Deposits and investments – and their related income

It is possible to invest surplus cash balances and capital sums on Trust Funds and Donations sources of funds. Use the Transaction Code Balance reports to see all investment activity for one or more source of funds. For details, see:

Using Cognos
Using UFS

If a surplus cash balance is placed on deposit, or is used to buy Cambridge University Endowment Fund (CUEF) units, this is similar to taking money from a current account and placing it in an investment account. The cash balance on the source of funds is reduced to enough to meet short term planned expenditure, and a corresponding sum appears on a specific transaction code to represent the deposit/investment.

The Transaction Code Balance Report can be used to show:

1) Permanent Capital - invested in the CUEF to provide income to meet approved expenditure
2) Spendable Capital – surplus income is often invested in CUEF units – but can also be disinvested and spent
3) Distribution to Investors – income earned from holding CUEF units. This is paid into the ZZYB cost centre whether the CUEF units are held as permanent or spendable capital.
4) Investment revaluation reserve – at the beginning of the financial year, the CUEF units have a value e.g. £32.00 per unit. They are revalued throughout the year. So if 100 units are held and they increase in value by £1, £100 will show as a bracketed figure on XHAA and be added as a positive to the value of the unit holding (code NAAA). However, this extra value will only materialise if the units are sold.

Regular statements for Trust Funds

Finance Division issues a quarterly statement for each Trust Fund to the manager of the fund, with detail of the purpose of the fund plus a breakdown of income, expenditure, revaluations and the number of permanent/spendable CUEF units held.

The Transaction Code Balances report can be used to check this information on a monthly basis.

Cognos

Use the GL: Budget to Actual report set up to show Actual Transaction Code Balances (i.e. delete all Plan and Variance columns).

- SoFs: select range KAAA to KZZZ
- Cost centres: Lowest to Highest
- Transaction Code: Remove defaulted restriction (excludes Balance sheet codes) to show all
Detailed Procedure

Example of Cognos Budget to Actual report, configured as Transaction Code Balances for Trust Funds

**Source of Funds** | **Source of Funds** | **Cost Centre** | **Cost Centre** | **Transaction** | **Transaction** | **Actual May 21** | **Actual YTD**
--- | --- | --- | --- | --- | --- | --- | ---
KZYY David II Great Endowment Fund | ZZYA | Permanent Trust Fund Capital | SAAA | Cambridge University Endowment Fund Holding Account | 0.00 | 3,966,161.21
KZYY David II Great Endowment Fund | ZZYA | Permanent Trust Fund Capital | XAAA | Departmental Reserves | 0.00 | (3,513,194.92)
KZYY David II Great Endowment Fund | ZZYA | Permanent Trust Fund Capital | XHAB | Investment Revaluation Reserve - CUEF | 0.00 | (9,839,305.29)
KZYY David II Great Endowment Fund | ZZNB | Spendable Trust Fund Capital | AOMA | Stipends, Academic staff - teaching and research, Grade 12 | 14,478.67 | 14,478,426.26
KZYY David II Great Endowment Fund | ZZNB | Spendable Trust Fund Capital | NAAA | Distribution to Investors | 0.00 | (10,194.57)
KZYY David II Great Endowment Fund | ZZNY | Spendable Trust Fund Capital | SAAA | Cambridge University Endowment Fund Holding Account | 0.00 | 3,966,161.21
KZYY David II Great Endowment Fund | ZZNY | Spendable Trust Fund Capital | XAAA | Departmental Reserves | 0.00 | (3,513,194.92)
KZYY David II Great Endowment Fund | ZZNY | Spendable Trust Fund Capital | XHAB | Investment Revaluation Reserve - CUEF | 0.00 | (9,839,305.29)
KZYY - Subtotal | | | | | | 14,478.67 | 14,478,426.26
KZZZ Ecology for all Fund | ZZYA | Permanent Trust Fund Capital | SAAA | Cambridge University Endowment Fund Holding Account | 0.00 | 56,771.71
KZZZ Ecology for all Fund | ZZYA | Permanent Trust Fund Capital | XAAA | Departmental Reserves | 0.00 | (45,771.72)
KZZZ Ecology for all Fund | ZZYA | Permanent Trust Fund Capital | XHAB | Investment Revaluation Reserve - CUEF | 0.00 | (5,004.52)
KZZZ Ecology for all Fund | ZZNB | Spendable Trust Fund Capital | NAAA | Distribution to Investors | 0.00 | (1,320,461)
KZZZ Ecology for all Fund | ZZNB | Spendable Trust Fund Capital | SAAA | Cambridge University Endowment Fund Holding Account | 0.00 | 5,424.19
KZZZ Ecology for all Fund | ZZNB | Spendable Trust Fund Capital | XAAA | Departmental Reserves | 0.00 | (857.42)
KZZZ Ecology for all Fund | ZZNB | Spendable Trust Fund Capital | XHAB | Investment Revaluation Reserve - CUEF | 0.00 | (534.64)
KZZZ - Subtotal | | | | | | 0.00 | (3,017.00)

**UFS**

Run the Transaction Code Balances report

- SoFs: select range KAAA to KZZZ
- Cost centers: 0000 to ZZZZ
- Transaction codes: AAAA to ZZZZ
- Set **Currency** to **Stat** to view number of CUEF units held

**Example of UFS Transaction Code Balances report**

- In a Trust Fund, ZZYA cost centre holds permanent capital, i.e. funds that cannot be spent and will always remain invested
- Use Cost Centre ZZYB to view allowable expenditure (EXMZ) and earnings from investments and deposits (NAAA)
- Use Cost Centres ZZYA and ZZYB to view total of the sums invested (SAAA)