

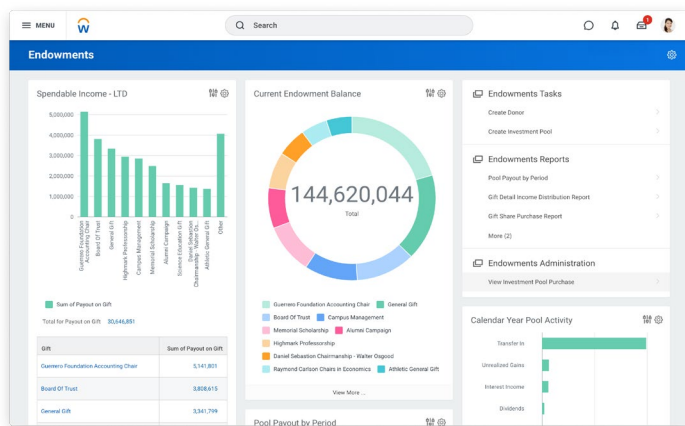


## Workday endowment accounting.

In the face of today’s fiscal pressures, many organizations rely on endowments as a source of revenue. In some cases, endowment income is a primary financial support mechanism, and it needs to be managed efficiently and accurately. Handling endowments correctly requires detailed analysis and recording of the donor’s intent for the gift. It takes a clear understanding of current laws that might apply to those funds, as well as a smart investment strategy to ensure continued sustainability.

Unfortunately, many organizations use third-party endowment accounting systems bolted on to their legacy financial software. These systems separate the costing elements and activities associated with endowments. And some organizations rely on spreadsheets to manage endowment accounting, which makes it difficult to accurately monitor the overall health of these income sources and increases the chance of errors.

Endowment accounting is a foundational element of Workday Financial Management, providing a single system of record for managing income distribution and recording investments for endowed gifts. One application provides a sophisticated workflow that processes, records, and unitizes endowment investment activity. By eliminating cumbersome manual processes and integration points, the endowment accounting feature in Workday gives stakeholders insight into—and ensures fair, equal, and accurate investments across—the endowment pool.



Preconfigured dashboards for quick insight and analysis into endowment activities.

## Key Benefits

- Unitized endowment pools allow diversification, fair and equal investment policies, and more varied investment opportunities.
- Intuitive user interface combined with mobile access saves processing time, reduces errors, and makes it easier to respond to endowment-related inquiries.
- Seamless workflow standardizes business processes, unifies previously disparate business offices, and ensures appropriate approvals.
- Rich insight from a single finance, HR, payroll, and student system allows for deeper endowment spending/ revenue analysis.

## Key Features

- Establish investment pool
- Create investment profiles
- Record investment statement and pool valuation
- Record gains and losses resulting from investment pool unit sales
- Create donor, contribution, and gift records
- Manage gift and contribution restrictions, distribution rules, and hierarchies
- Purchase, sell, and transfer investment pool units
- Set rate and configure pool for payout
- See incumbent and historical holders of named professorships funded by a gift
- Report on gift and pool activity and balances, payouts, and other key information
- Track and store donor restrictions

Endowment accounting in Workday enables organizations to:

- Configure endowment pools, manage fees, and distribute or reinvest the income
- Manage share sales and intra-pool share transfers
- Easily keep gift and contribution specifics intact
- Report on share sales, income distributions, transfers, investment pools, and underwater gifts

### **Purpose-built for endowment management.**

Endowment accounting provides a single place to create and manage donor records, gifts and contributions, and gift hierarchies and restrictions. Each gift is tagged with an identifying name, or worktag, that can be used for reporting and associated costing transactions, giving the organization a 360-degree view of its endowment activities. Gift type, purpose, related worktags, income distribution rules and percentages, and other essential information is all contained in one location, with seamless workflow to the investment pool to gauge performance and ensure appropriate distribution.

### **Diversification and investment opportunities.**

Endowment accounting in Workday provides a unitized investment pool, in which an endowment's share of the pool is accounted for in units. By pooling endowments, organizations can diversify and select investment opportunities and ensure a defensible investment strategy by treating all endowments equally. It stores information on the shares owned by each endowment and updates the fair market value of all investments in the pool. The automatic rate calculator configures the payout based on the rate and frequency for the specific pool, with reinvestment payouts linked directly to new share purchases. You can purchase investment pool units in a group or individually, and you can override the purchase date and price, if necessary.

Transfer and sell shares using a variety of selection methods based on quantity or amount. And ensure accuracy, accountability, and compliance by maintaining all specified payout and share-transaction policies.

### **Enhanced visibility and ease of use.**

Endowment accounting in Workday includes a wide range of transactions for investment pool purchases and transfers, statements, gifts and contributions, grant hierarchies, and donor information, making it easy for organizations to manage endowment activity anytime, from anywhere.

In addition to providing standard information on donors, purchases, and statements, the application includes reports for:

- Gift, share, and pool activity and balance
- Pool balance and income by investment classification
- Net, reinvestment, and administrative payouts
- Gift-detail income distribution

The comprehensive reporting makes it easier to respond to endowment-related inquiries, satisfy stakeholders, recognize investment trends, and predict future spending and revenue.

To explore how Workday can support your endowment accounting needs, please contact Sales at [workday.com/contact](https://workday.com/contact) or call +1-877-967-5329.



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