

PROCEDURES FOR CREATING NEW COST CENTERS

Information Needed from Department

When new cost centers need to be created, please email Kim King (skking1@email.uky.edu) in the CAFE Business Center the following information and she will complete and process the form for you:

- Type of cost center (state, income, gift, auxiliary, etc.)*
- Title of the cost center (name of the account)
- Department number
- Name and phone number of a contact person (in case there are questions)
- **What is the source of the funds? (Contract or agreement is required for income-supported cost centers.)**
- **What is the purpose of the funds? (i.e. Instruction, Research, Extension, Student, Administration); give as much detail as possible**
- **Who will be using the funds?**

*Agency cost centers are set up by the departments and have a different set of guidelines. Kim can assist with instructions on completing the agency cost center form.

*Income-supported cost centers require a special revenue questionnaire form and business plan be submitted prior to the cost center request form completion. Departments should request these forms through the Business Center.

Back-Up Documents Required (send to Business Center)

For *restricted/gift* cost centers (1215xxxxxx), we need the following

- a) Copy of check;
- b) Copy of check transmittal;
- c) Copy of donor letter; and
- d) Any other supporting documentation you may have

Note 1: *These gift accounts cannot be set up until the first gift is received. And, AFRS will not set up a gift account until a significant dollar amount has been received (generally between \$500-\$750). (Usually, they will accept a solicitation letter and a small gift in lieu of one larger gift, in order to initially set up the account.)*

Note 2: *Discretionary cost centers must have supporting documentation from the donor stating his/her desire for the funds to be used at the discretion of the department, and they cannot be research-related.*

Approval and Signature Process

Once the cost center request form is prepared and signed in the CAFE Business Center, it is scanned and emailed to the Provost Budget Office. They sign and approve the document and send a scanned copy to AFRS. Someone in AFRS will notify the CAFE Business Center when the cost center has been established and they will give us the new account number. This information will then be forwarded to the department as well as to the CAFE Office of Philanthropy and the UK Office of Philanthropy. This process, from beginning to end, usually takes about two weeks.

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