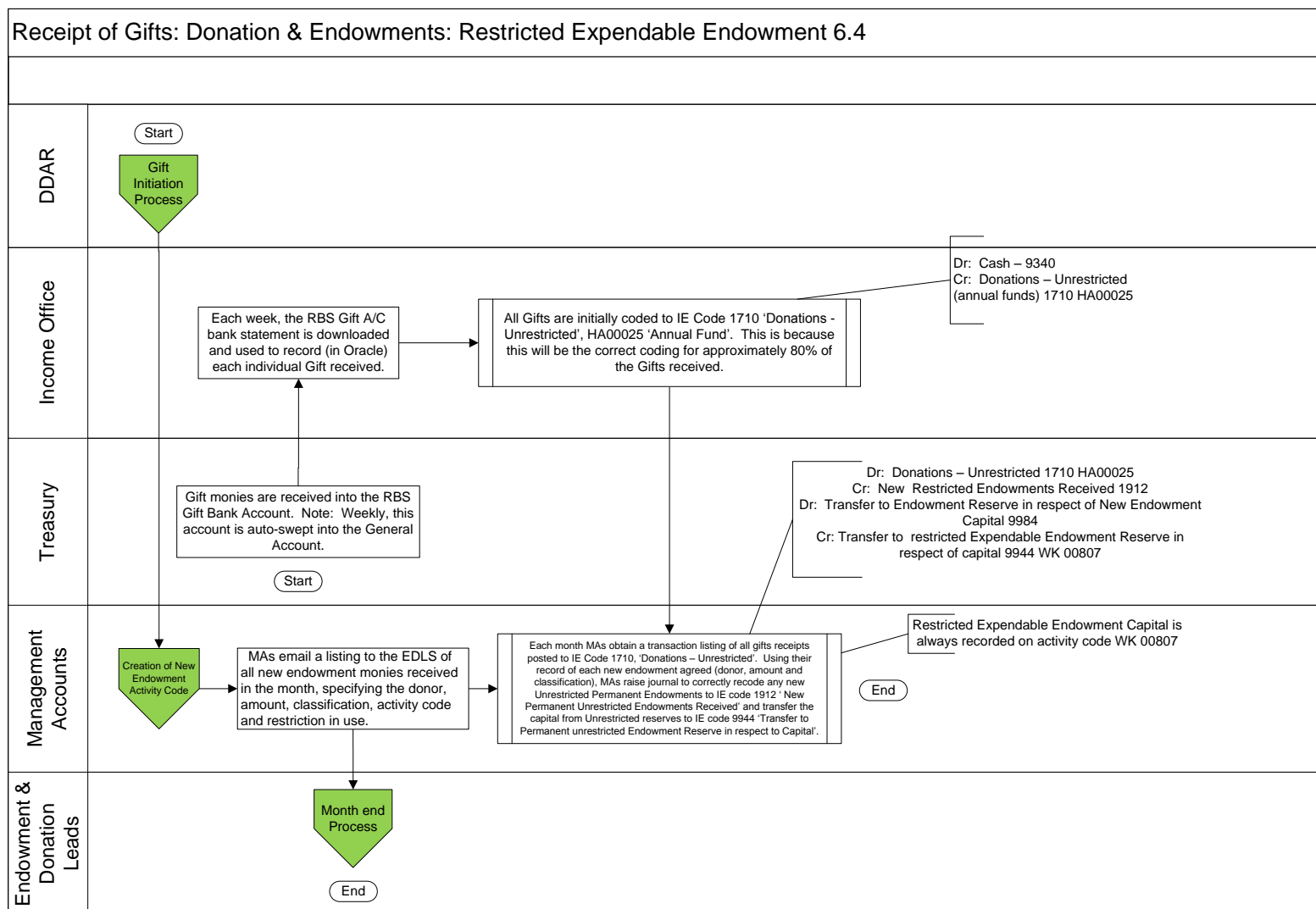
6.3.5. Accounting Transactions

| | | | SOCI | B/S |
|--|------|---------|-------------|------------|
| Receipt of Funds by Income Office | | | | |
| Dr: Cash | 9340 | | | X |
| Cr: Donations - Unrestricted | 1710 | HA00025 | (X) | |
| | | | | |
| | | | | |
| Transfer of Funds to Correct Classification and Reserve | | | | |
| | | | | |
| Dr: Donations - Unrestricted | 1710 | HA00025 | X | |
| Cr: New Permanent Unrestricted Endowments Received | 1911 | WK00807 | (X) | |
| Dr: Transfer to Endowment Reserve in respect of New Endowment Capital | 9984 | WK00807 | | X |
| Cr: Transfer to Permanent Unrestricted Endowment Reserve in respect of Capital | 9924 | WK00807 | | (X) |

6.3.6. Key Measurements

The key measurement of this process is this number of new Unrestricted Permanent Endowments that are correctly recorded in Oracle.

6.4. Receipt of Gifts: Donation & Endowments: Restricted Expendable Endowment



6.4.1. Description

The key output of this process is the correct recoding of any new Restricted Expendable Endowments income to IE Code 1912, and the correct transfer of this capital from unrestricted reserves to IE code 9944.

Income Office

Each week, the Income Office downloads the RBS Gift Account bank statement, and use this to record (in Oracle) each individual gift receipt to IE code 1710 'Donations-Unrestricted', activity code HA00025 'Annual Fund'.

Management Accounts

Each month end, Management Accounts run a transaction listing on IE code 1710, and, using their record of all new endowments agreed, raise a journal to **recode any new Restricted Expendable Endowments income to IE Code 1912**, and to **transfer this capital from unrestricted reserves to IE code 9944**.

Management Accounts will then email a listing to the Endowment and Donation Leads of all new endowment monies received in the month, specifying the donor, amount, classification, activity code and restriction in use.

6.4.2. Inputs

- RBS Gift Account bank statement (Income Office)
- Monthly transactions listing of all gift receipts posted to IE code 1710 (Management Accounts)
- The record of all new endowments agreed (donor, amount, classification and restriction in use) produced by Management Accounts in the 'Gift Initiation' process

6.4.3. Outputs

- An Oracle journal, to correctly record all new Restricted Expendable Endowments
- A listing of all new endowment monies received in the month, specifying the donor, amount, classification, activity code and restriction in use

6.4.4. Criteria

- The record of all new endowments agreed (donor, amount, classification and restriction in use - produced by Management Accounts in the 'Gift Initiation' process) is used to determine which gift receipts should be recognised as Restricted Expendable Endowments

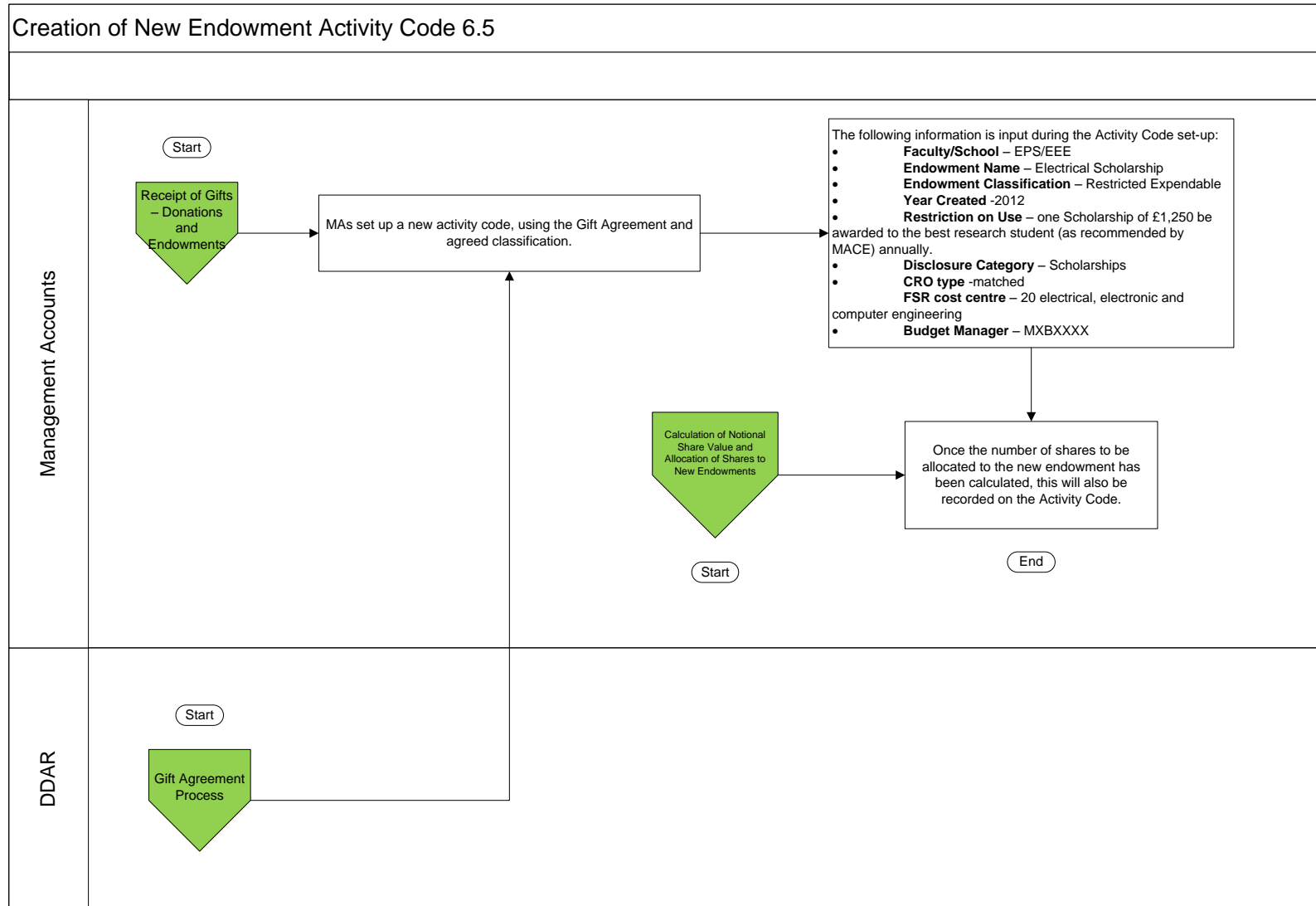
6.4.5. Accounting Transactions

| | | | SOCI | B/S |
|---|------|---------|------|-----|
| Receipt of Funds by Income Office | | | | |
| Dr: Cash | 9340 | | | X |
| Cr: Donations - Unrestricted | 1710 | HA00025 | (X) | |
| | | | | |
| | | | | |
| Transfer of Funds to Correct Classification and Reserve | | | | |
| | | | | |
| Dr: Donations - Unrestricted | 1710 | HA00025 | X | |
| Cr: New Restricted Expendable Endowments Received | 1912 | WK00807 | (X) | |
| Dr: Transfer to Endowment Reserve in respect of New Endowment Capital | 9984 | WK00807 | | X |
| Cr: Transfer to Restricted Expendable Endowment Reserve in respect of Capital | 9944 | WK00807 | | (X) |

6.4.6. Key Measures

The key measurement of this process is this number of new Restricted Expendable Endowments that are correctly recorded in Oracle.

6.5. Creation of New Endowment Activity Code



6.5.1. Description

The key output of this process is the creation of a new activity code. A new code is required for any endowment monies received that the donor does not wish to be added to an existing fund.

Activity codes allocated to endowments all begin with the prefix "WK".

6.5.2. Inputs

- Signed Gift Agreement
- Agreed endowment classification
- Calculation of Notional Share Value / Allocation of Shares to New Endowments

6.5.3. Outputs

- A new WK activity code

6.5.4. Criteria

The following information must be recorded in Oracle during the set-up of the new activity code:

- Faculty/School
- Endowment name
- Endowment classification
- Year created
- Restriction on use
- Disclosure category
- CRO type
- FSR cost centre
- Budget manager
- Number of shares allocated *

* Once the number of shares to be allocated to the new endowment has been calculated, this will also be recorded on the activity code. This is calculated in the 'Calculation of Notional Share Value and Allocation of Shares to New Endowments' process.

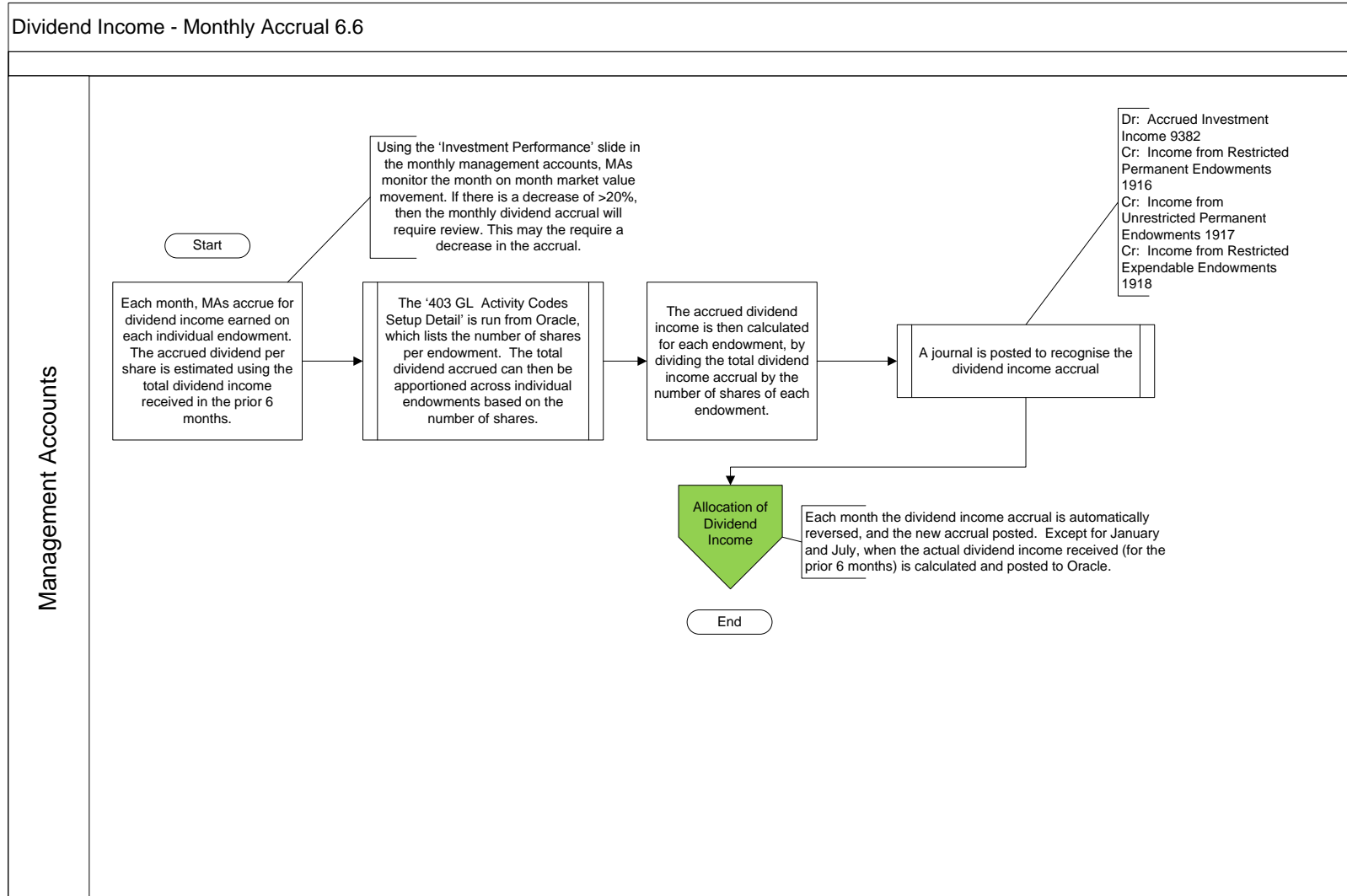
6.5.5. Key Measures

The key measurement of this process is this number of new WK activity codes that are correctly set up, in line with the gift agreement and agreed classification.

6.5.6. Review

In January and July, Corporate Accounts will review a sample of 3 new endowment activity codes to confirm completeness and accuracy of information recorded in Oracle, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree'.

6.6. Dividend Income – Monthly Accrual



6.6.1. Description

Please note **this process is not performed in January or July**. Instead, the actual dividend income received (for the prior 6 months) is calculated and recorded in Oracle, as per the 'Allocation of Dividend Income' process.

The key output of this process is to correctly accrue each month for dividend income, by individual endowment.

Management Accounts estimate the accrued dividend per share, based on the total dividend income received (the prior 6 month receipt). This can then be apportioned across individual endowments based on the number of shares per endowment. The '403 GL Activity Codes Set Up Detail' report is run to determine the number of shares per endowment.

The accrued dividend income, per endowment, is calculated by dividing the total dividend income accrual by the number of shares per endowment. An Oracle journal is then posted to recognise the dividend accrual.

6.6.2. Inputs

- The amount of the prior 6 month dividend income receipt
- '403 GL Activity Codes Set Up Detail' report
- Monthly 'Investment Performance Slide'

6.6.3. Outputs

- Calculation of the monthly dividend income accrual (by individual endowment)
- An Oracle journal, to recognise the monthly dividend income accrual, by individual endowment

6.6.4. Criteria

The accrual is estimated based on the prior 6 month dividend income receipt. **However**, using the 'Investment Performance' slide in the monthly management accounts, Management Accounts monitor the month-on-month market value movement. If there is **a decrease of more than 20%** then the monthly dividend accrual amount will require review, and the amount accrued may need to be decreased.

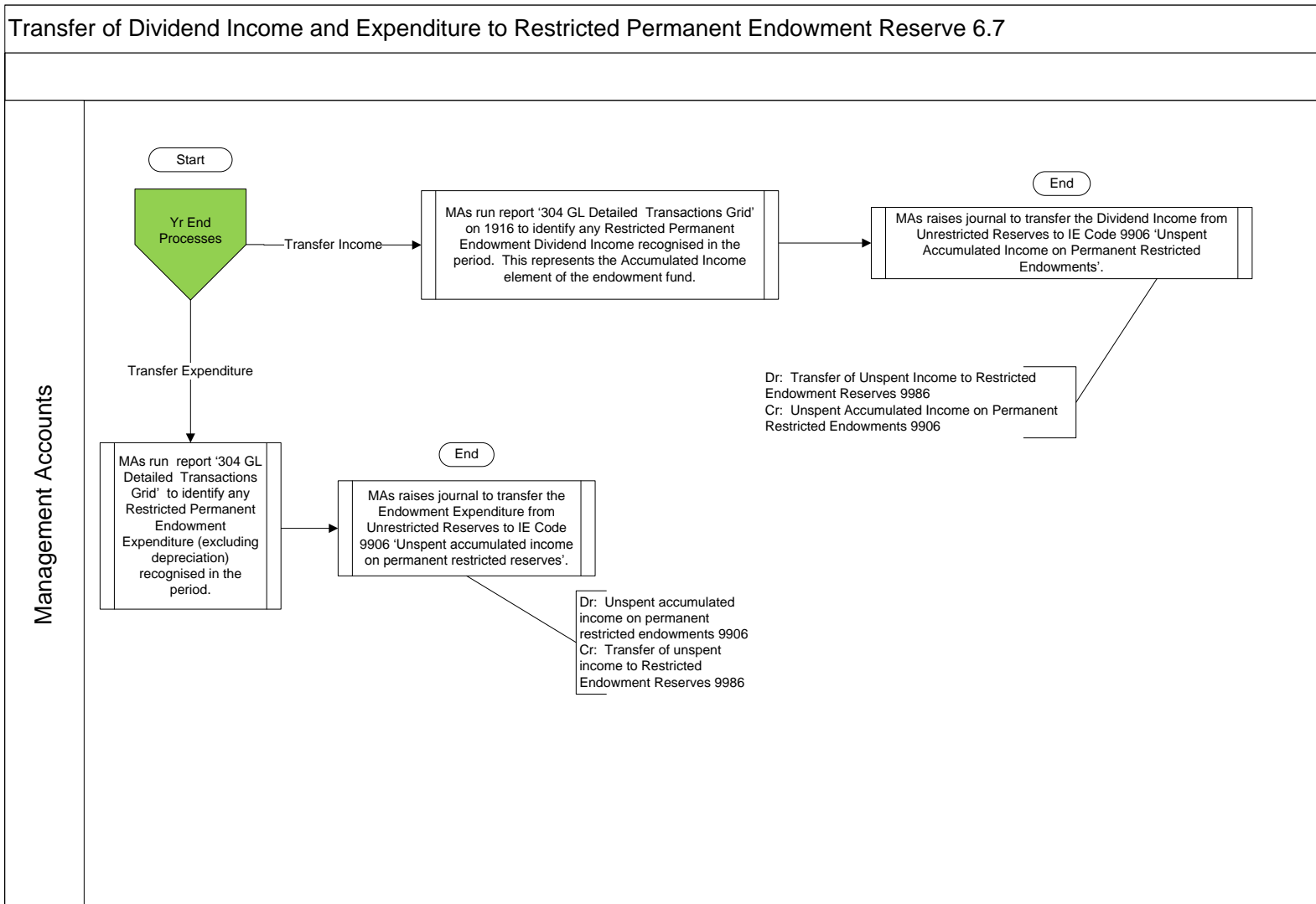
6.6.5. Accounting Transactions

| | | | SOCI | B/S |
|---|------|--|------|-----|
| To recognise the Monthly Dividend Accrual | | | | |
| Dr: Accrued Investment Income | 9382 | | | X |
| Cr: Income from Restricted Permanent Endowments | 1916 | | (X) | |
| Cr: Income from Unrestricted Permanent Endowments | 1917 | | (X) | |
| Cr: Income from Restricted expendable Endowments | 1918 | | (X) | |

6.6.6. Key Measures

The key measurement of this process is the correct recording of the dividend income accrual in Oracle.

6.7. Transfer of Dividend Income and Expenditure to Restricted Permanent Endowment Reserve



6.7.1. Description

Please note this process is **only performed at year end**.

The key output of this process is to correctly transfer any Restricted Permanent (RP) Endowment dividend income, and any RP expenditure (excluding depreciation), recognised in the period, to IE code 9906.

Management Accounts run report '304 GL Detailed Transactions Grid'. This is used to identify any RP dividend income and any RP expenditure (excluding depreciation), recognised in the period. An Oracle journal is then raised to transfer both income and expenditure **to IE code 9906**.

6.7.2. Inputs

- 304 GL Detailed Transactions Grid report

6.7.3. Outputs

- An Oracle journal, to correctly transfer to IE code 9906 any RP dividend income and any RP expenditure (excluding depreciation), recognised in the period

6.7.4. Criteria

All RP dividend income received, and all RP expenditure (excluding depreciation) incurred in the period, identified using the '304 GL Detailed Transactions Grid' report, to be transferred to the Restricted Permanent Endowment Unspent Accumulated Income Reserve.

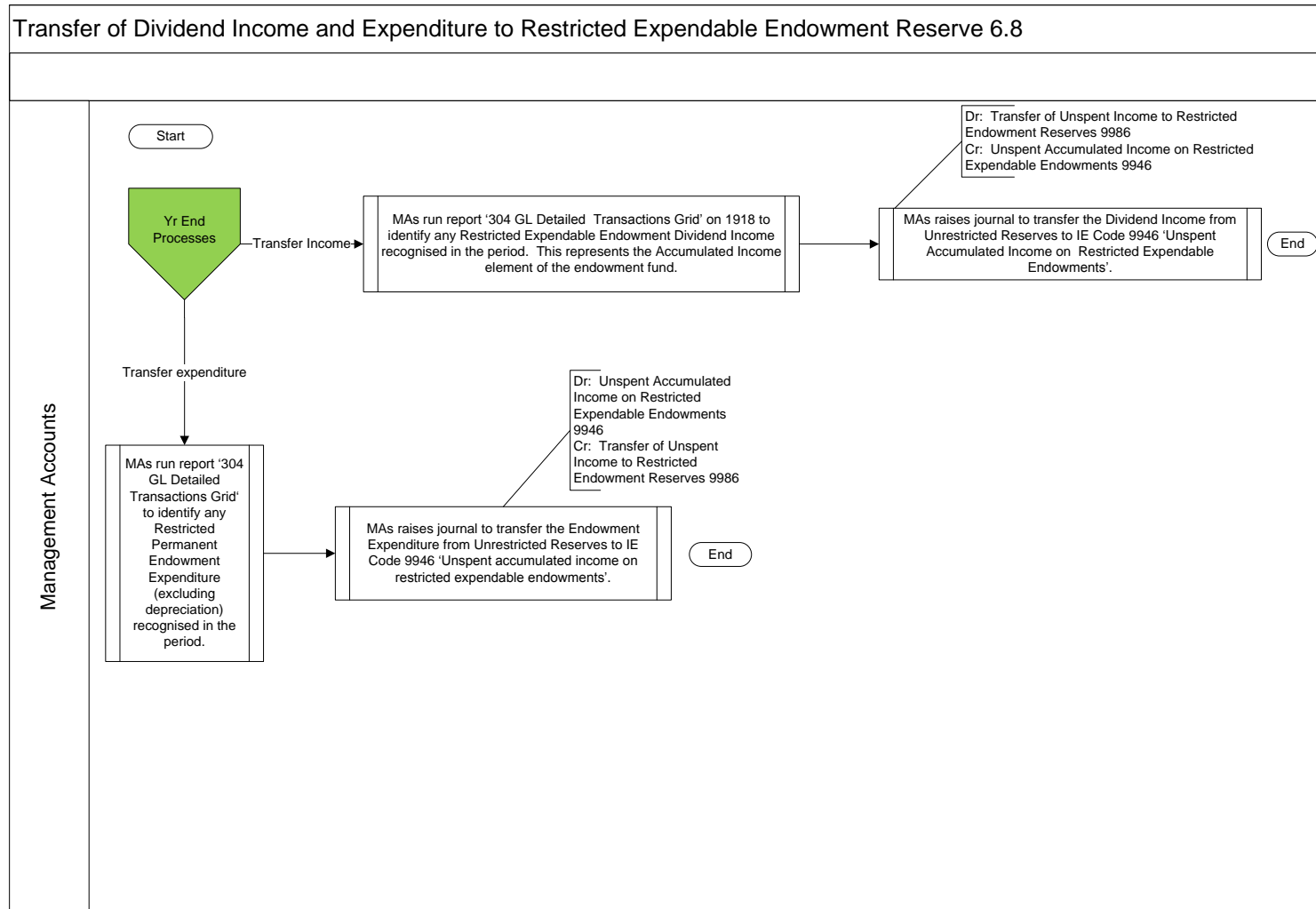
6.7.5. Accounting Transactions

| | | | SOCI | B/S |
|---|------|--|------|-----|
| To transfer Dividend Income to Restricted Reserve | | | | |
| Dr: Transfer of Unspent Income to Restricted Endowment Reserves | 9986 | | | X |
| Cr: Unspent Accumulated Income on Permanent Restricted Endowments | 9906 | | | (X) |
| | | | | |
| To transfer Expenditure to Restricted Reserve | | | | |
| Dr: Unspent Accumulated Income on Permanent Restricted Endowments | 9906 | | | X |
| Cr: Transfer of Unspent Income to Restricted Endowment Reserves | 9986 | | | (X) |

6.7.6. Key Measures

The key measurement of this process is whether the period end balance on IE code 9906 'Unspent Accumulated Income on Permanent Restricted Endowments' is correct.

6.8. Transfer of Dividend Income and Expenditure to Restricted Expendable Endowment Reserve



6.8.1. Description

Please note this process is **only performed at year end**.

The key output of this process is to correctly transfer any Restricted Expendable (RE) Endowment dividend income, and any RE expenditure (excluding depreciation), recognised in the period, to IE code 9946.

Management Accounts run report '304 GL Detailed Transactions Grid'. This is used to identify any RE dividend income and any RE expenditure (excluding depreciation), recognised in the period. An Oracle journal is then raised to transfer both income and expenditure **to IE code 9946**.

6.8.2. Inputs

- 304 GL Detailed Transactions Grid report

6.8.3. Outputs

- An Oracle journal, to correctly transfer to IE code 9946 any RE dividend income and any RE expenditure (excluding depreciation), recognised in the period

6.8.4. Criteria

All RE dividend income received, and all RE expenditure (excluding depreciation) incurred in the period, identified using the '304 GL Detailed Transactions Grid' report, to be transferred to the Restricted Permanent Endowment Unspent Accumulated Income Reserve.

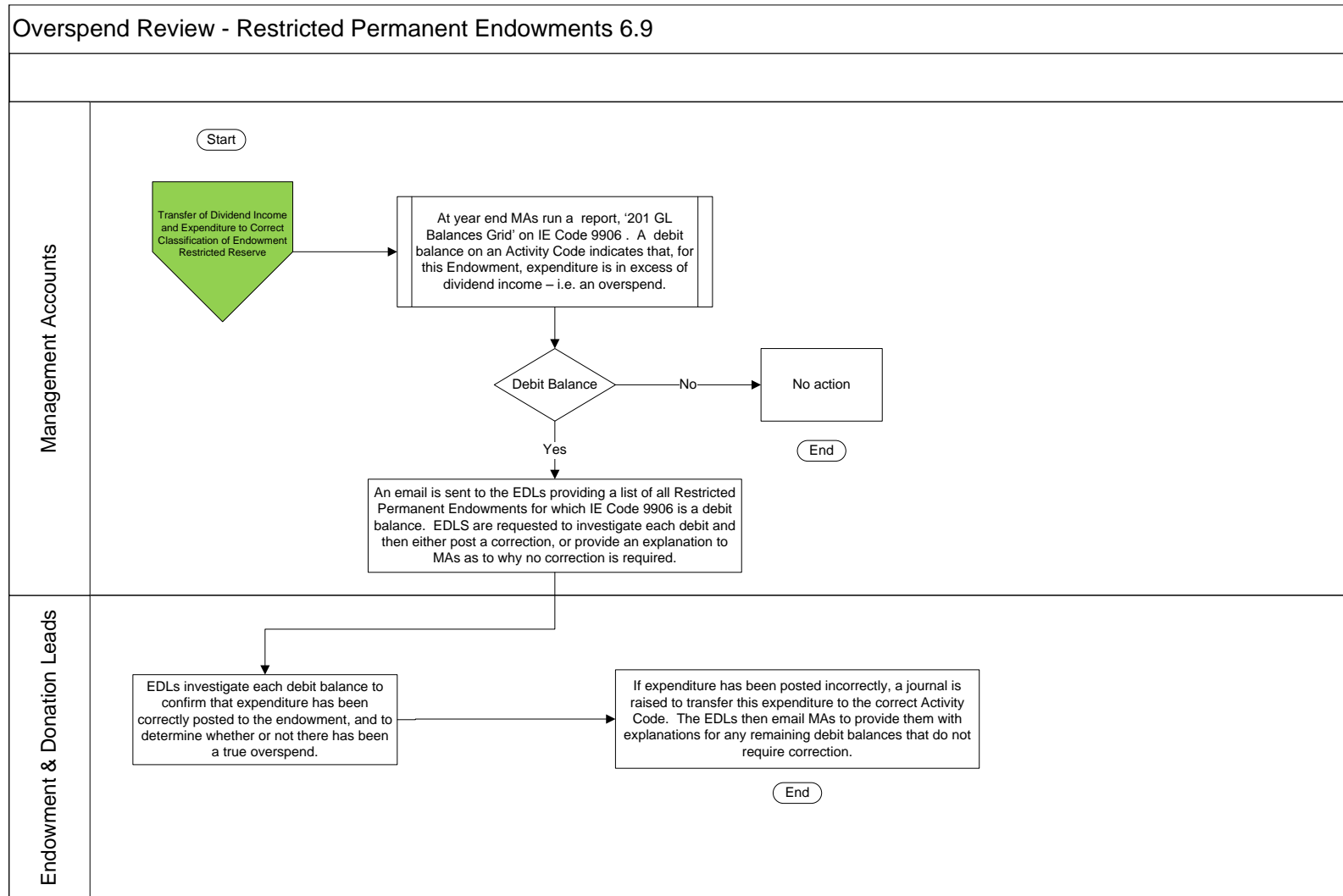
6.8.5. Accounting Transactions

| | | | SOCI | B/S |
|--|------|--|------|-----|
| To transfer Dividend Income to Restricted Reserve | | | | |
| Dr: Transfer of Unspent Income to Restricted Endowment Reserves | 9986 | | | X |
| Cr: Unspent Accumulated Income on Restricted Expendable Endowments | 9946 | | | (X) |
| | | | | |
| To transfer Expenditure to Restricted Reserve | | | | |
| Dr: Unspent Accumulated Income on Restricted Expendable Endowments | 9946 | | | X |
| Cr: Transfer of Unspent Income to Restricted Endowment Reserves | 9986 | | | (X) |

6.8.6. Key Measures

The key measurement of this process is whether the period end balance on IE code 9946 'Unspent Accumulated Income on Restricted Expendable Endowments' is correct.

6.9. Overspend Review – Restricted Permanent Endowments



6.9.1. Description

The key output of this process is to identify and, if necessary, correct any debit balances identified on any of the Restricted Permanent WK activity codes on IE code 9906.

To perform this review, Management Accounts run report '201 GL Balances Grid'. A debit balance on 9906, on an individual Restricted Permanent endowment, would indicate that expenditure is in excess of income. This arises due to either expenditure being incorrectly posted to the code, or due to an overspend.

If any debit balances are identified, a list is compiled and sent by email to the Endowment and Donations Leads (EDLs). EDLs are requested to investigate each debit, and then to either post a correction, or to provide an explanation to Management Accounts as to why no correction is required.

Please note: per the SORP (18.20), any Restricted Permanent endowments on which there has been an overspend are to be treated as material. They must therefore be disclosed separately in the Annual Report and an explanation of the overspend provided.

6.9.2. Inputs

- '201 GL Balances Grid' report (on IE code 9906)
- An email sent by Management Accounts to EDLs to provide a detailed breakdown of all Restricted Permanent endowments for which IE code 9906 is a debit balance

6.9.3. Outputs

- An Oracle journal (posted by EDLs), to transfer any mis-posted expenditure
- An email, sent by EDLs to Management Accounts to provide explanations for any remaining debit balances that do not require correction

6.9.4. Criteria

Only expenditure incurred in line with the restriction on use of an individual Restricted Permanent endowment can be posted against that endowment.

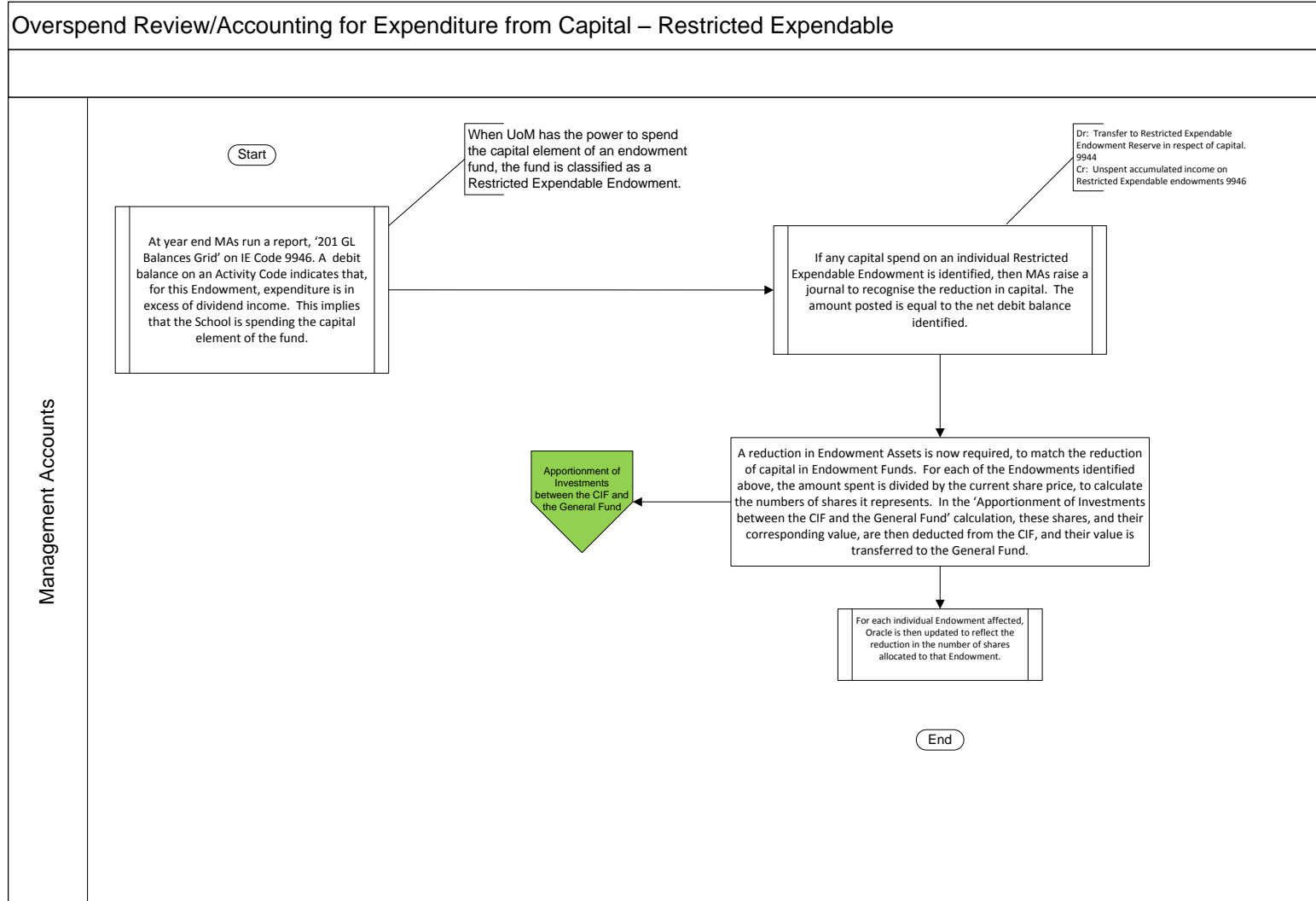
6.9.5. Key Measures

The key measurement of this process is whether all of the remaining debit balances on individual Restricted Permanent activity codes on IE code 9906 can be adequately explained.

6.9.6. Review

In July, Corporate Accounts will review any remaining debit balances on individual restricted permanent activity codes on IE code 9906 to confirm they can be adequately explained.

6.10. Overspend Review/Accounting for Expenditure from Capital – Restricted Expendable



6.10.1. Description

The key output of this process is to identify and adjust for any spend from the capital element of any of the Restricted Expendable endowments funds.

Endowment Funds

To perform this review, Management Accounts run report '201 GL Balances Grid'. A debit balance on 9906, on an individual Restricted Expendable endowment, would indicate that the School is spending the capital element of the fund.

If any capital spend on an individual Restricted Expendable endowment is identified, then Management Accounts raise a journal to recognise the reduction in capital. The amount posted is equal to the net debit balance identified.

Endowment Assets

A reduction in endowment assets is also required, to match the reduction in capital. For each of the endowments identified above, the amount spent is divided by the current notional share price, to calculate the number of shares it represents. In the 'Apportionment of Investments between the CIF and the General Fund' calculation, these shares, and their corresponding value, are then deducted from the CIF, and their value is transferred to the General Fund.

6.10.2. Inputs

- '201 GL Balances Grid' report (on IE code 9906)
- The current notional share price (as calculated in the 'Calculation of Notional Share Value / Allocation of Shares to New Endowments' process)

6.10.3. Outputs

- An Oracle journal, to recognise the reduction in capital of any Restricted Expendable endowments from which there has been a spend from the capital element of the fund
- An updated 'Apportionment of Investments between the CIF and the General Fund' calculation

6.10.4. Criteria

Only expenditure incurred in line with the restriction on use of an individual Restricted Expendable endowment can be posted against that endowment.

6.10.5. Accounting Transactions

| | | | SOCI | B/S |
|---|------|--|------|-----|
| To recognise Expenditure from Capital | | | | |
| Dr: Transfer to Restricted Expendable Endowment Reserve in respect of Capital | 9944 | | | X |
| Cr: Unspent Accumulated Income on Restricted Expendable Endowments | 9946 | | | (X) |

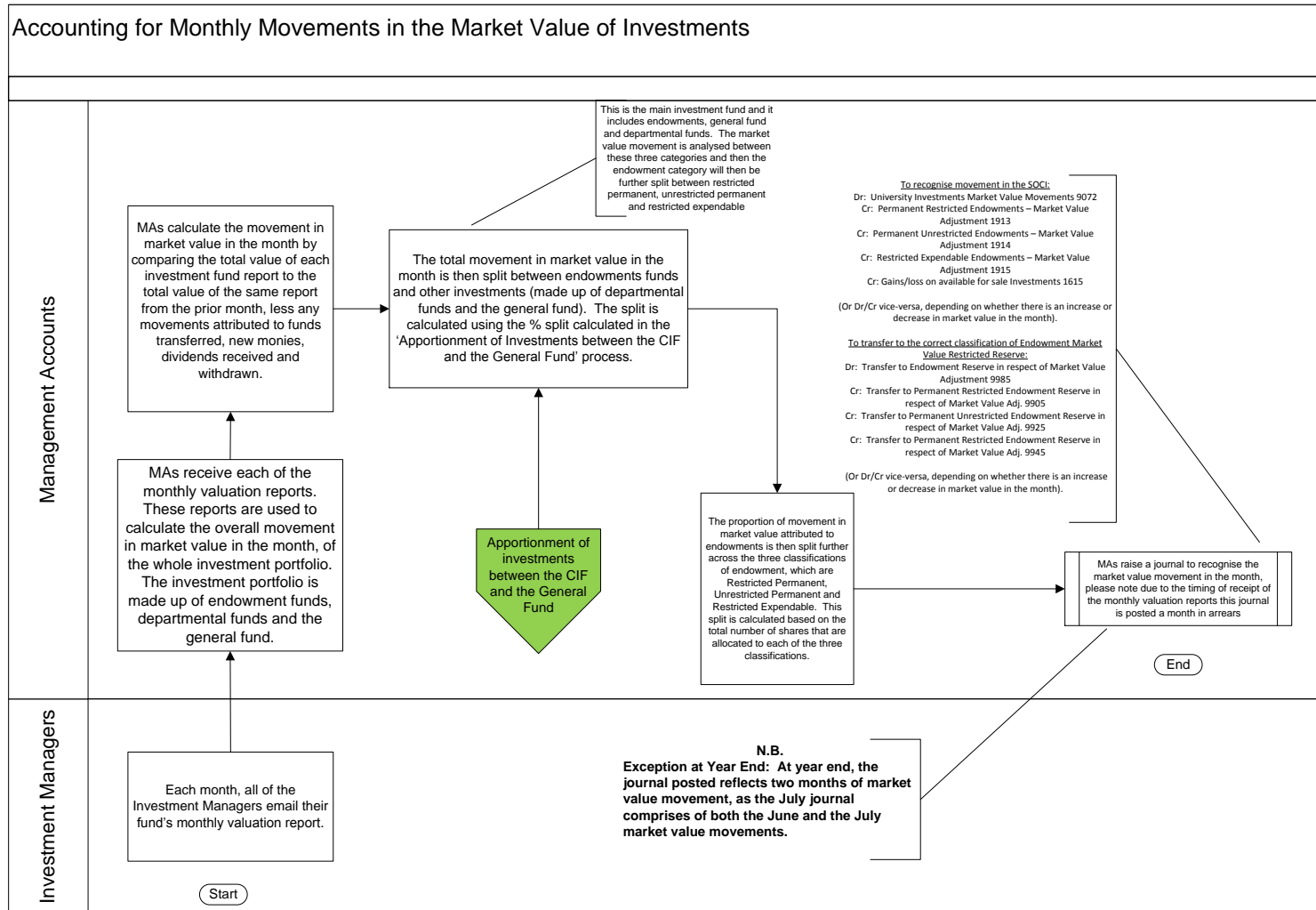
6.10.6. Key Measures

The key measurement of this process is that all spend from the capital element of Restricted Expendable endowments is correctly accounted for (i.e. no remaining debit balances at year end) and that the 'Apportionment of Investments between the CIF and the General Fund' calculation is updated correctly.

6.10.7. Review

In July, Corporate Accounts will review the Oracle journal to confirm all spend from the capital element of restricted expendable endowments is correctly accounted for (i.e. no remaining debit balances at year end) and that the 'Apportionment of Investments between the CIF and the General Fund' calculation is updated correctly.

6.11. Accounting for Monthly Movements in the Market Value of Investments



6.11.1. Description

The key output of this process is to correctly calculate and adjust for any monthly movements in market value of investments.

Management Accounts calculate the monthly market value movement by comparing the total value of each investment fund report to the total value of the same report from the prior month, less any movements attributed to funds transferred, new monies, dividends received and withdrawn.

The total movement in market value in the month is then split between endowment funds and other investments (made up of departmental funds and the general fund). The split is calculated using the % split calculated in the 'Apportionment of Investments between the CIF and the General Fund' process.

The movement attributed to endowments is then apportioned between the three classifications of endowment (Restricted Permanent, Unrestricted Permanent and Restricted Expendable).

Management Accounts then raise a journal to recognise the movements calculated above. Please note, this journal is posted a month in arrears, **except in July** when a journal comprising of both the June and July movements is posted.

6.11.2. Inputs

- All of the monthly fund valuation reports for the relevant month, emailed by the Investment Managers
- The % split between endowment funds and other investments
- The total number of shares allocated to each classification of endowment (Restricted Permanent, Unrestricted Permanent and Restricted Expendable)

6.11.3. Outputs

- An Oracle journal, to recognise the market value movement in the month

6.11.4. Criteria

The total monthly market value movement is to be split, as follows:

- Between endowments and other investments
- Then the endowment element is to be split between the three classifications of endowment (Restricted Permanent, Unrestricted Permanent and Restricted Expendable)

6.11.5. Accounting Transactions

| | | | SOCI | B/S |
|--|------|--|------|-----|
| To recognise movement in the SOCI | | | | |
| Dr: University Investments Market Value Movements | 9072 | | | X |
| Cr: Permanent Restricted Endowments - Market Value Adjustment | 1913 | | (X) | |
| Cr: Permanent Unrestricted Endowments - Market Value Adjustment | 1914 | | (X) | |
| Cr: Restricted Expendable Endowments - Market Value Adjustment | 1915 | | (X) | |
| Cr: Change in Market Value of Investments | 1615 | | (X) | |
| | | | | |
| Or Dr/Cr vice-versa if there is a decrease in market value in the month. | | | | |
| | | | | |
| To transfer to the correct classification of Endowment Market Value Restricted Reserve | | | | |
| Dr: Transfer to Endowment Reserve in respect of Market Value Adjustment | 9985 | | | X |
| Cr: Transfer to Permanent Restricted Endowment Reserve in respect of Market Value Adjustment | 9905 | | | (X) |
| Cr: Transfer to Permanent Unrestricted Endowment Reserve in respect of Market Value Adjustment | 9925 | | | (X) |
| Cr: Transfer to Restricted Expendable Endowment Reserve in respect of Market Value Adjustment | 9945 | | | (X) |
| | | | | |
| Or Dr/Cr vice-versa if there is a decrease in market value in the month. | | | | |

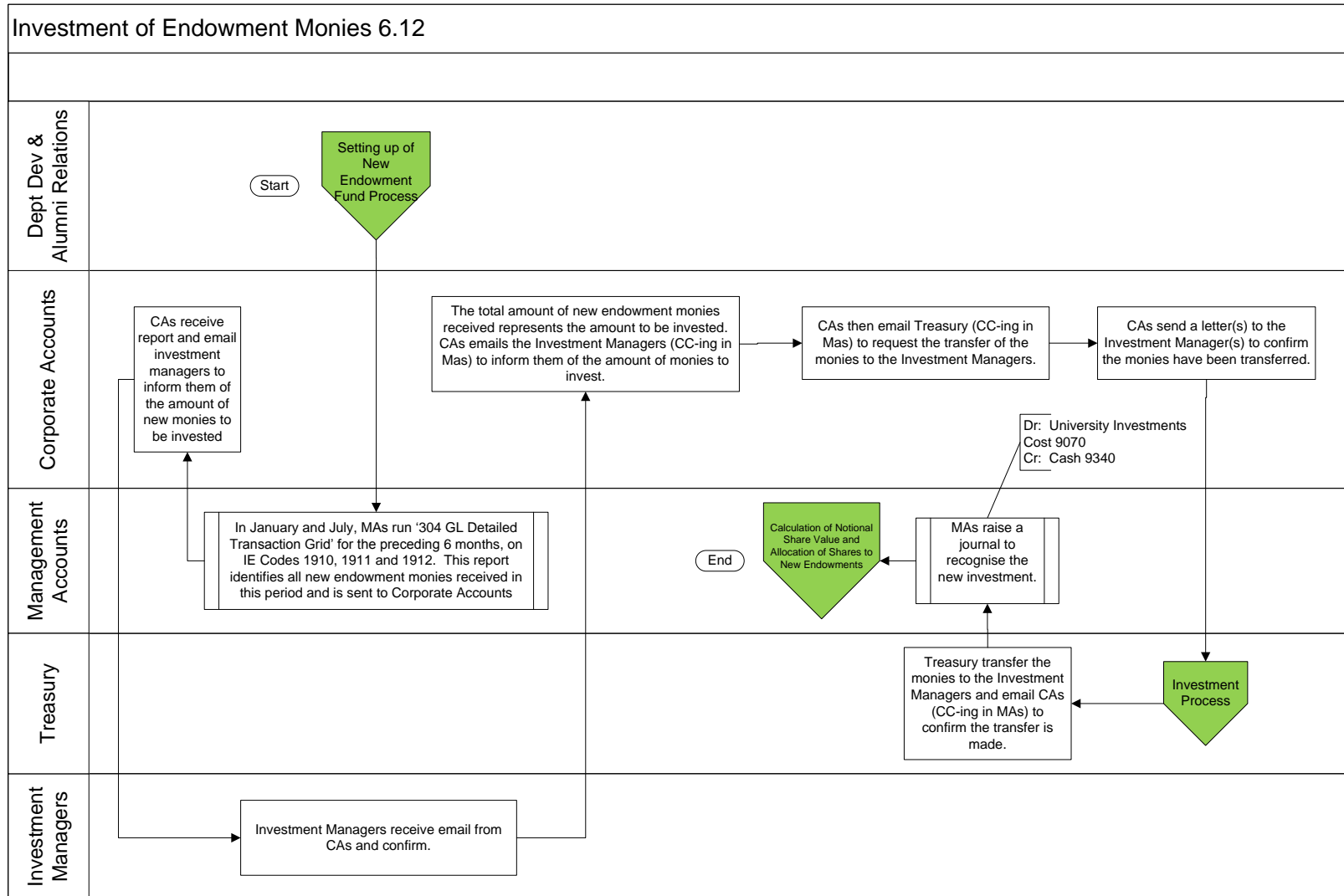
6.11.6. Key Measures

The key measurement of this process is that the total market value movement in the month is correctly calculated, and correctly split between the categories identified above.

6.11.7. Review

In January and July, Corporate Accounts will review a sample of 3 of the preceding 6 monthly Oracle journals, to confirm that the total market value movement in the month is correctly calculated, and correctly split between the categories.

6.12. Investment of Endowment Monies



6.12.1. Description

The key output of this process is to make a new investment in the Common Investment Fund (for all new endowment monies received), and to correctly account for this.

In January and July, Management Accounts run report '304 GL Detailed Transactions Grid' on IE codes 1910, 1911 and 1912, to identify the total amount of new monies received in the preceding 6 months. **Via email** (CC-ing in Head of Corporate Accounts), this amount is then confirmed with the Investment Manager(s). Management Accounts then email Treasury to request the transfer of the monies, and receive an email in return to confirm this transfer. **Via letter**, Management Accounts then confirm this transfer with the Investment Manager(s).

Management Accounts then raise a journal to recognise the new investment.

6.12.2. Inputs

- '304 GL Detailed Transactions Grid' report (on IE codes 1910, 1911 and 1912)
- The correspondence between Management Accounts, the Investment Manager(s) and Treasury

6.12.3. Outputs

- The correct transfer of funds to the Investment Managers
- An Oracle journal, to recognise the total new investment into the Common Investment Fund

6.12.4. Criteria

The total value of the new investment should equal the total amount of new endowment monies received.

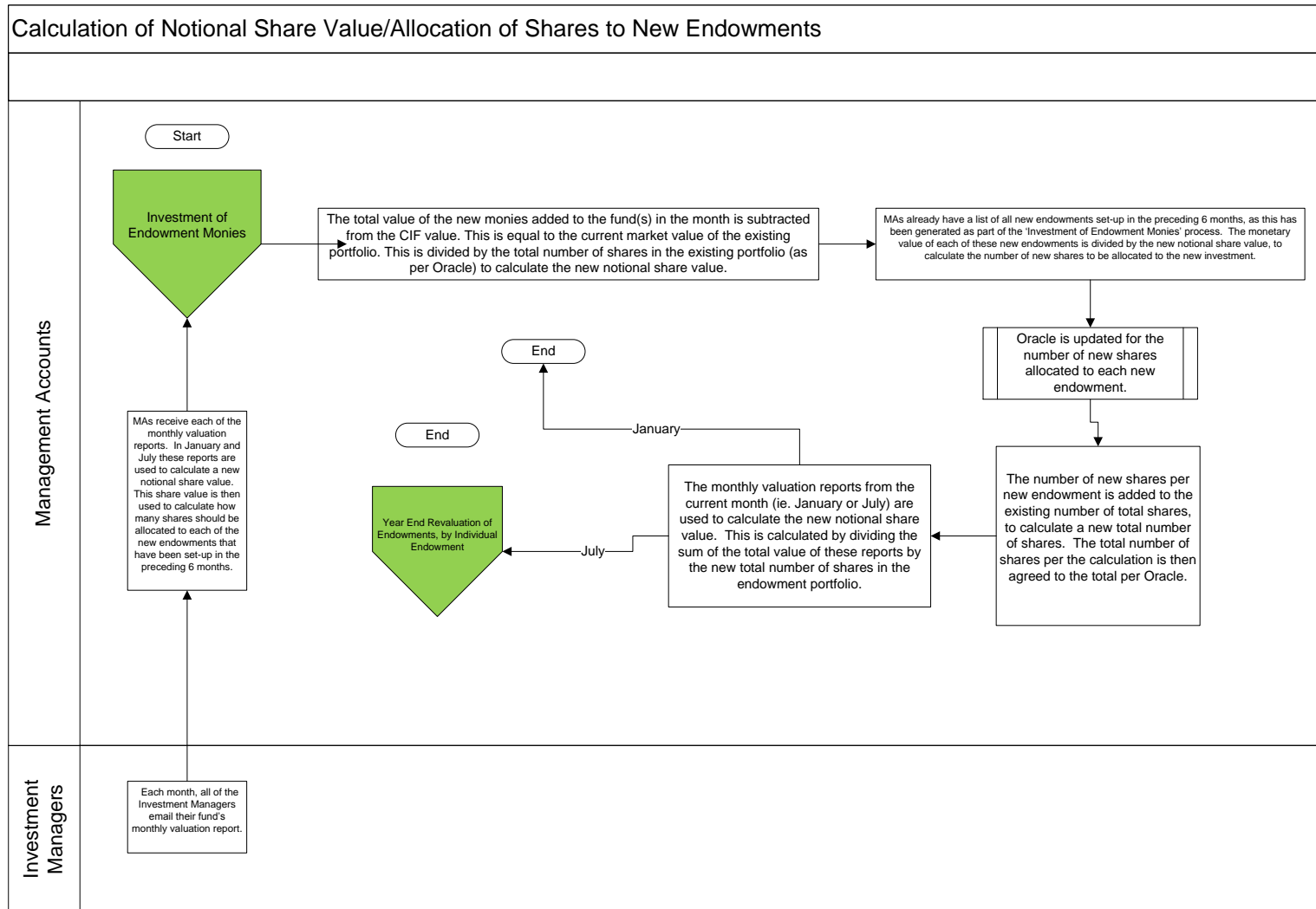
6.12.5. Accounting Transactions

| | | | SOCI | B/S |
|--|------|--|------|-----|
| To recognise new Endowment Investment | | | | |
| Dr: University Investments Cost | 9070 | | | X |
| Cr: Cash | 9340 | | | (X) |

6.12.6. Key Measures

The key measurement of this process is that total new endowment monies received is correctly calculated and accounted for, and that this correct amount is transferred to the Investment Managers.

6.13. Calculation of Notional Share Value/Allocation of Shares to New Endowments



6.13.1. Description

The key output of this process is to calculate a new notional share value and to then calculate the number of shares to be allocated to each new endowment investment.

In January and July, Management Accounts use the monthly valuation reports from the Investment Managers to calculate a new notional share value. This is calculated by subtracting the total value of new monies added to the fund(s) in the month from the total value of the reports relating to the CIF, to give the current market value of the existing portfolio. This is then divided by the total number of shares in the existing portfolio (as per Oracle) to calculate the new notional share value.

Using a detailed breakdown of all new endowments set-up in the preceding 6 months, Management Accounts divide the monetary value of each of these new endowments by the new notional share value, to calculate the number of new shares to allocate to each new endowment investment. Oracle is then updated for the number of new shares allocated to each new investment and a new total number of shares is calculated.

6.13.2. Inputs

- The January or July monthly fund valuation reports, emailed by the Investment Managers
- The total number of shares in the existing portfolio, as per Oracle
- A detailed breakdown (from Oracle) of all new endowments set-up in the preceding 6 months (produced in the 'Investment of Endowment Monies' process)

6.13.3. Outputs

- New notional share value
- Oracle is updated for the number of new shares allocated to each new endowment, which generates a new total number of shares

6.13.4. Criteria

The total monetary value of the new endowment investments per the Investment Manager(s)' report(s), should equal the total value per the detailed breakdown (from Oracle) of all new endowments set-up in the preceding 6 months

6.13.5 Key Measure

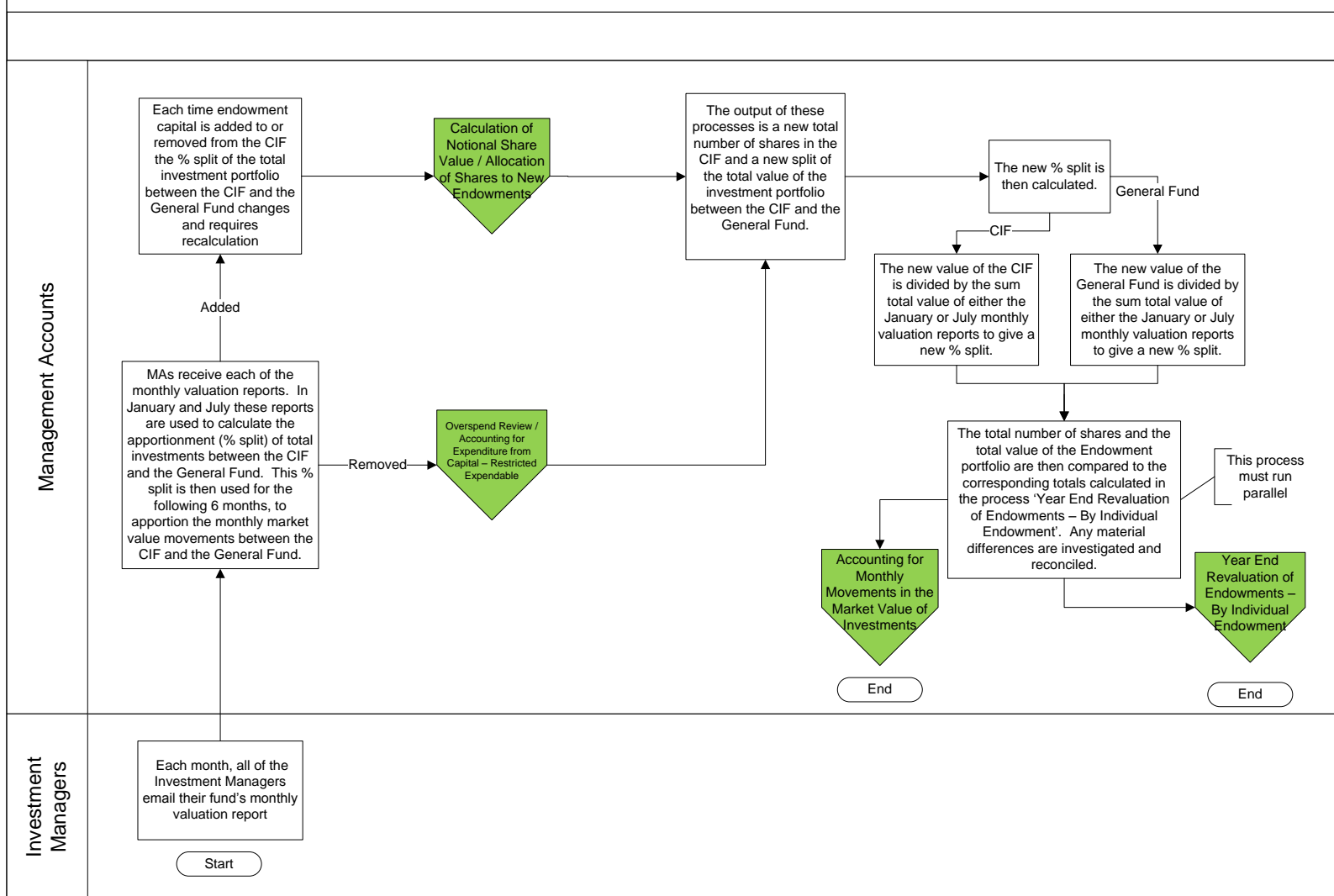
The key measurement of this process is the correct allocation of shares to new endowment investments, based on the new notional share value.

6.13.6 Review

In January and July, Corporate Accounts will review the calculation to confirm the allocation of shares to new endowment investments (based on the new notional share value) is correct.

6.14. Apportionment of Investments between the CIF and the General Fund

Apportionment of Investments between the CIF & the General Fund 6.14



6.14.1. Description

The key output of this process is to correctly calculate the % split of investments between the CIF and the General Fund. This % split is then used for the following 6 months to apportion the monthly market value movements between the two.

Each time endowment capital is added to or removed from the CIF, the % split of the total investment portfolio (between the CIF and the General Fund) changes and requires recalculation.

After the 'Calculation of Notional Share Value / Allocation of Shares to New Endowments' process and the 'Overspend Review / Accounting for Expenditure' process have been performed, the output of these processes is a new total number of shares in the CIF and a new split of the total value of the investment portfolio between the CIF and the General Fund.

The new value of the CIF is divided by the sum total value of the relevant month's valuation reports (either January or July), to give a new % split. Then the new value of the General Fund is divided by the sum total value of the relevant month's valuation reports (either January or July), to give a new % split.

6.14.2. Inputs

- The new split of the total monetary value of the investment portfolio between the CIF and the General Fund
- The January or July monthly fund valuation reports, emailed by the Investment Managers

6.14.3. Outputs

- The new % split of investments between the CIF and the General Fund
-

6.14.4. Criteria

The new % split can only be calculated once the 'Calculation of Notional Share Value / Allocation of Shares to New Endowments' process and the 'Overspend Review / Accounting for Expenditure' process have been performed.

In July, the 'Year End Revaluation of Endowments – By Individual Endowment' process needs to run parallel to this process. The total number of shares and the total value of the investment portfolio per the two processes are to be compared, and any material differences investigated and reconciled.

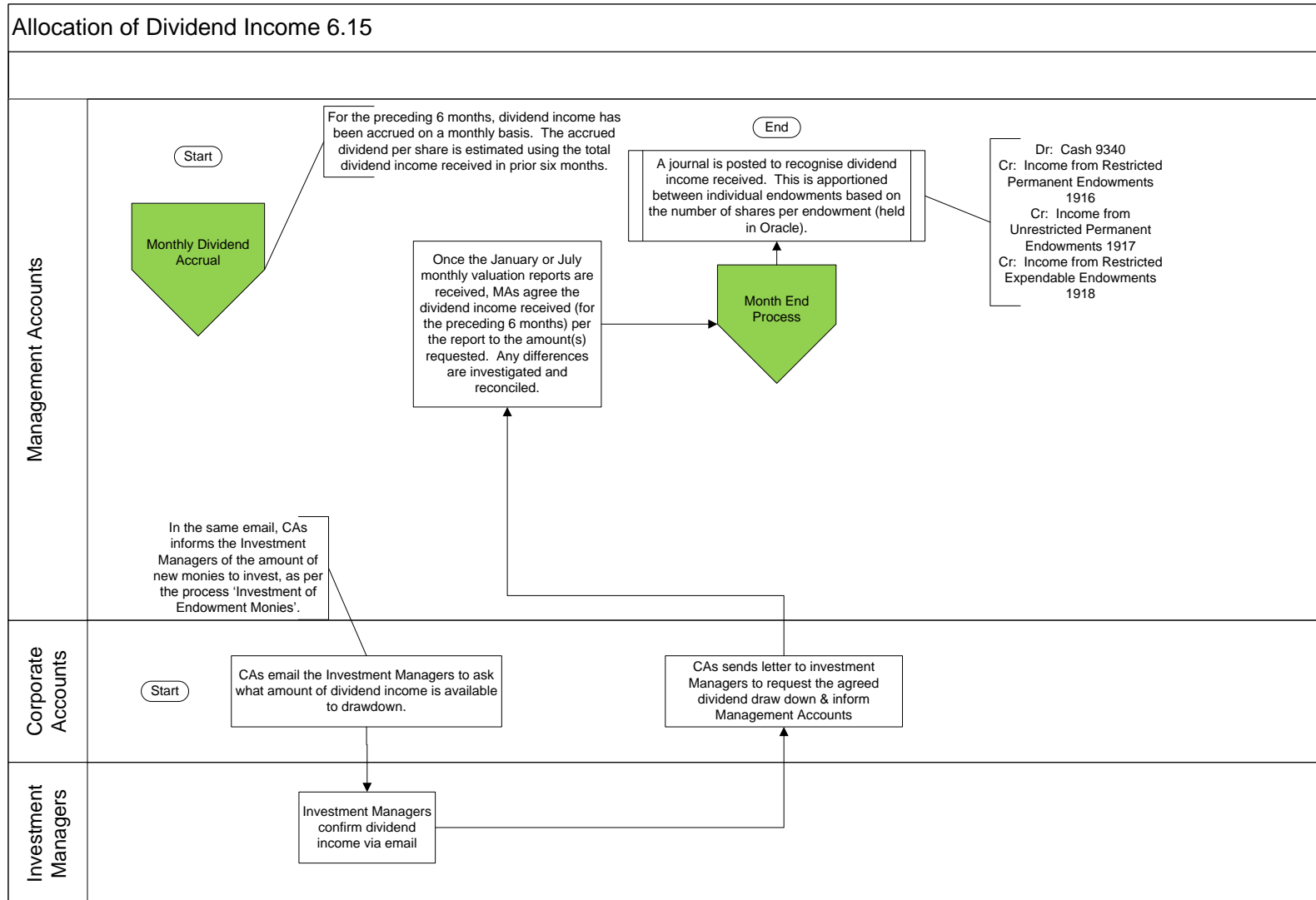
6.14.5. Key Measures

The key measurement of this process is the correct calculation of the % split of investments between the CIF and the General Fund.

6.14.6. Review

In January and July, Corporate Accounts will review the calculation to confirm the new % split of investments between the CIF and the General Fund is correct.

6.15. Allocation of Dividend Income



6.15.1. Description

The key output of this process is to allocate dividend income received (for the prior 6 months), by individual endowment.

Via email, Management Accounts confirm with the Investment Manager(s) the amount of dividend income available to drawdown. Once confirmed, a letter is sent to the Investment Manager(s) to request the agreed dividend drawdown amount.

Once the dividend is received (and agreed to either the January or July monthly valuation reports, as per the 'Criteria' section below), a journal is posted to recognise this dividend income. This is apportioned between individual endowments based on the number of shares per endowment (held in Oracle).

6.15.2. Inputs

- The correspondence between Management Accounts, and the Investment Managers
- The January or July monthly fund valuation reports, emailed by the Investment Managers
- The number of shares per endowment (held in Oracle)

6.15.3. Outputs

- An Oracle journal, to recognise dividend income received for the prior 6 months (by individual endowment)

6.15.4. Criteria

Management Accounts need to confirm that the total dividend income received per the monthly valuation reports (January or July) agrees to the total amount stated in the Investment Manager(s)' email(s). Any differences between the two should be investigated and resolved.

6.13.1. Accounting Transactions

| | | | SOCI | B/S |
|---|------|--|------|-----|
| To allocate Dividend Income Received | | | | |
| Dr: Cash | 9340 | | | X |
| Cr: Income from Restricted Permanent Endowments | 1916 | | (X) | |
| Cr: Income from Unrestricted Permanent Endowments | 1917 | | (X) | |
| Cr: Income from Restricted expendable Endowments | 1918 | | (X) | |

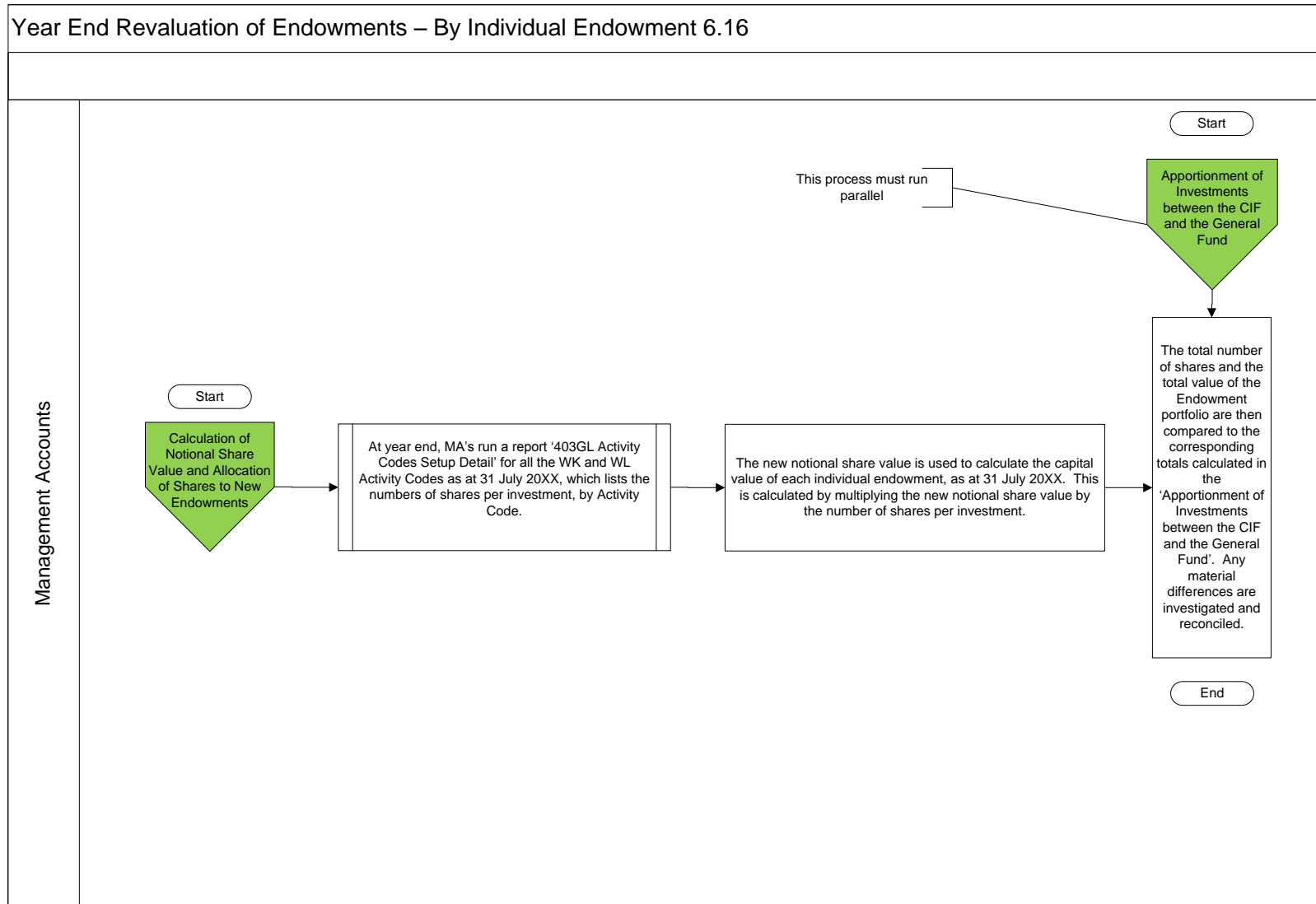
6.15.5. Key Measures

The key measurement of this process is the correct allocation of dividend income received, by individual endowment.

6.15.6. Review

In January and July, Corporate Accounts will review the Oracle journal to confirm that the allocation of dividend income received (by individual endowment) is correct.

6.16. Year End Revaluation of Endowments – By Individual Endowment



6.16.1. Description

The key output of this process is to correctly calculate the year end capital value of each individual endowment.

Management Accounts run report '403 GL Activity Codes Set Up Detail' (on all WK and WL activity codes) to list the number of shares per investment. Using the July new notional share value, the year end capital value of each individual endowment is calculated by multiplying the new notional share value by the number of shares per investment.

6.16.2. Inputs

- '403 GL Activity Codes Set Up Detail' report for all the WK and WL activity codes as at 31 July 20XX
- The new notional share value, as at 31 July 20XX

6.16.3. Outputs

- A detailed breakdown (held in Excel) of the year end capital value of each individual endowment

6.16.4. Criteria

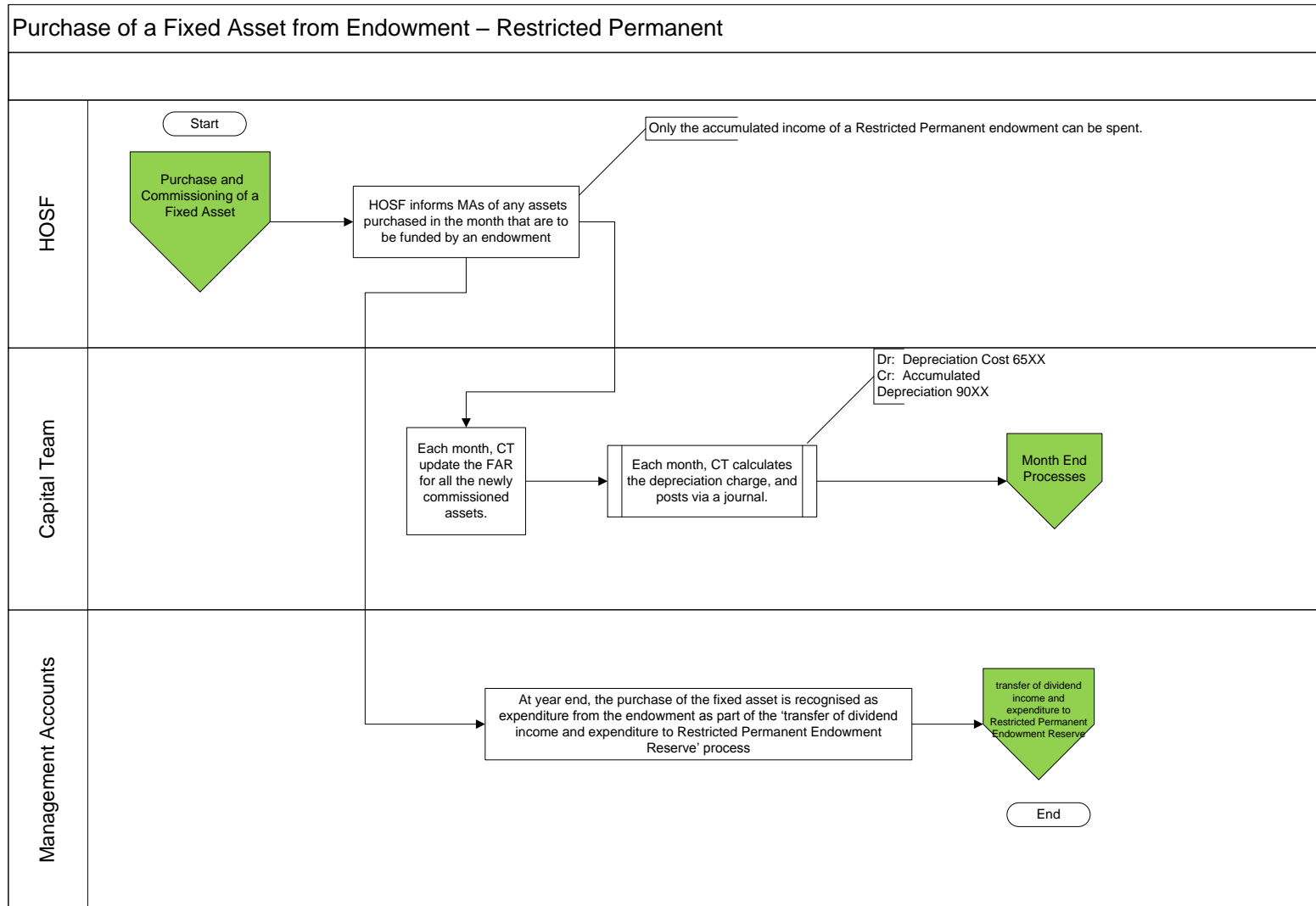
This process can only be performed, once the July 'Calculation of Notional Share Value and Allocation of Shares to New Endowments' process has been performed.

The 'Apportionment of Investments between the CIF and the General Fund' process needs to run parallel to this process. The total number of shares and the total value of the investment portfolio per the two processes are to be compared, and any material differences investigated and reconciled.

6.16.5. Key Measures

The key measurement of this process is the correct calculation of the year end capital value of each individual endowment.

6.17. Purchase of a Fixed Asset from Endowment – Restricted Permanent



6.17.1. Description

The key output of this process is to correctly account for the purchase of a fixed asset from a Restricted Permanent endowment.

Head of School Finance

The Head of School Finance is responsible for informing Management Accounts of any fixed assets purchased in the month that are to be funded by a Restricted Permanent endowment.

Capital Team

The Capital Team are responsible for updating the Fixed Asset Register for all newly commissioned assets. Each month, the Capital Team will calculate the depreciation charge and will post this via a journal.

Management Accounts

Management Accounts are responsible for confirming that all of the fixed assets purchased from Restricted Permanent endowments (as informed by Head of School Finance) have been charged to the correct WK activity code.

At year end, the purchase of the fixed asset is recognised as expenditure from the endowment as part of the 'Transfer of Dividend Income and Expenditure to Restricted Permanent Endowment Reserve' process.

6.17.2. Inputs

- Head of School Finance inform Management Accounts of any fixed assets purchased in the month that are to be funded by a Restricted Permanent endowment

6.17.3. Outputs

- The Capital Team update the Fixed Asset Register for all newly commissioned assets
- Each month, the Capital Team calculate the depreciation charge and post via a journal
- The purchase of the fixed asset is charged to the relevant WK activity code

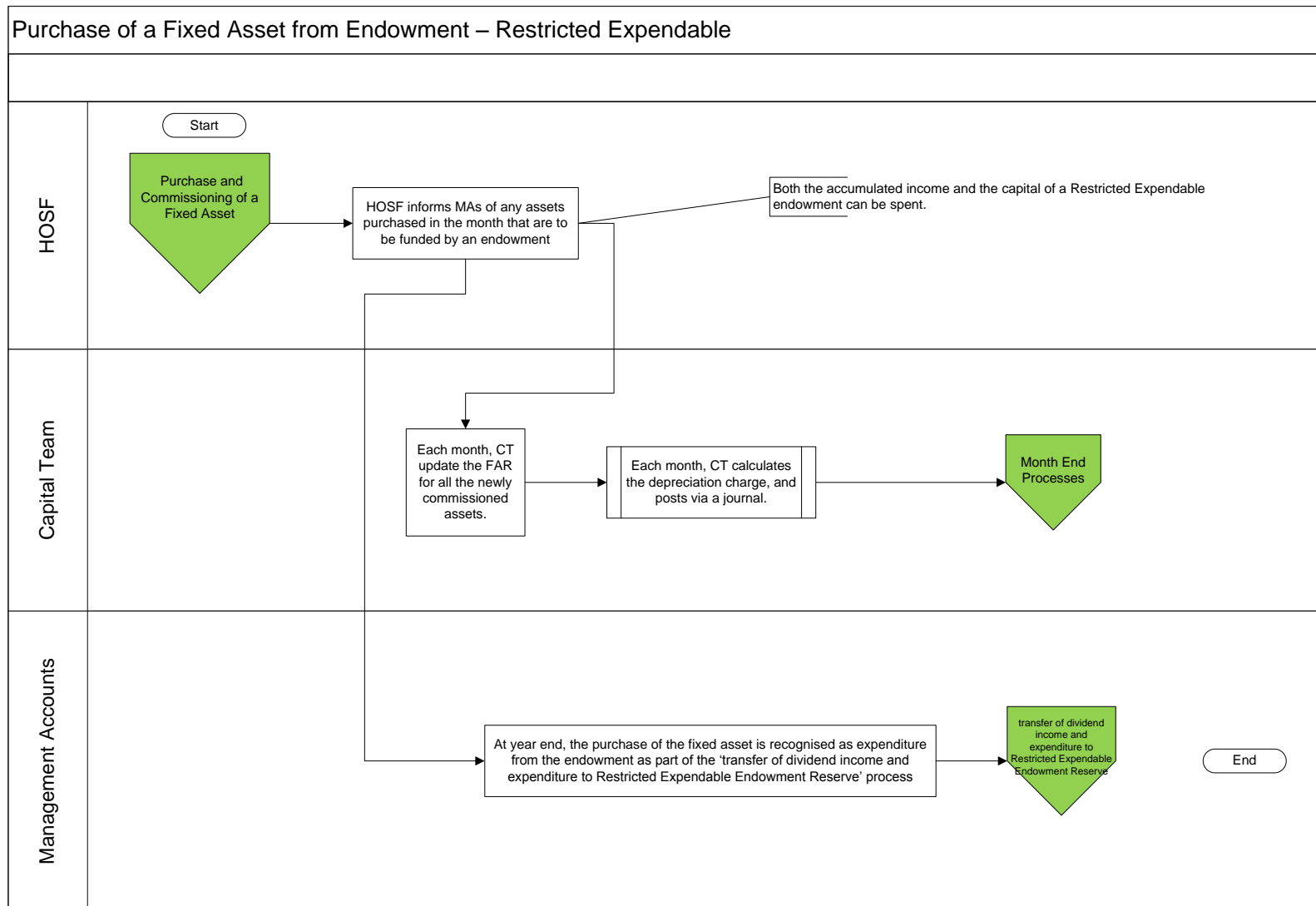
6.17.4. Criteria

Only the accumulated income element of a Restricted Permanent endowment can be used to purchase a fixed asset.

6.17.5. Key Measures

The key measurement of this process is that all fixed assets purchased from Restricted Permanent endowments are charged to the correct WK activity code.

6.18. Purchase of a Fixed Asset from Endowment – Restricted Expendable



6.18.1. Description

The key output of this process is to correctly account for the purchase of a fixed asset from a Restricted Expendable endowment.

Head of School Finance

The Head of School Finance is responsible for informing Management Accounts of any fixed assets purchased in the month that are to be funded by a Restricted Expendable endowment.

Capital Team

The Capital Team are responsible for updating the Fixed Asset Register for all newly commissioned assets. Each month, the Capital Team will calculate the depreciation charge and will post this via a journal.

Management Accounts

Management Accounts are responsible for confirming that all of the fixed assets purchased from Restricted Expendable endowments (as informed by Head of School Finance) have been charged to the correct WK activity code.

At year end, the purchase of the fixed asset is recognised as expenditure from the endowment as part of the 'Transfer of Dividend Income and Expenditure to Restricted Expendable Endowment Reserve' process.

6.18.2. Inputs

- Head of School Finance inform Management Accounts of any fixed assets purchased in the month that are to be funded by a Restricted Expendable endowment

6.18.3. Outputs

- The Capital Team update the Fixed Asset Register for all newly commissioned assets
- Each month, the Capital Team calculate the depreciation charge and post via a journal
- The purchase of the fixed asset is charged to the relevant WK activity code

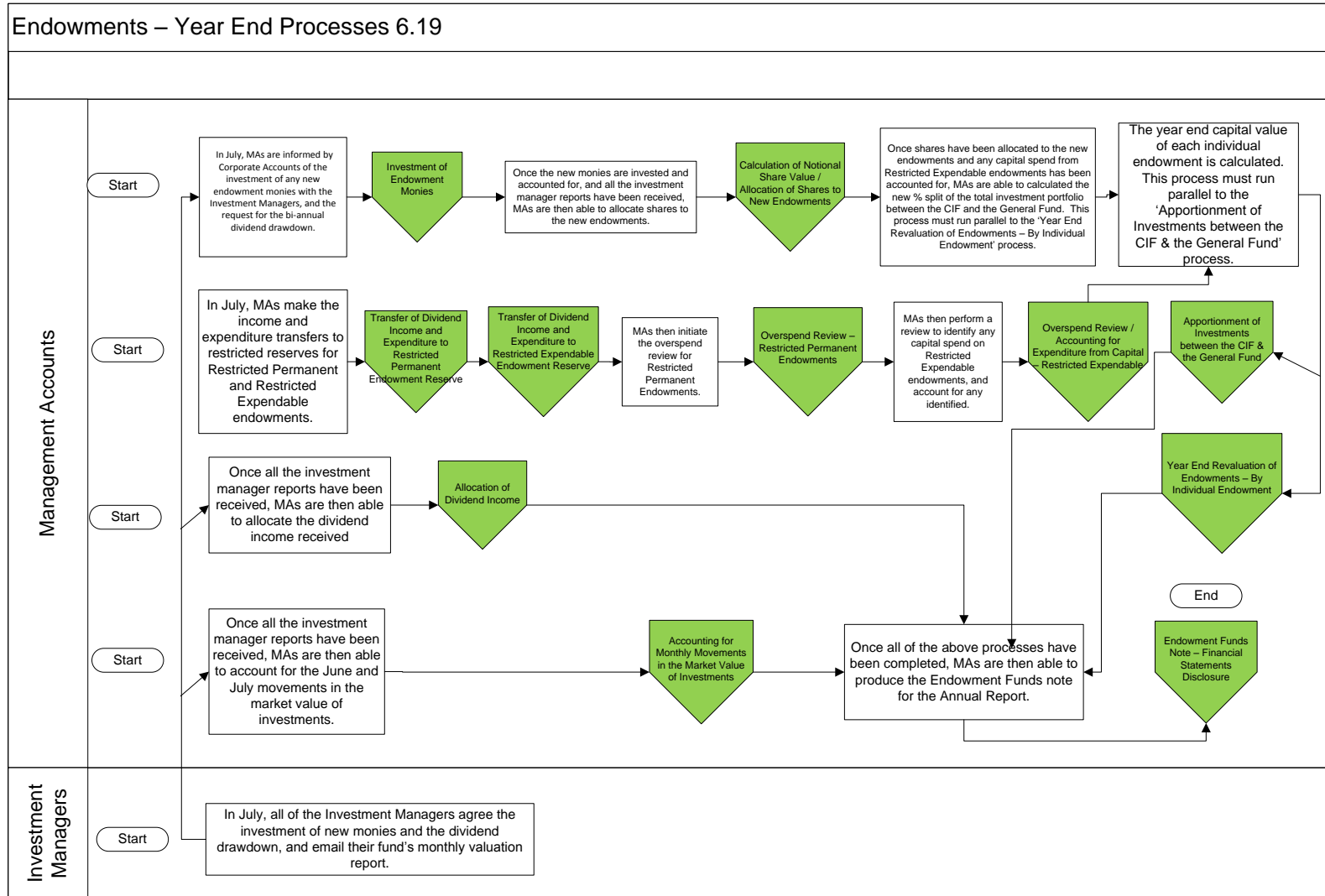
6.18.4. Criteria

Both the accumulated income element and the capital element of a Restricted Expendable endowment can be used to purchase a fixed asset.

6.18.5. Key Measures

The key measurement of this process is that all fixed assets purchased from Restricted Expendable endowments are charged to the correct WK activity code.

6.19. Endowments – Year End Processes



6.19.1 Description

The key output of this process is to ensure that all year end endowment processes are completed in the correct order, so that the 'Endowment Funds' note for the Annual Report can be produced.

6.19.2 Inputs

- The July correspondence between Management Accounts, the Investment Manager(s) and Treasury
- The July monthly fund valuation reports, emailed by the Investment Managers

6.19.3 Outputs

- All year end endowment transactions recorded in Oracle

6.19.4 Criteria

The year end endowment processes can be grouped and ordered as follows:

New Investments

- Investment of Endowment Monies
- Calculation of Notional Share Value / Allocation of Shares to New Endowments

Accumulated Income

- Allocation of Dividend Income

Transfer to Restricted Reserves / Overspend Review / Expenditure from Capital

- Transfer of Dividend Income and Expenditure to Restricted Permanent Endowment Reserve
- Transfer of Dividend Income and Expenditure to Restricted Expendable Endowment Reserve
- Overspend Review – Restricted Permanent Endowments
- Overspend Review / Accounting for Expenditure from Capital – Restricted Expendable

Capital

- Apportionment of Investments between the CIF and the General Fund *
- Year End Revaluation of Endowments – By Individual Endowment *

* Please note: these two processes should be performed in parallel

Movements in Market Value

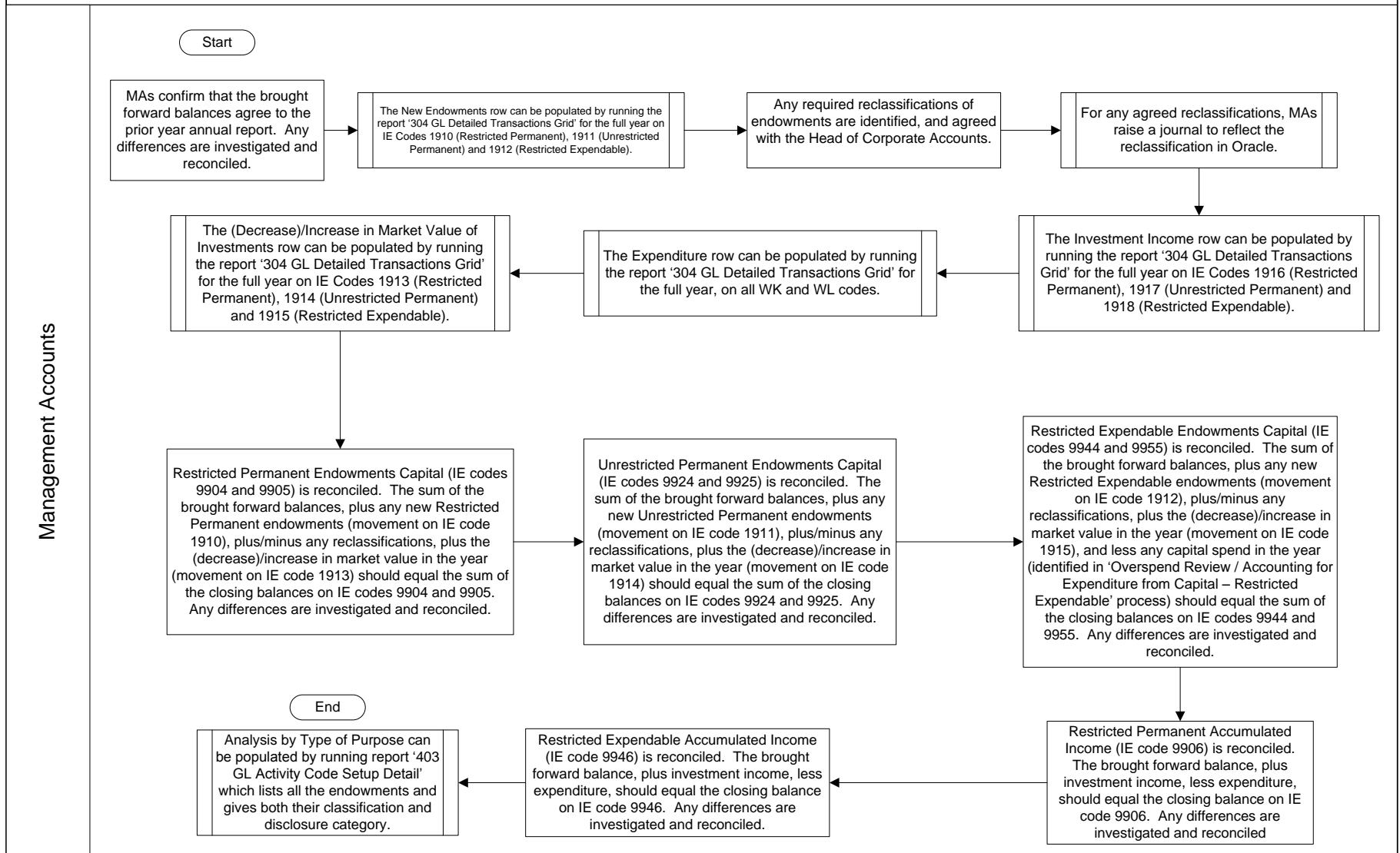
- Accounting for Monthly Movements in the Market Value of Investments

6.19.5 Key Measures

The key measurement of this process is that all endowment transactions in the year are captured and accounted for correctly.

6.20. Endowments Fund Note – Financial Statements Disclosure

Endowments Funds Note – Financial Statements Disclosure 6.20



6.20.1. Description

The key output of this process is to produce the 'Endowment Funds' note for the Annual Report.

Opening Balances (Capital and Accumulated Income)

Management Accounts to confirm that the brought forward TB balances agree to the prior year Annual Report. Any differences are to be investigated and reconciled.

New Endowments

This row of the note can be populated by running the report '304 GL Detailed Transactions Grid' on IE codes 1910 (Restricted Permanent), 1911 (Unrestricted Permanent) and 1912 (Restricted Expendable).

Reclassification of Endowments

Any required reclassifications of endowments are identified, and agreed with the Head of Corporate Finance. For any agreed reclassifications, Management Accounts post a journal to Oracle to recognise the reclassification.

Investment Income

This row of the note can be populated by running the report '304 GL Detailed Transactions Grid' on IE codes 1916 (Restricted Permanent), 1917 (Unrestricted Permanent) and 1918 (Restricted Expendable).

Expenditure

This row of the note can be populated by running the report '304 GL Detailed Transactions Grid' on all expenditure codes (excluding depreciation), for all WK codes.

Increase / (Decrease) in Market Value of Investments

This row of the note can be populated by running the report '304 GL Detailed Transactions Grid' on IE codes 1916 (Restricted Permanent), 1917 (Unrestricted Permanent) and 1918 (Restricted Expendable).

Closing Balances (Capital and Accumulated Income)

Opening to closing balances are to be reconciled, as follows:

- **Restricted Permanent Capital – (IE codes 9904 and 9905)** is reconciled. The sum of the brought forward balances, plus any new Restricted Permanent endowments (movement on IE code 1910), plus/minus any reclassifications, plus the (decrease)/increase in market value in the year (movement on IE code 1913) should equal the sum of the closing balances on IE codes 9904 and 9905. Any differences are to be investigated and reconciled.
- **Unrestricted Permanent Capital – (IE codes 9924 and 9925)** is reconciled. The sum of the brought forward balances, plus any new Unrestricted Permanent endowments (movement on IE code 1911), plus/minus any reclassifications, plus the (decrease)/increase in market value in the year (movement on IE code 1914) should equal the sum of the closing balances on IE codes 9924 and 9925. Any differences are to be investigated and reconciled.
- **Restricted Expendable Capital – (IE codes 9944 and 9955)** is reconciled. The sum of the brought forward balances, plus any new Restricted Expendable endowments (movement on IE code 1912), plus/minus any reclassifications, plus the (decrease)/increase in market value in the year (movement on IE code 1915), and less any capital spend in the year (identified in 'Overspend Review / Accounting for Expenditure from Capital – Restricted Expendable' process) should equal the sum of the closing balances on IE codes 9944 and 9955. Any differences are to be investigated and reconciled.

- **Restricted Permanent Accumulated Income - (IE code 9906)** is reconciled. The brought forward balance, plus investment income, less expenditure*, should equal the closing balance on IE code 9906. Any differences are to be investigated and reconciled.
- **Restricted Expendable Accumulated Income - (IE code 9946)** is reconciled. The brought forward balance, plus investment income, less expenditure*, should equal the closing balance on IE code 9946. Any differences are to be investigated and reconciled.

* Excluding the capital spend element identified in the Capital reconciliation.

Analysis By Type of Purpose

This row of the note can be populated by running the report '403 GL Activity Codes Set Up Detail'. This provides a detailed breakdown of endowments, listing both their classification and disclosure category.

6.20.2. Inputs

- Prior year TB closing balances (agreed to prior year Annual Report)
- '304 GL Detailed Transactions Grid' – IE codes 1910, 1911 and 1912
- '304 GL Detailed Transactions Grid' – IE codes 1916, 1917 and 1918
- '304 GL Detailed Transactions Grid' – all expenditure IE codes, excluding depreciation
- '304 GL Detailed Transactions Grid' – IE codes 1913, 1914 and 1915
- '403 GL Activity Codes Set Up Detail'

6.20.3. Outputs

- 'Endowment Funds' note for the Annual Report

6.20.4. Criteria

If all endowment transactions in the year have been posted correctly, once all the steps above have been completed, the note should reconcile. Any differences are to be investigated and resolved.

6.20.5. Key Measures

The key measurement of this process is that the TB Endowment Reserves opening balances can be fully reconciled to the TB Endowment Reserves closing balances and there are no differences between the TB balances and the corresponding balances in the Annual Report.

6.20.6. Review

In July, Corporate Accounts will review the Endowments Fund Note for completeness and accuracy, through review of all supporting working papers and reconciliations. To confirm that the TB Endowment Reserves opening balances can be fully reconciled to the TB Endowment Reserves closing balances and there are no differences between the TB balances and the corresponding balances in the Annual Report.

7. Sign Off Sheet

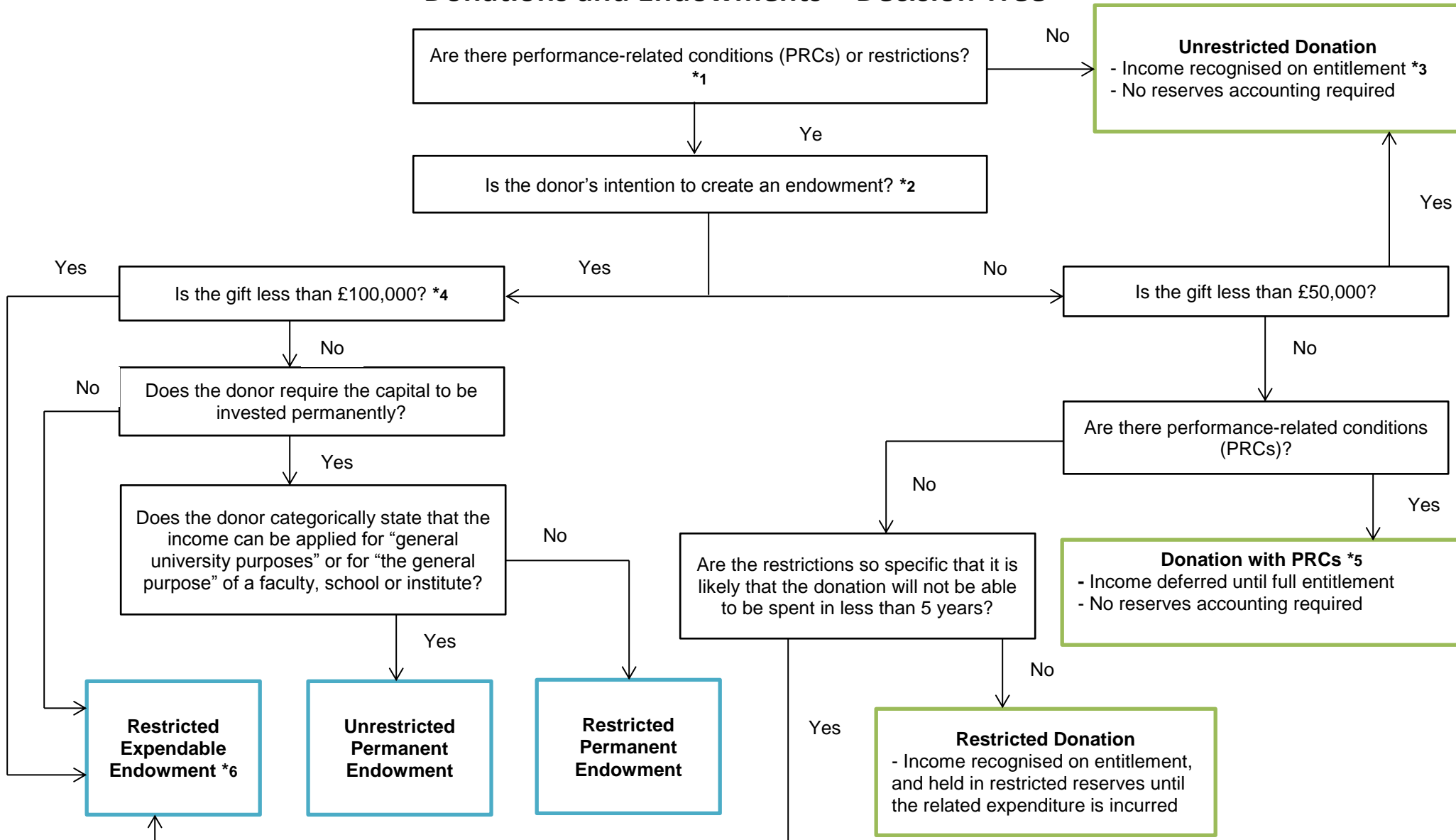
All the above processes have been reviewed and it is agreed that this will be the set of endowment processes that Management Accounts will use to account for endowments.

| | | |
|--------------------|------|--------|
| Department Manager | Date | Signed |
|--------------------|------|--------|

| | | |
|-----------------|------|--------|
| Project Manager | Date | Signed |
|-----------------|------|--------|

8. Appendix 1

Donations and Endowments – Decision Tree



8.1. Notes

1. Please see Appendix A of 'Donations and Endowments De Minimis Threshold' paper for definitions of these terms (when used in the context of donations and endowments).
2. An endowment is a form of charitable trust, which is created if a donor expresses their intention for the gift to be used to establish an endowment fund.
3. Entitlement is considered to be on receipt, except for legacy donations, when entitlement is considered to be once probate has been granted, the gift purpose agreed, and the gift acceptance process completed.
4. If a gift to establish a restricted permanent endowment of less than £100,000 is offered, DDAR will liaise with the donor or executors wherever possible to agree an alternative gift model.
5. It is expected that donations with performance-related conditions will be rare. Please see Appendix A of 'Donations and Endowments De Minimis Threshold' paper.
6. Any proposed restricted expendable endowments less than £100,000 must be approved by Finance Sub Committee.

9. Appendix 2 – Endowments IE Codes

| <u>Statement</u> | <u>IE Code</u> | <u>Description</u> |
|-------------------------------|----------------|--|
| | | |
| Investments | | |
| Balance Sheet | 9070 | University Investments Cost |
| Balance Sheet | 9072 | Investments Market Value Gain/Loss |
| | | |
| Restricted Permanent | | |
| Balance Sheet | 9904 | Transfer to Permanent Restricted Endowment Reserve in respect of Capital |
| Balance Sheet | 9905 | Transfer to Permanent Restricted Endowment Reserve in respect of Market Value Adjustment |
| Balance Sheet | 9906 | Unspent Accumulated Income on Permanent Restricted Endowments |
| | | |
| Unrestricted Permanent | | |
| Balance Sheet | 9924 | Transfer to Permanent Unrestricted Endowment Reserve in respect of Capital |
| Balance Sheet | 9925 | Transfer to Permanent Unrestricted Endowment Reserve in respect of Market Value Adjustment |
| | | |
| Restricted Expendable | | |
| Balance Sheet | 9944 | Transfer to Restricted Expendable Endowment Reserve in respect of Capital |
| Balance Sheet | 9945 | Transfer to Restricted Expendable Endowment Reserve in respect of Market Value Adjustment |
| Balance Sheet | 9946 | Unspent Accumulated Income on Restricted Expendable Endowments |
| | | |
| Unrestricted Reserves | | |
| Balance Sheet | 9984 | Transfer to Endowment Reserve in respect of New Endowment Capital |
| Balance Sheet | 9985 | Transfer to Endowment Reserve in respect of Market Value Adjustment |
| Balance Sheet | 9986 | Transfer of Unspent Income to Restricted Endowment Reserves |

| <u>Statement</u> | <u>IE Code</u> | <u>Description</u> |
|--------------------------|----------------|---|
| | | - |
| New Endowments | | |
| SOCI | 1910 | New Permanent Restricted Endowments Received |
| SOCI | 1911 | New Permanent Unrestricted Endowments Received |
| SOCI | 1912 | New Restricted Expendable Endowments Received |
| | | |
| Market Value Adj. | | |
| SOCI | 1913 | Permanent Restricted Endowments - Market Value Adjustment |
| SOCI | 1914 | Permanent Unrestricted Endowments - Market Value Adjustment |
| SOCI | 1915 | Restricted Expendable Endowments - Market Value Adjustment |
| | | |
| Dividend Income | | |
| SOCI | 1916 | Income from Restricted Permanent Endowments |
| SOCI | 1917 | Income from Unrestricted Permanent Endowments |
| SOCI | 1918 | Income from Restricted expendable Endowments |
| | | |

10. Appendix 3 – Endowments Review Template

| Process Map No. | Map Name | Review Due | Purpose of Review | Reviewer 1 | Signature | Date Reviewed | Reviewer 2 | Signature | Date Reviewed |
|-----------------|--|------------|--|----------------------|-----------|---------------|----------------------------|-----------|---------------|
| 6.1 | Gift Initiation | January | To review a sample of 3 new endowments to confirm classification is correct, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree' | Corporate Accountant | | | | | |
| 6.5 | Creation of New Endowment Activity Code | January | To review a sample of 3 new endowment activity codes to confirm completeness and accuracy of information recorded in Oracle, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree' | Corporate Accountant | | | | | |
| 6.11 | Accounting for Monthly Movements in the Market Value of Investments | January | To review a sample of 3 of the preceding 6 monthly journals, to confirm that the total market value movement in the month is correctly calculated, and correctly split between the categories | Corporate Accountant | | | | | |
| 6.13 | Calculation of Notional Share Value/Allocation of Shares to New Endowments | January | To review the January calculation to confirm the allocation of shares to new endowment investments (based on the new notional share value) is correct | Corporate Accountant | | | | | |
| 6.14 | Apportionment of Investments between the CIF and the General Fund | January | To review the January calculation to confirm the new % split of investments between the CIF and the General Fund is correct | Corporate Accountant | | | | | |
| 6.15 | Allocation of Dividend Income | January | To review the January journal to confirm that the allocation of dividend income received (by individual endowment) is correct | Corporate Accountant | | | | | |
| 6.1 | Gift Initiation | July | To review a sample of 3 new endowments to confirm classification is correct, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree' | Corporate Accountant | | | | | |
| 6.5 | Creation of New Endowment Activity Code | July | To review a sample of 3 new endowment activity codes (all flexfields) to confirm completeness and accuracy of information recorded in Oracle, with reference to the Gift Agreement and 'Donations and Endowments – Decision Tree'. | Corporate Accountant | | | | | |
| 6.11 | Accounting for Monthly Movements in the Market Value of Investments | July | To review a sample of 3 of the preceding 6 monthly journals, to confirm that the total market value movement in the month is correctly calculated, and correctly split between the categories | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.13 | Calculation of Notional Share Value/Allocation of Shares to New Endowments | July | To review the July calculation to confirm the allocation of shares to new endowment investments (based on the new notional share value) is correct | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.14 | Apportionment of Investments between the CIF and the General Fund | July | To review the July calculation to confirm the new % split of investments between the CIF and the General Fund is correct | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.15 | Allocation of Dividend Income | July | To review the July journal to confirm that the allocation of dividend income received (by individual endowment) is correct | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.9 | Overspend Review – Restricted Permanent Endowments | July | To review any remaining debit balances on individual restricted permanent activity codes on IE code 9906 to confirm they can be adequately explained | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.10 | Overspend Review/Accounting for Expenditure from Capital – Restricted Expendable | July | To review journal to confirm all spend from the capital element of restricted expendable endowments is correctly accounted for (i.e. no remaining debit balances at year end) and that the 'Apportionment of Investments between the CIF and the General Fund' calculation is updated correctly | Corporate Accountant | | | Head of Corporate Accounts | | |
| 6.16 | Year End Revaluation of Endowments – By Individual Endowment | July | To review Excel detailed breakdown to confirm calculation of the year end capital value (by individual endowment) is correct | Corporate Accountant | | | | | |
| 6.20 | Endowments Fund Note – Financial Statements Disclosure | July | To review the Endowments Fund Note for completeness and accuracy, through review of all supporting working papers and reconciliations. To confirm that the TB Endowment Reserves opening balances can be fully reconciled to the TB Endowment Reserves closing balances and there are no differences between the TB balances and the corresponding balances in the Annual Report | Corporate Accountant | | | Head of Corporate Accounts | | |