

VCU Qatar Financial and Administrative Procedures for Recording Transactions in University and State Financial Systems

Responsible Office:

Office of the Senior Vice
President for Finance and
Administration

The following procedures relate to VCU Qatar Campus (VCU-Q) transactions that are to be recorded in University and State Financial Systems. There is a separate VCU Qatar Financial and Administrative Policies and Procedures document for activity in VCU-Q.

1. Revenues and expenditures are to be recorded in the University's Financial Records System (Educational and General Programs ledger 1) and the State's Commonwealth Accounting and Reporting System (CARS) by Agency Transaction Vouchers (program 110-91). The activity will be recorded in 1-9XXXX accounts in the University financial system.
2. There are three distinct types of Qatar program-related activity:

Direct program support: This category includes expenditures made from the VCU Campus in support of the VCU-Q program, such as base compensation for VCU faculty in Qatar.

Qatar program support: This category includes expenditures paid from the VCU-Q local bank account.

Within 5 business days¹ of each month-end, VCU-Q will provide by e-mail to VCU Financial Reporting and Analysis a summary of the funds on-hand and on-deposit. The analysis shall be in a format determined by Financial Reporting and Analysis and provide the beginning balance of funds, revenues by source, expenditures by category and fund balance at the end of the month. The VCU-Q Dean shall certify this summary. Financial Reporting and Analysis will prepare the necessary journal entries to reflect the transactions in the University's financial records and CARS. Such transactions shall be recorded so that there is no duplication of expenses reported.

Management Fee: This category includes the management fee, which is provided to VCU. The management fee shall be credited as a recovery to E&G operating expenses from the VCU-Q account to compensate state supported activities for services provided.

¹ Note, the Qatari business is Sunday through Thursday. In addition, there is a 7-8 hour time difference.

3. Revenue and expenditure budgets will be loaded into a budget holding account for the 1-9XXXX account activity, which will not contain actual revenues or expenditures.

The budget balance is determined by subtracting expenditures from the revenues. Balances will be carried forward from the prior year subject to State approval and are to be recorded as State Appropriations (non-general), object code 0211. No budget transfers may be made to or from these accounts. Non-mandatory transfers from these accounts to other E&G accounts are allowed. Non-mandatory transfers to these accounts from other State accounts are not allowed.

Spending must be timed so that expenditures do not exceed revenues received. The School of the Arts is responsible for any revenue versus expenditure deficits, which must be paid from non-general fund sources.

4. No expenses related to the VCU-Q program are to be paid using State general funds. Therefore, all Qatar program expenditures must be charged to either the E&G direct program accounts or the management fee (both of which are funded by the Qatar Foundation and are non-general funds) or from University and/or School of the Arts local funds. No other Qatar program expenses are to be paid from E&G funds.

WHO SHOULD READ THIS POLICY:

- Finance and Administration Staff
- School of the Arts Staff
- Office of the Provost
- Audit and Management Services Staff

RELATED DOCUMENTS:

2002-04 Appropriation Act
Code of Virginia
Commonwealth Accounting Policies and Procedures (CAAP) Manual
Guidance from the Secretary of Administration
Guidance from the Secretary of Education
Guidance from the Secretary of Finance
Qatar Foundation for Education, Science, and Community Development
and Virginia Commonwealth University Agreement to Establish and
Operate the Virginia Commonwealth University in Qatar
University Policies and Procedures
VCU Qatar Financial and Administrative Policies and Procedures

CONTACTS:

The Office of the Senior Vice President for Finance and Administration is responsible for providing official interpretation of this procedure related to financial and administrative matters.

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DEFINITIONS:

CARS	Commonwealth Accounting and Reporting System (CARS) is the accounting system of the Commonwealth of Virginia.
FRS	Financial Records System (FRS) is the official accounting system of the University.
In-Kind Services	These are services required for the operation of the VCU-Q that are not provided by expenditures from either the VCU Campus or the VCU-Q bank account. Examples would be services furnished by the Foundation in the form of the free use of facilities and equipment, the provision of support staff or consumable supplies. In-kind services should be valued at the current market value for similar services purchased on the open market.

1-9XXXX Accounts A series of accounts in E&G, which begins with account number 1-90000. This group of accounts is also referred to as dedicated revenue accounts. Spending is limited to revenues generated.