

# *Fund Sources & Payment Types*

*Updated April 2020*

# Fund Sources

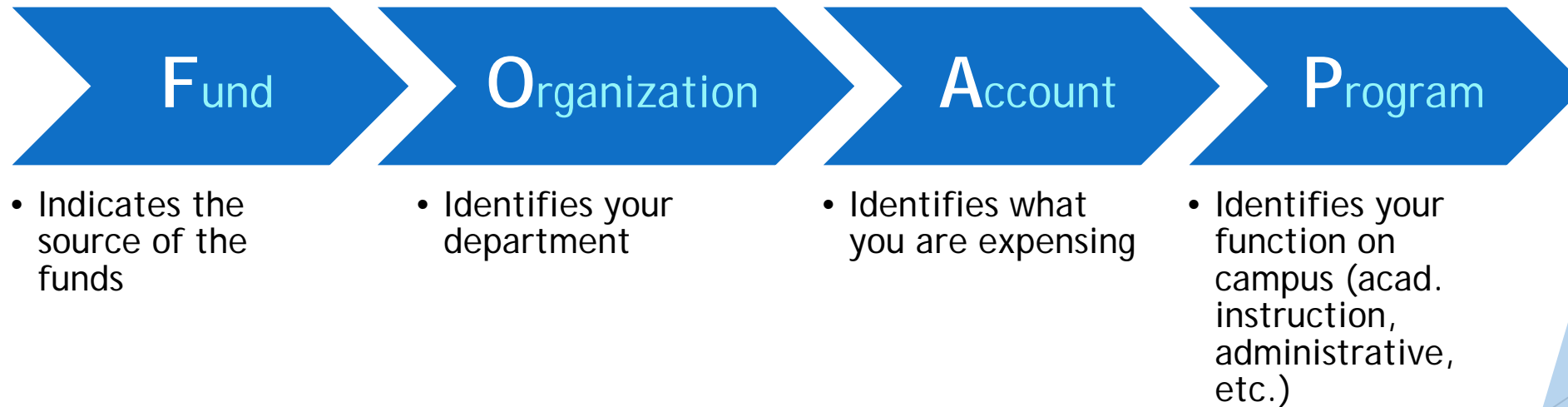
The University purchases and pays for a variety of goods and services through different sources of funds:

- ▶ **State Funds** - funds allocated to the University by the state through the General Assembly budget process
- ▶ **Non-State or “Local” Funds** - funds generated by revenue from sources other than tuition, state appropriation, or Federal sources. These funds are deposited and disbursed through UMW’s local bank account(s)
  - ▶ **Agency Funds** - a special type of Non-State Fund where monies are held in a custodial capacity for students, faculty, staff, and organizations and come from money raised through camp dues, membership fees, team fund raising efforts, etc.
- ▶ **Foundation Funds** - funds approved for use by the UMW Foundation that are not subject to state laws and regulations

Purchases and payment requirements are partially dictated by the fund source.

# How do I know what the source(s) of my funds are?

- ▶ The string of accounting codes ([Chart of Accounts](#)) is a structure of codes used for the classification, budgeting, recording, and reporting of financial transactions.
- ▶ The elements that make up this string of numbers, or “FOAP,” are what you use for allocating a transaction or expense and will give you indication of the fund source.



You may hear it referred to as FOAPAL, which includes Activity and Location codes, but are seldom used.

# Chart of Accounts

The TESS [Chart of Accounts](#) website provides a great resource on Fund sources.

State Funds		
11xx	1557	3511
1552	1557AS	8910
1552AS	2xxxx <sup>2</sup>	8911
1556M	3111	9xxxx

*\*These charts are used for examples only and the funds within the tables may change from time to time. Check the [Chart of Accounts](#) website for the most up-to-date and accurate information.*

Non-State Funds		
15xx <sup>1</sup>	2xxxx <sup>2</sup>	3556
1560	3512	8xxx <sup>3</sup>

<sup>1</sup> Unless otherwise indicated as a state fund on the left, 15xx funds are typically non-state funds

<sup>2</sup> 2 funds can be classified as state, non-state, or federal. Check the [Fund Type and Card Use website](#) for details.

<sup>3</sup> Unless otherwise indicated as a state fund, 8 funds are Agency funds.

# Fund Source and Payment Types

Your Fund code also indicates what payment type(s) you may or may not use for that particular transaction.

- ▶ The University maintains a [Fund Type and Card Use](#) listing of all fund sources and what payment type may be used with that particular fund.

The University uses the following Payment Types to pay for goods and services:

- ▶ Charge Card
  - ▶ Small Purchase Charge Card "SPCC" (State Funds - payments less than \$10,000)
  - ▶ Gold Card (State Funds - payments between \$10,000 - \$50,000)
  - ▶ UMW Finance Card (Non-State & Agency Funds)
  - ▶ Foundation Card (Foundation Funds)
- ▶ Check/Direct Pay (State & Non-State<sup>1</sup> Funds)
- ▶ ACH - direct fund transfer between UMW and vendor banks. \*The vendor must be [registered with the state for ACH payments \(Electronic Data Interchange "EDI"\)](#).



The decision to use a credit card or issue check payment depends on the payment types the vendor accepts, and the amount of the transaction.

<sup>1</sup>If the fund source is non-state funds and the vendor is registered for EDI with the state, the vendor will be paid by check.

# University Charge Card Differences

It is your responsibility as a buyer to understand the differences between payment types, including when to use the different types of credit cards. The previous slide touched on some of the differences between the use of the credit cards. Review the differences again below:

## Small Purchase Charge Cards (SPCC)

Must only be used for purchases being paid for with State Funds.

Administered and managed by the UMW SPCC Program Administrators within the Procurement Services department

Used for individual payments less than \$10,000.

## Gold Cards

Must only be used for purchases being paid for with State Funds.

Administered and managed by the Department of Accounts (DOA).

Used for individual payments over \$10,000 and under \$50,000.

## Finance Cards

Must only be used for purchases being paid for with Non-State/Local Funds.

Administered and managed by the Finance Card Program Admins within the Accounts Payables department.

Finance cards may be assigned to campus buyers or checked out at the Cashier's Office in Lee Hall for less frequent needs.

# Exercise 1

## Scenario:

Your department needs to purchase some office supplies and you are using the following FOAP: 1111-209876-71312-10640. The total cost of the office supplies is \$58.27 and the vendor accepts credit cards as payment.

## Question:

What is funding source and what payment method should you use?

Go to the next slide to show the answer.

# Exercise 1

Answer:

Fund code 1111 is a State Fund. You should use the SPCC charge card payment method.



# Exercise 2

Scenario:

I noticed that I paid a vendor with my SPCC when I needed to pay with the Finance Card. What do I do?

- A. Do nothing and allocate to a different FOAP when the charge hits your statement.
- B. Call the Accounting office to fix things on the back end.
- C. Call the vendor and ask them to credit back your SPCC and charge the Finance Card instead.

Go to the next slide to show the answer.

# Exercise 2

Answer:

C - If you paid for a transaction using your SPCC that is using a non-state fund, you must ask the vendor to credit back your card and pay with a finance card instead. Non-state funds cannot go onto a state-issued card.