Advances charged to a fund center will make the health of the fund center completely skewed, but it is all a timing issue and should not in any way penalize the fund center.

The advance will be reflected as a debit against the fund center budget just like any other expense, for example:

1. Fund Center Budget                        $300,000
2. Fund Center Posted Exp                 $150,000
3. Subaward Advance Posts              $200,000
4. Available Fund Center Budget    -$50,000

As reports come in for actual expenses the advance amount will be reduced by a cost transfer to the grant and thus the available balance will increase by the amount the advance is decreased.

At fiscal year-end General Accounting will reverse any debit amount on the advance line so that the amount charged against your budget is $0.00. This entry will post as a June adjustment sometime between first and second close.

In July the adjustment that General Accounting will reverse their June adjustment therefore adding the unrelieved advance back to the fund center expenses.

The fund center administrator should make a note on internal review documents that the advance line is not a true expense and therefore not to be counted against the fund center budget. Should you get questions from the Budget Office or the Provost Office about your burn rate the response should be that there are expense in a pre-paid g/l that will always have a $0.00 expense amount each year-end.