

GENERAL

Fund accounts are used to account for the finances of individual school activities (i.e. departmental, grants, gifts). Each fund account is assigned to a department and a responsible person (fund owner). The fund owner is responsible for ensuring that funds are spent according to their purpose and that the fund operates on at least a break-even basis. A balance less than \$0 in a fund account is considered a deficit. A deficit occurs when the expenses charged to the fund exceed the income and beginning balance supporting the fund. According to School policy, deficits are not allowed to accumulate in any fund account.

REPORTING

The financial status of all fund accounts is monitored on a monthly basis by Finance. A report of any fund accounts with accumulated deficits is provided to the School's Sr. Vice President of Finance, Associate Dean for Operations and the Executive Vice President of Administration. Each balance will be listed with the corresponding department, division, administrator and fund owner.

PROCEDURES FOR ADDRESSING FUND ACCOUNTS WITH DEFICITS

On a monthly basis, Finance will provide an email notice of fund balances with accumulated deficits to the department

administrator and fund owner. The administrator/fund owner/department will have 60 days from the date of the email to resolve and fund the deficits which may include:

- Collecting any outstanding receivables that may bring the balance into a surplus position;
- Completing a fund transfer to re-allocate charges from the account in deficit to another account if applicable expenses are allowable according to donor restrictions, grant restrictions, and/or internal designations of available unrestricted funds;
- Completing a salary source change to re-allocate salaries in accordance with the employee's effort allocation. Again, all salary source changes must be according to donor restrictions, grant restrictions and/or internal designations of available unrestricted funds; and/or
- Charging the amount of the accumulated deficit against the main departmental account.

If the deficit is not resolved within 60 days of notification, the deficit will be charged to the departmental accounts (Basic Science – 0243, Clinical Science – 0244) by Finance. The department will be notified by email of this transaction, and the transaction will be reflected in the ledger.

EXCEPTIONS

Any extensions beyond the 60 days deficit funding requirement must be approved by the Sr. Vice President of Finance and the Associate Dean for Operations. See attached approval form.

Account: _____ **Dept/Div:** _____

Approvals:

Responsible Person: _____

Administrator: _____

Stephen Harvey
Sr. Vice President, Finance
Mount Sinai School of Medicine

Fund Deficit Balance as of _____ **:** \$ _____

Deficit extension is approved through (date)
____/____/____, at which time it will be charged to:

(circle one)

Jeff Silberstein
Executive Vice President, Administration
The Mount Sinai Medical Center

Main Depart'l Account Fund #: _____

Other Comments/Reason for Extension:

