

9.31 Establishment of Revolving Accounts

**Purpose:** To provide guidance on establishing revolving accounts at the University.

Revolving accounts are necessary for the operation of the University and include all accounts not considered part of the general educational fund of the University. Included are organized educational activities, current restricted funds, auxiliary enterprises, stores departments, service departments, student loan funds, endowment funds, plant funds, and agency funds.

**Policy Statement:** All revolving accounts are required to be self-supporting. Revolving accounts should maintain a positive cash balance and fund balance unless prior approval is granted by the Controller.

**Procedures:**

To establish a revolving account, a “Request for New Account” form should be obtained from the Forms Repository or requested from Office of Business Operations, and emailed to new-accounts@uni.edu. The Controller will determine whether an account may be established as requested and may discuss with the individual making the request the day-to-day operation of the account.

The “Request for New Account”, when completed, will list the source of funds, the life of the account, a budget for the first year, the staff member responsible, a proposed account title, the account to receive any plus or minus cash balance as of its closing date, and a justification for establishing the account. The Office of Business Operations will provide the account number assigned to the individual requesting the new account.

The pricing structure used in assessing charges to departments, students, or the general public must be stated. Selling prices must be calculated to include all costs, both direct and indirect. In the case of service department accounts, funded depreciation should be included for equipment replacement.

All sales of materials or services must be reported or invoiced with the non-student accounts receivable system within ebusiness. Exception to this rule may be made only upon special approval by the Office of Business Operations.

Accounts will not be established when the intent is to pay all or part of costs from the general education fund and to deposit revenues in a revolving account.

If it appears that a project involves a one-time activity of short duration and low dollar volume, it is likely that the request will be denied and the transactions handled through an existing account.

Purchases made from revolving accounts will not be permitted if they are unrelated to the reason for establishment of the account, if they are considered illegal, or if they involve items on the list of Disallowed Purchases maintained on the Office of Business Operations website.

The “Request of New Account” form must be submitted for organized educational activities, certain auxiliary enterprises, stores, departments, service departments, and agency funds. The
form need not be completed for current restricted funds as University officials have pre-authorized the establishment of accounts by signing the project justifications.

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The Controller will notify the accountholder of the number assigned and the Financial Accounting and Reporting Services employee responsible for monitoring the account.

All revolving accounts are required to be self-supporting. Revolving accounts will be permitted to have a deficit fund balance. (“Fund balance” is defined as the sum of cash balance, merchandise inventory, and accounts receivable less accounts payable.)