POOLED CASH

Since the cash of all local funds is combined and maintained in a central bank account which is recorded in Fund 841, the “pooled cash” process was designed to keep track of the amount each individual fund owns of the total cash. Additionally, the pooled cash process allows each individual prog/org to identify its portion of the cash balance.

In order to do this general ledgers GL 1355 (Due from Other Funds – Pooled Cash) and GL 5155 (Due to Other Funds – Pooled Cash) are automatically generated every time a transaction code is used that debits or credits GL 1110 and has a pooled cash indicator of 1 or -1. They are generated each day when your daily job group is run.

The cash of all local funds is combined and accounted for in a separate fund – Fund 841 (which rolls to Fund 840 in AFRS). Therefore Fund 841 is the only fund allowed to have a balance in GLs 1110 (cash in bank) and 1150 (cash summary).

For instance, say a college bookstore (Fund 524) sold $3,000 worth of goods. (We will ignore sales tax implications for this example.) They deposited this money into their local bank account. The system must have a way to show that there is $3,000 in the bank that belongs to Fund 524.

Original entries:

Fund 524    TC 023    1110/3210  
Fund 841    TC 040    1150/1151    posted at same time as original entry

Automatic entries:

Fund 524    TC 020    1355-841/1110  
Fund 841    TC 025    1110/5155-524

After the TC 020 automatic entry the balance of Fd 524 GL 1110 is zero. It has no bank account of its own. The balance has been transferred to GL 1355 which is a receivable ledger. This is saying that Fund 524 has cash in the central bank account and is owed this money from Fund 841. The subsidiary coding on the GL 1355 shows that the receivable is from Fund 841.

The TC 025 entry generated a debit to Fd 841 GL 1110 which says the money is in the central bank account. It also generated a credit to GL 5155 which is a payable ledger. This is saying
that Fund 841 owes this money to Fund 524. The subsidiary coding on the GL 5155 shows that the payable is due to Fund 524.

Note that there is both a debit and credit to GL 1110. Cash has not been added or subtracted. The cash is in Fund 841, but it belongs to Fund 524. Fund 524 reports a receivable from Fund 841 for the amount of the cash. Fund 841 reports an offsetting payable to Fund 524 in the same amount.

GLs 1355 and 5155 should always be in balance within the college’s accounting records. The total of all GL 1355 balances must equal the total of GL 5155.

<table>
<thead>
<tr>
<th>Fund GL</th>
<th>1110</th>
<th>1355-841</th>
<th>3210</th>
<th>1110</th>
<th>1150</th>
<th>1151</th>
<th>5155-524</th>
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<tbody>
<tr>
<td>TC 023</td>
<td>3,000</td>
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<tr>
<td>TC 040</td>
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<td></td>
<td>3,000</td>
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<tr>
<td>auto 020</td>
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<td>3,000</td>
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<td>auto 025</td>
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<td></td>
<td>3,000</td>
<td>(3,000)</td>
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<tr>
<td>end balance</td>
<td>-</td>
<td>3,000</td>
<td>(3,000)</td>
<td>3,000</td>
<td>3,000</td>
<td>(3,000)</td>
<td>(3,000)</td>
</tr>
</tbody>
</table>

Fund 524 has recorded the cash receivable from Fund 841 and the bookstore revenue. Fund 841 has recorded the cash in GL 1110 and the payable to Fund 524.

GLs 1110 and 1150 are in balance.
GLs 1355 and 5155 are in balance.

This process solves the problem of identifying how much in the central bank account belongs to each individual fund. To identify how much of the money within the fund belongs to each prog/org, a special prog/org is used to record the automatic entry.

TC 020 debits 1355 and credits 1110 in its own prog/org 320-1B00. TC 025 debits 1110 and credits 5155 in prog/org 321-1B00. You must have prog/org 320-1B00 established in each fund. You must have prog/org 321-1B00 established in Fund 841. It is important that you do not use these prog/org indexes for any other purpose.