

<b>FINANCE</b>  <b>PROCEDURE</b>  <b>MANUAL</b>	<b>TITLE:</b> Foundations – Journal Entries Investment Income and Expense	
	<b>NUMBER:</b> FIN-GRF-008	<b>VERSION:</b> 01
	<b>ISSUED DATE:</b> 12/4/2009	<b>REVISION DATE:</b> 2/12/2013

➤ **Purpose:**

An outline of the process used for recording investment income in Raiser’s Edge.

➤ **Definitions:**

**Financial Edge (FE):** Financial software module integrated with Raiser’s Edge to record all financial transactions.

**Journal Entry (JE):** Recording of financial data (taken usually from a journal voucher) pertaining to a business transaction in a journal such that the debits equal credits.

**Raiser’s Edge (RE):** Software package used to track and account for Pledges and Gifts.

➤ **Responsibility:**

**Foundation Accounting Specialist:** Processes the journal entries in Financial Edge.

**Grants and Restricted Accounting Manager:** Reviews and approves monthly investment income and expense analysis.

➤ **Procedure Details:**

1. Foundation Accounting Specialist records all investment income and expense transactions to the general ledger in Financial Edge on a monthly basis.
  - Foundation Accounting Specialist receives monthly transaction statement from Investment Consultant.

- Foundation Accounting Specialist prepares an analysis of revenues and expenses arising in the month to identify: interest, dividends, gains and losses, and Investment Consultant's fees.
2. The analysis is reviewed and approved by the Grants and Restricted Accounting Manager.
  3. After analysis is approved, the Foundation Accounting Specialist processes the revenues and expenses into each qualifying project in the Financial Edge with the assistance of the Allocation Management System in the Financial Edge.
  4. The Allocation Management System is preprogrammed to automatically distribute the total of each element of revenue and expenditure (e.g., Interest, Dividends, etc.) into each qualifying project, in proportion to the opening balance of the project at the beginning of the month. Income and expenses are shared by projects in Fund 4 (endowments) and Fund 1 (unrestricted) only. Projects in Fund 5 do not qualify.
  5. The Foundation Accounting Specialist updates the Allocation Management System each time a new qualifying project is opened.
  6. At present there are four special allocation modules located in Financial Edge that generate distribution journal entries.
  7. Once the Allocation Management System creates the journal entry, the Foundation Accounting Specialist posts the journal entry to the general ledger.

➤ **References:**

Accounting Manual for Florida's College System:

[http://www.palmbeachstate.edu/finance/Documents/State\\_of\\_FL\\_Acctg\\_Manual.pdf](http://www.palmbeachstate.edu/finance/Documents/State_of_FL_Acctg_Manual.pdf)