FIN-050

Recording and Depositing Expenditure Credits

Effective Date Friday, April 13, 2018

Status Final

Last Revised Tuesday, September 2, 2025

Policy Type University

Contact Office Controller (Office of the University)

Oversight Executive
Vice President and Chief Financial Officer

Applies To Academic Division and the College at Wise.

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Reason for Policy

This policy sets forth institutional expectations for the deposit of University funds received as credits or reimbursements that were originally charged as expenditures.

Definition of Terms

Expenditure Credit

Description

Incidental, non-recurring expenditure transactions that either (a) originate from a previous disbursement for University business, where some portion of the payment is returned by the original recipient, or (b) are a reimbursement to the University for expenditures originally incurred in total by the University, but for which another organization has agreed to share the cost.

Foundation Data Model (FDM)

Description

The name of the UVA chart of accounts. FDM strings are comprised of required and optional worktags and are included on every transaction.

Worktags

Description

The financial data required to submit a financial transaction in the finance system, such as Cost Center, Project, Fund, Grant, and Spend category.

Spend Category

Description

Provides a lower level of detail from the Ledger Account needed for operational reporting. Used to identify and categorize the different types of expenditures reported by the entity (i.e., Academic Division, Medical Center, College at Wise, etc.).

Supplier

Description

Any entity that provides goods or services. (Also referred to as a vendor.) For credit card transactions, commonly referred to as a merchant.

Policy Statement

Expenditure credit deposits to spend categories are permitted under certain circumstances as outlined in this policy. Generally, such funds derive from a previous disbursement for University business, where some portion of the original payment is returned by the recipient.

Funds classified as gifts, grants, or contracts, or which result from the sale of goods or services, are not expenditure credits and must not be deposited directly to a spend category. Expenditure credits MUST be deposited to the same Foundation Data Model (FDM) string that was charged for the original purchase/expense.

1. **Recording Expenditure Credit Permissible:**
   The following describe situations where recording an expenditure credit is permissible:
   a. **Supplier Refunds:** When a supplier returns funds due to an overpayment or because goods were returned, the check must be deposited as an expenditure credit.

   b. **Travel Reimbursement:** Travelers may not seek reimbursement for travel expenses directly from the supplier but should obtain prior approval from the appropriate dean/vice president for the trip and coordinate reimbursement with their department administrator. The University may seek reimbursement for travel of its employees from a supplier; for example, arrangements may be made for suppliers to reimburse the University for expenses incurred by University employees to inspect or be trained on new equipment; to visit a site where goods or services can best be evaluated; or for some other purpose which is in the best interests of the University. (For additional information, refer to policy FIN-019: Acceptance of Gifts and Special Benefits from Suppliers. School of Medicine/Nursing faculty and staff should also refer to Conflict of Interest and Conflict of Commitment for additional guidance.) The payment must be deposited as an expenditure credit.

When a faculty or staff member travels on behalf of another organization and is reimbursed by that organization after the employee has received reimbursement from the University, the other organization's reimbursement must be deposited as an expenditure credit to offset the University's initial expenditure. [NOTE: When the University receives funds to cover the cost of travel undertaken by a University employee in the normal conduct of University business, these funds must be handled as either a gift to the University or sponsored program (for additional information on gift versus sponsored program, refer to policy FIN-001: Classification of Awards to the University as either a Gift or a Sponsored Program and not as an expenditure credit.]

c. **Sundry Reimbursements:** There may be occasions when an employee inadvertently uses University resources for personal use, such as postage, photocopying, or the Travel & Expense (T&E) card. In these instances, the individual's repayment must be deposited as an expenditure credit to offset the University's initial expenditure. Reimbursements for salaries or wages must be processed through University Payroll to properly adjust tax reporting information and must not be deposited as expenditure reimbursements.
d. **Joint Funding:** When an event is jointly funded by the University and another organization, the University bears the initial expense and the other organization's funding is not a gift to the University, then the other organization's payment must be deposited as an expenditure credit to offset the University's initial expenditure and accurately reflect the University's net share of the total expense.

2. **Recording Expenditure Credit NOT Permissible:**
The following describe situations where recording an expenditure credit is NOT permissible.

a. **Re-deposits:** When a UVA check is returned by the original recipient, it must be returned to Procurement Services or University Payroll for voiding. It must NOT be deposited as an expenditure credit.
b. **University-Associated Organization (UAO) Payments (other than joint funding situations):** Payments received from UAOs: (1) as gifts must not be processed as expenditure credits. These payments must be processed in accordance with University policy EXT-008: Acceptance, Receipt, and Acknowledgement of Gifts; or (2) for goods and services provided by the University must be processed as revenue and NOT as expenditure credits.

When a payment is received that is not considered revenue and does not fit any of the above examples, contact Accounting Services before depositing the payment.

3. **Compliance with Policy:**
Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Direct questions about this policy to the Office of the University Controller.

Procedures

Currently under revision. Contact UVA Finance for questions.

Related Information

FIN-001: Classification of Awards to the University as either a Gift or a Sponsored Program
FIN-019: Acceptance of Gifts and Special Benefits from Suppliers
Conflict of Interest and Conflict of Commitment

Major Category Finance and Business Operations

Next Scheduled Review Saturday, September 2, 2028

Revision History
Confirmed 9/2/2025; Revised 6/23/22.

Supercedes Policy Text
V.B.3, Expenditure Credits and Reimbursements.

Approved By Policy Review Committee

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