Memorial University uses a hybrid form of fund accounting which allows it to enhance accountability and budgetary control, ensuring grants, donations and other contributions are spent for intended purposes. Fund accounting classifies resources for accounting purposes based on restrictions imposed by sources outside the university (external restrictions) or by directions issued by the Board of Regents (internal restrictions).

The university has five major fund classifications:

1. General operating fund
2. Ancillary funds
3. Plant funds
4. Research funds
5. Special Purpose and Trust funds

General Operating Fund

This is an unrestricted fund that accounts for the institution's primary operating activities of instruction and research, other than sponsored research. The sources of funds normally include the provincial operating grant, tuition fees and other miscellaneous income such as short term investment income, parking fees, etc. This is where faculties and departments are required to budget their annual operating revenues and expenses based on their budget allocations from the appropriate portfolio leader (President or Vice-President).

Ancillary Funds

This is an unrestricted fund that separately accounts for all the “sales producing” operations and “self-supporting” activities that are supplementary to the institution's primary operating activities. This is where our bookstores, housing and cafeterias are housed for accounting purposes. We also have two separately incorporated entities that are considered ancillary funds: Memorial University Recreation Complex and Campus Childcare Inc.

Plant Funds

Also known as the capital fund, these are restricted funds that account for resources provided to the institution for capital purposes not reported in any other fund. This fund houses our major building construction, major deferred maintenance projects and the job costing funds. This fund is also used to centrally capitalize and depreciate tangible capital assets.

Research Funds

Sponsored research funds are restricted funds that account for income and expenditures for all sponsored research activities. The sources of funding vary from the federal government, provincial government, business and industry, other not-for-profit entities, foreign sponsors, etc. All requests for sponsored research funds must be filtered through the Research Grants and Contract Services office, who will then forward the request to FAS to establish a new fund. The university has three separately
incorporated entities that are housed in the research fund: Genesis Group Inc., Canadian Centre for Fisheries Innovation, and C-CORE.

**Special Purpose and Trust Funds**

This classification of funds has other minor fund classifications that need to be addressed separately as follows:

1. **Special Purpose Funds**
2. **Non-endowed Funds**
   a. Unrestricted Trust Funds
   b. Administered Trusts
   c. Deferred Salary Leave plans
   d. Term Awards
   e. Faculty Research and Endowment Trusts
3. **Endowed Funds**
   a. Scholarship Funds
   b. General University Endowment Fund
   c. Endowed Chairs
   d. Loan Funds
   e. Lecture Funds
   f. Faculty Endowments
   g. Other External Endowments

**Special Purpose funds** are restricted funds for purposes other than sponsored research or capital. They must have an external restriction and require some form of reporting back to the sponsoring agency. Special Purpose funds typically include conference funds and special projects and contracts not considered research. When requesting a special purpose fund, please include all supporting documentation to the request noting external restrictions and reporting requirements.

**Non-endowed funds** are restricted funds for purposes other than sponsored research or capital. They are funded through donations and contributions that must be spent for the purpose identified in the terms and conditions negotiated with the donor. Each fund has a separate terms and conditions that departments must adhere to when processing expenditures against these funds. Amounts are normally invested in university’s non-endowed pooled investment fund, which is governed by the Statement of Investment Policy and Objectives.

**Endowed funds** are restricted funds for the purpose of capitalization of externally or internally restricted (only the Board of Regents can internally restrict funds) amounts, primarily donations or other contributions which cannot be spent. Each fund has a separate terms and conditions outlining the restrictions on the fund as negotiated with the donor, and all expenditures must adhere to these conditions. Endowed amounts are normally invested in university’s endowed pooled investment fund, which is governed by the Statement of Investment Policy and Objectives.
The terms and conditions for all non-endowed and endowed funds must have the prior approval and consent from the President before any request is sent to Financial and Administrative Services to have the fund established.