

# Statement of Functional Expenses

Updated Jul 19, 2021

As of July 12, 2021, this "Learn Veracross" site has been deprecated. It will remain live at least through October 1, 2021, but will no longer be updated. All knowledge content has moved to the new [Veracross Community](#). Please update your bookmarks.

[Here is the new version of this article in the Veracross Community.](#)

## Overview

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FASB requires not-for-profit institutions to present expenses by nature as well as function, as well as to provide an analysis of expenses showing the relationship between functional and natural classification. To support this new standard of reporting, there are two (2) classification types that need to be created for use with general ledger accounts. **You will need to configure these classification types based on your school's conventions.**

- The first new classification type is called a "GL Function Category." This will be the high-level category for each function to be grouped into. The categories will be named Programs and Supporting Services, for example.
- Function areas are called "GL Function Codes" in Veracross. Function codes are a further breakdown of the Function category they fall into.

## Configuration Steps

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### 1. Setup Function Codes and the Related Function Categories (\*\* Mandatory \*\*)

On the System homepage, there are links in the 'View Configuration' and 'Change Configuration' sections to view, change, and add GL Function Categories. For specific guidance on how to view, add, and assign GL Function Codes & Categories, please see the following articles:

1. [Chart of Accounts: GL Function Categories](#)
2. [Chart of Accounts: GL Function Codes](#)

### 2. Set Up Line Item Groupings (\*\* Optional \*\*)

In order to support expanded categorization and subtotaling, any of the "tags" on a GL Master Record can be used to summarize or subtotal GL Accounts until a specific line description. The groupings that

are commonly used include Account Types, Account Type 3s, and Account Classes. When summarizing a Statement of Functional Expenses by one of these "tags", the line description becomes the description of the "tag", and any GL Accounts that contain data and have that "tag" will summarize in that line. Account Types, Account Type 3s and Account Classes are commonly used to group GL Accounts by "natural" expense, and the function codes serve to break the data out on the column level by "functional" expense.

At this time, it is recommended that Account Classes be configured to support Line Item Groupings on the Statement of Functional Expense if Account Types and Account Type 3s are already in use and do not align with the desired line item groupings.

To configure Account Types, Account Type 3s or Account Classes, navigate to the **System Homepage**.

Under the View Configuration column, the following lists can be viewed:

1. [GL Account Type List](#)
2. [GL Account Type 3 List](#)
3. [GL Account Class List](#)

The sort keys in these lists not only determines the order in which the categories appear in a dropdown list, but also the order in which they are presented on the Statement of Functional Expenses.

Under the Change Configuration column, the following can be added:

1. **Add a GL Account Type**
2. **Add a GL Account Type 3**
3. **Add a GL Account Class**

## Report Templates

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- Four report template can be found in the Workspaces: [System/General Ledger/GL Report Templates](#)

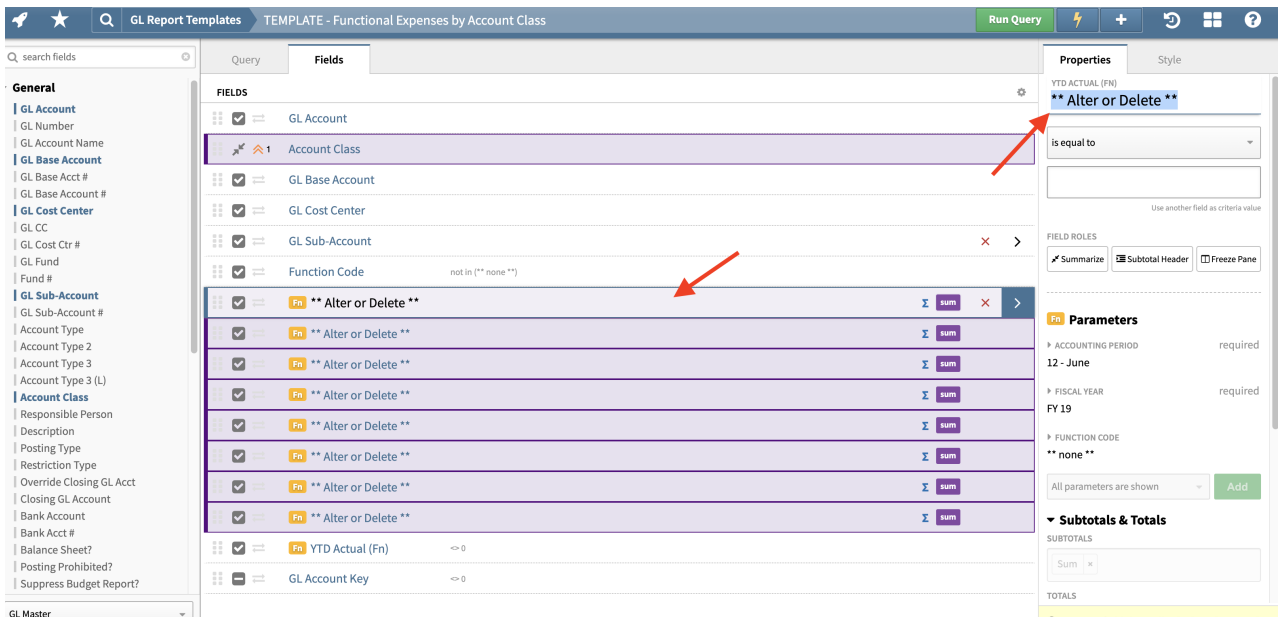
QUERY	TEMPLATE - Functional Expenses by Account Class GL_Master
QUERY	TEMPLATE - Functional Expenses by Account Type GL_Master
QUERY	TEMPLATE - Functional Expenses by Account Type / Category GL_Master
QUERY	TEMPLATE - Functional Expenses Detailed GL_Master

## Configure Desired Reports

Open the desired template and manipulate the function fields as needed. The YTD Activity Function Field is in the report as this is most relevant to this statement, but there are a variety of other function fields available in the "Function Field" query template category.

To change the title of a the function field column header:

- Click on the Function Field inside the query design, and update the text where it says "Alter or Delete".



To specify the Function Code(s) that should pull data in the Function Field:

- Click on the Function Field inside the query design, and under Parameters specify:
  - Fiscal Year – Required
  - Accounting Period – Required
  - Function Code – Optional

GL Report Templates    TEMPLATE - Functional Expenses by Account Class    Run Query

Q search fields

**General**

- GL Account
  - GL Number
  - GL Account Name
- GL Base Account
  - GL Base Acct #
  - GL Base Account #
- GL Cost Center
  - GL CC
  - GL Cost Ctr #
  - GL Fund
  - Fund #
- GL Sub-Account
  - GL Sub-Account #
  - Account Type
  - Account Type 2
  - Account Type 3
  - Account Type 3 (L)
- Account Class
  - Responsible Person
  - Description
  - Posting Type
  - Restriction Type
  - Override Closing GL Acct
  - Closing GL Account
  - Bank Account
  - Bank Acct #
  - Balance Sheet?
  - Posting Prohibited?
  - Suppress Budget Report?

**Query**    **Fields**

**FIELDS**

<input checked="" type="checkbox"/>	GL Account		
<input checked="" type="checkbox"/>	Account Class		
<input checked="" type="checkbox"/>	GL Base Account		
<input checked="" type="checkbox"/>	GL Cost Center		
<input checked="" type="checkbox"/>	GL Sub-Account		
<input checked="" type="checkbox"/>	Function Code	not in (** none **)	
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn ** Alter or Delete **</b>		sum
<input checked="" type="checkbox"/>	<b>Fn YTD Actual (Fn)</b>	<=> 0	
<input checked="" type="checkbox"/>	GL Account Key	<=> 0	

**Properties**    Style

YTD ACTUAL (Fn)  
**\*\* Alter or Delete \*\***

is equal to

FIELD ROLES

- Summarize
- Subtotal Header
- Freeze Pane

**Parameters**

- ACCOUNTING PERIOD: 12 - June (required)
- FISCAL YEAR: FY 19 (required)
- FUNCTION CODE: \*\* none \*\*

All parameters are shown    Add

**Subtotals & Totals**

SUBTOTALS

Sum x

TOTALS

**Note:** You may select multiple function codes within one function field. This is useful for creating "Total" columns. Any unused function codes can be removed from the query.