

**COLORADO STATE UNIVERSITY**  
**Financial Procedure Instructions**  
**FPI 1-9**

1. **Procedure Title:** Distribution of Interest Earnings
2. **Procedure Purpose and Effect:** To outline procedures for distribution and re-allocation of interest earnings.
3. **Application of Procedure:** Any department with interest earning accounts may refer to these procedures to gather information on how interest earnings is calculated and posted.
4. **Exemptions:** Interest is earned and allocated to any Kuali account with cash transactions but not all Kuali accounts are eligible to receive interest earnings.
5. **Definitions:**

**Average Daily Balance** – balance calculated by adding an account's ending cash balance for each day of a given month and then dividing the result by the number of days in that month.

6. **Procedure Statement:**

The Board of Governors of the Colorado State University System and its three institutions, Colorado State University (CSU), Colorado State University - Pueblo (CSUP), and Colorado State University - Global Campus, are permitted to retain interest earned on funds deposited with the State of Colorado Treasury. This interest is calculated by the State Treasurer's Office based on an average daily balance of cash as recorded on the Colorado Financial Reporting System (COFRS). Colorado State University also receives interest earned on collected bank balances.

- A. The Banking Services Department calculates interest distributions, records the distributions, and reports the distributions to recipients, the Associate Vice President for Finance, the Director of Business and Financial Services, and the Associate Controller.
- B. Distributions of treasury interest within the University are calculated based on the average daily balance of cash as recorded on the Kuali Financial System (KFS) of the University and are posted to KFS by Treasury Services.
- C. Interest is distributed to KFS with a Distribution of Income and Expense (DI) document and will post by the 20<sup>th</sup> day of the month following the month interest is earned. Interest revenue is recorded based on federal and state regulation or CSU policy. The Organization Reference ID field on each line of the DI document provides the KFS account where the interest was earned. Negative cash balances earn negative interest revenue (recorded as a debit to the revenue account).
- D. Interest earned in the following subfunds is posted to the respective positive account (if interest earned is positive) and negative account (if interest earned is negative), with a few exceptions. If

a subfund is not listed in the table below, each new account within the subfund has a unique interest account and no default account is available.

<b>Subfund</b>	<b>Positive Account</b>	<b>Negative Account</b>
AEP	1870300	1870300
AGENCY	1300300	1300300
ARRA	1300300	1300300
ATHLET	2600010	2600010
CAPAUX	1300300	1300300
CAPGEN	1300300	1300300
CONTED	1200010	1200010
COSFA	1300300	1300300
COURSE	1300300	1300300
CPLB	1300300	1300300
CSFSSF	1300300	1300300
DCESUP	1300300	1300300
DIRLIN	1300300	1300300
EG	1300300	1300300
ENDOW	6010100	6010100
EXPRHF	1300300	1300300
EXPRHM	1300300	1300300
EXPRMC	1300300	1300300
EXPSF	1300300	1300300
EXPSTA	1300300	1300300
EXTEN	1300300	1300300
EXTR	1300300	1300300
EXTREF	1300300	1300300
EXTRRR	1300300	1300300
EXTRSL	1300300	1300300
EXTSF	1300300	1300300
FEDSFA	1300300	1300300
GENOP	1300300	1300300
GIFT	1300300	1300300
GOVTRF	1300300	1300300
HEAFOR	1929100	1929100
POOLED	1300300	1300300
PVM	1300300	1300300
RARSP	1300300	1300300
RECHAR	1300300	1300300
SFSF	1300300	1300300
SPONPR	1300300	1300300
SPWIP	1300300	1300300

STUORG	2300010	2300010
SUSPEN	1300300	1300300
VETMED	1300300	1300300
VETMR	1300300	1300300
VETMSF	1300300	1300300
WATER	1010000	1010000
WEFR	1929000	1929000
WIP	1300300	1300300
WORKST	1300300	1300300
WPF	1929800	1929800

- E. Contact Treasury Services if a new KFS account is created and, based on specific requirements, interest should post to an account different from the default account listed in the table above.
- F. The original interest distribution entry posts to object code 4405 – Treasury Interest. Any interest adjustments required after interest is distributed should be made through object code 4407 – Treasury Interest Adjustments.

**7. Reference and Cross-References:**

For information on the investment portfolio and interest earnings at the State Treasury:  
<http://www.colorado.gov/treasury/>.

**8. Forms and Tools:** Not applicable.