

Retained Earnings

The Retained Earnings (or carry forward as more commonly known at UQ) is a Balance Sheet account that represents the balance at the beginning of a year. This balance is currently divisible by chart component (e.g. Operational unit, Project etc.).

This is calculated as the net of any income and expenditure for preceding years. That is, at the end of a year income and expenditure is closed to the Retained Earnings account and the new year begins with revenue and expense accounts of 0.

As this account represents an “Opening Balance”, this balance should not change within a year. Therefore the policy on Retained Earnings is as follows:

1. Retained Earnings is a system generated process calculated by rules within UniFi
2. Users will be permitted to submit changes to retained earnings in the following circumstances
 - a. A Restructure
 - i. In this instance the operational unit would be allowed to be changed
 - b. Consolidation of “Operating” Fund Group balances for non-projects
 - i. This process enables a School to consolidate non-project balances of all operational units into 1 or for a Faculty or Institute to Consolidate all non-project school balances to Faculty Level. The consolidation must be at fund code level and not across fund codes.

If there are opening balances in chart strings and a user wishes to clear these balances (for reasons not mentioned above) to another chart string this will need to be corrected against revenue or expense accounts. For example the clearing of a debit project balance.

Timing

Given the nature of the circumstances that Retained Earnings is able to be changed the timeframes for the changes are as follows:

- Restructure – the retained earnings can be changed at the time of the restructure
- Consolidation of Operating balances – these changes can be processed during the first quarter of the year and the adjustment period.

Journals

The Retained Earnings Account is a control account, meaning that any journals against Retained Earnings need to be loaded by FPA. If users wish to make changes to Retained Earnings a journal must be prepared (using the spread sheet template) and submitted to journals@fbs.uq.edu.au. The account to use is 301110. The journal must **only** include the account 301110. If other accounts are used the journal will be rejected and a new journal will need to be submitted for approval. In submitting the journal to FPA a user is required to advise which of the circumstances (see point 2 above) is the justification for the journal.

Note: The general principle for journals against the Retained Earnings Account is that the journal must not exceed the value of the retained Earnings account. That is, the journal cannot include the in year result.

Projects

The project is a unique chart field component enabling the recording of revenue and expenditure against a defined activity. Projects cannot be cleared through the use of Retained Earnings accounts, a revenue or expense account must be used.

The Retained Earnings account was previously available for use when a project transferred from one operational unit to another. This was on the basis that a project was only allowed against one operational unit. Now that projects can be attached to multiple operational units the retained earnings account is no longer required for these events.