Source of Funds (SOF) Guide

Purpose

The source of funds (SOF) code provides more detailed analysis of account balances on cost centre/natural account combinations to identify different funding streams, departmental allocations or types of activity. Both income and expenditure can be coded to SOF codes and this is mandatory in relation to trust funds and donations. In other areas, the use of a specific SOF code is optional and the majority of transactions would use the default value of 00000 for this segment.

Structure

SOF codes are organised in groups depending on their use; the first letter of the code indicates which group it belongs to:

- Axxxx = Medical Funding
- Bxxxx = Trust/endowment
- Cxxxx = Donations
- Dxxxx = Specific HEFCE funding
- Fxxxx = Scholarships
- Mxxxx = Examination Boards
- Pxxxx = Other income analysis
- Sxxxx = Departmental analysis

Other specific ranges exist for particular uses but these are not available to departments

All SOF codes have a five digit alphanumeric string and some are grouped together in reporting hierarchies. For example, it is possible to report on all income and expenditure relating to trust funds within a department by selecting a B parent code in the SOF segment, as well as on individual trust funds by selecting the appropriate B SOF.

Please note:

- New SOF codes should avoid overlap with existing codes to make it possible to report on ranges of SOF codes. This may be straightforward for income, but more complex for allocating expenditure.

- Creation of any new clusters of SOF codes should take place only after justification of the added complexity and after sufficient process planning to ensure that all the relevant transactions will be captured. This is to avoid production of partial and potentially misleading information.

- Further information on using and reporting on SOF codes for trusts and donations can be found in the Departmental Year-End Guidance Notes (online at: www1.admin.ox.ac.uk/finance/processes/planning_reporting/yearend/).

- A full list of SOF codes is published monthly as part of the Chart of Accounts guide (online at www1.admin.ox.ac.uk/finance/support/)

Types of SOF code

A SOF codes are used for **funder information**, primarily in the Medical Sciences and for tracking non research funding.

B SOF codes (of which there are over 700) are used for **trusts and endowments**. All expenditure relating to endowments will be charged against departments. The Financial Reporting team will transfer income from the relevant trust fund 'central' account to the departmental account to match the expenditure coded there. At year end, any unspent income relating to the trust fund will be carried forward by the Financial Reporting team on a central cost centre.

C SOF codes are used for **donations**. Donations under £1k or general donations for a department are tracked in SOF code C0000 for all departments. If donations require individual tracking by a department, and meet the definition of a restricted donation, income and expenditure should be coded to a unique account combination of cost centre and SOF.

New C SOFs can be requested via the Financial Reporting team mailbox. Backup information, from the donor, must be sent with the new SOF form, so that the treatment can be confirmed and recorded.

D SOF codes are used to track specific **HEFCE grants** for departments. Departments will be told if they need to use a D SOF code.

F SOF codes are used for tracking **income and expenditure for scholarships**. These are to be used by the Graduate Admissions Office and Student Funding Office only and not by Departments.

M SOF codes are used for tracking expenditure by Examination Board. These are to be used by the Examination School when charging examination fees and expenses. The code is the exam code with the prefix "M". Departments can use these codes to support additional analysis of costs across Divisions/departments.

The P SOF code range was introduced mainly for St Cross College and has developed organically as the need arose for extra income analysis but can be used by departments for sales sub analyses if useful:

S SOF codes are used for **additional departmental analyses and controlled by departments** to, for instance, control costs by building, analyse income, track residual PI funds and monitor the costs of conferences.

They are simple to set up and can be used as parameters when running current GL and ADI reports. If no further analysis of the transaction is needed then the default transaction value of 00000 is used.

Ranges are normally 50 codes but departments that are reaching capacity may request ranges of 100 or more from the Head of Financial Reporting.

<u>Payroll coding</u>

If a new SOF is required for payroll coding from Core system then when the new SOF form is filled in, the cost centres where pay will be coded with that SOF need to be included together with the payroll activity code which is usually 00 on the new SOF form. If a SOF is already set up, there is a Payroll cost allocation form on Financials System website which can be filled to enable the use of that SOF for payroll coding with other cost centres.