

Workday Financial Aid Transaction Guidance

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Background

Prior to Workday, certain Financial Aid transactions were recorded as revenue and expenditure. At year end, Financial Reporting would then reclassify the revenue and expenditure to net them out for the Financial Statements.

The Yearend Checklist provides instructions that Pass-through Loans need to be recorded on the same account code to eliminate double counting of revenue and expenditure.

#7 Fund 136 Ensure That Pass Through Loans are Cleared Out: Pass through loan programs such as Great Lakes Higher Education should come in and go out on the same account code to eliminate double counting of revenue and expenditure. Revenue from pass through loan programs will be coded to revenue in fund 131 when students pay tuition and fees.

The FY24 Clearing Account Audit included findings that Fund 136 Financial Aid clearing accounts need to record revenue and expenditures in the same account code.

With Workday, the system is not configured to record a deposit to a spend category and expenditure ledger account to net the expenditures. Therefore, for FY26 we will start to record certain financial aid through balance sheet accounts instead of income statement accounts.

Budget Impact

Using the balance sheet accounts instead of revenue/expenditures will decrease the revenue/expenditure budget by \$560 million for federal funds. There would also be a budget impact on Fund 136 if universities are budgeting revenue/expenditures.

FY2025 Redbook Budgets

Universities	Revenue			Revenue Total	Expense			Expense Total
	140	141	149		140	141	149	
UWEAU			-35,000,000.00	-35,000,000.00			35,000,000.00	35,000,000.00
UWGBY			-27,000,000.00	-27,000,000.00			27,000,000.00	27,000,000.00
UWLAC			-40,693,853.00	-40,693,853.00			40,693,853.00	40,693,853.00
UWMIL			-94,000,000.00	-94,000,000.00			94,000,000.00	94,000,000.00
UWMSN	-450,000.00	-200,000.00	-165,000,000.00	-165,650,000.00	450,000.00	200,000.00	165,000,000.00	165,650,000.00
UWOSH			-37,727,002.00	-37,727,002.00			37,727,002.00	37,727,002.00
UWPKS			-15,000,000.00	-15,000,000.00			15,000,000.00	15,000,000.00
UWPLT			-20,141,626.00	-20,141,626.00			20,141,626.00	20,141,626.00
UWRVF			-19,000,000.00	-19,000,000.00			19,000,000.00	19,000,000.00
UWSTO			-24,600,000.00	-24,600,000.00			24,600,000.00	24,600,000.00
UWSTP			-28,630,000.00	-28,630,000.00			28,630,000.00	28,630,000.00
UWSUP			-11,000,000.00	-11,000,000.00			11,000,000.00	11,000,000.00
UWWTW			-41,663,000.00	-41,663,000.00			41,663,000.00	41,663,000.00
Grand Total	-450,000.00	-200,000.00	-559,455,481.00	-560,105,481.00	450,000.00	200,000.00	559,455,481.00	560,105,481.00

Workday Values

Category	Workday Ledger
Private Aid	1309: Accounts Receivable - Other
State Aid	1341: Due from State Agencies
Federal Aid	1342: Due from Other Governments
Foundation Aid	1302: Accounts Receivable - University Related Organizations
Aid that doesn't net out	5500: Financial Aid Expense
Grand Total	

While revenue/spend categories are not required on balance sheet accounts, they were developed to assist in reconciliation.

Revenue Category Name	Included in Revenue Category Hierarchies	Allowed Related Worktags by Type
RC00419 - Private Aid	External Student Aid	FD0136 General Operations Receipts
RC00420 - State Aid	External Student Aid	FD0136 General Operations Receipts
RC00421 - Federal Aid	External Student Aid	FD0140 Federal Aid – Pharmacy Loan Program FD0141 Federal Aid – Medicine Loan Program FD0149 Federal Aid - Direct Student Loans
RC00422 - Foundation Aid	External Student Aid	FD0136 General Operations Receipts FD0233 Gifts - General

			Allowed Related Worktags by Type
Spend Category Object	Top Level Spend Category Hierarchies	All Spend Categories Hierarchy Assignment (Used in APR)	Fund or Fund Hierarchy Container

SC00656 - Private Aid	UW All Spend Categories	External Student Aid	FD0136 General Operations Receipts
SC00657 - State Aid	UW All Spend Categories	External Student Aid	FD0136 General Operations Receipts
SC00658 - Federal Aid	UW All Spend Categories	External Student Aid	FD0140 Federal Aid – Pharmacy Loan Program
			FD0141 Federal Aid – Medicine Loan Program
			FD0149 Federal Aid - Direct Student Loans
SC00659 - Foundation Aid	UW All Spend Categories	External Student Aid	FD0136 General Operations Receipts
			FD0233 Gifts - General

Workday is configured to require a Sales Item on all Cash Sales or Customer Invoice.

EIB Sales Item Data (UW) ... 6/16/2021					
Sales Item Groups All Campus Student Aid					
6 items					
Sales Item Group	Sales Item	Sales Item Ref ID	Item Description	Revenue Category	Tax Applicability ID
All Campus Student Aid	All Campus Student Aid-Student Aid State	All_Campus_Student_Aid-Student_Aid_State	Student Aid State	RC00420 - State Aid	Non_Taxable
All Campus Student Aid	All Campus Student Aid-Student Aid Private	All_Campus_Student_Aid-Student_Aid_Private	Student Aid Private	RC00419 - Private Aid	Non_Taxable
All Campus Student Aid	All Campus Student Aid-Student Aid Federal	All_Campus_Student_Aid-Student_Aid_Federal	Student Aid Federal	RC00421 - Federal Aid	Non_Taxable
All Campus Student Aid	All Campus Student Aid-Student Aid Foundation	All_Campus_Student_Aid-Student_Aid_Foundation	Student Aid Foundation	RC00422 - Foundation Aid	Non_Taxable
All Campus Student Aid	All Campus Student Aid-Federal Student Aid (SEOG)	All_Campus_Student_Aid-Federal_Student_Aid_(SEOG)	Federal Student Aid (SEOG)	RC00424 - Federal Student Aid	Non_Taxable
All Campus Student Aid	All Campus Student Aid-Federal Pell Grants	All_Campus_Student_Aid-Federal_Pell_Grants	Federal Pell Grants	RC00179 - Federal Pell Grants	Non_Taxable

Guidance

Institutional aid can be from various funds across the campus. Tuition discounting guidelines indicate that institutional aid should be shown as contra revenue versus an expenditure. However, GPR funds are not allowed to have revenue other than State Appropriations or Sales Credit. Therefore, to avoid two

different methods in recording institutional aid, we will continue to record institutional aid as an expenditure and then Financial Reporting will make the necessary reclassification entries for the Financial Statements.

See the chart below for the proper coding for the various types of student aid.

Financial Aid Type	Should Expense/Revenue net?	Fund	Workday Accounting	
			Student Information System Disbursement	Receipt of Funds - Cash Sale
Outside Scholarships - Ex. Merit Scholarships, Americorps, non WI DVR	Yes	FD0136	Ledger 1309, SC00656	Sales item: All Campus Student Aid-Student Aid Private Ledger 1309, RC00419
Foundation Scholarships	Yes	FD0136/ FD0233	Ledger 1302, SC00659	Sales item: All Campus Student Aid-Student Aid Foundation Ledger 1302, RC00422
Alternative Loans	Yes	FD0136	Ledger 1309, SC00656	Sales item: All Campus Student Aid-Student Aid Private Ledger 1309, RC00419
State aid - WHEG, TIP, Indian Grant, WI DVR	Yes	FD0136	Ledger 1341, SC00657	Sales item: All Campus Student Aid-Student Aid State Ledger 1341, RC00420
Pharmacy Loan Program (MSN only)	Yes	FD0140	Ledger 1342, SC00658	Sales item: All Campus Student Aid-Student Aid Federal Ledger 1342, RC00421
Medicine Loan Program (MSN only)	Yes	FD0141	Ledger 1342, SC00658	Sales item: All Campus Student Aid-Student Aid Federal Ledger 1342, RC00421
Direct Student Loans	Yes	FD0149	Ledger 1342, SC00658	Sales item: All Campus Student Aid-Student Aid Federal Ledger 1342, RC00421
Supplemental Educ Opportunity Grants (SEOG)	No	FD0146	Ledger 5500, SC00153	Sales item: All Campus Student Aid-Federal Student Aid (SEOG) Ledger 4028, RC00424
Pell Grants	No	FD0148	Ledger 5500, SC00153	Sales item: All Campus Student Aid-Federal Pell Grants Ledger 4025, RC00179
Environmental Program Grants and Scholarships	No	FD0170	Ledger 5500, SC00153	n/a - Funds will be received from UWSA through a manual journal
WI Tuition Promise/WI Forward Promise WIGI Tuition Waivers (including DE fees)	No	FD0131/ FD0133	Ledger 5500, SC00153	n/a - Funds will be received from UWSA through a manual journal for these two cohorts. FD0133 is for the first year of the 2025 cohort.
Option 1 (Preferred): Record as Financial Aid*	No	FD0101/ FD0102/ FD0103	Ledger 5500, SC00153	n/a - Funds are included in base budget with a budget transfer true up as long as sufficient funds are available
Option 2: Record as Contra Revenue and then manual journal entry to financial aid expense at minimum 2x year (December/June)	No	FD0131	Various Revenue ledger/RC	n/a - Funds are included in base budget with a budget transfer true up as long as sufficient funds are available
WIGI Segregated Fee Waivers	No	FD0128	Various Revenue ledger/RC	n/a - The waiver is shown as contra revenue and segregated fee operations absorb the cost of the waivers.
Institutional Aid (including Freshwater Collaborative, Lawton/Advanced Opportunity, Tuition Assistance Grants, etc)	No	Various	Ledger 5500, SC00153/SC00151/ SC00152/SC00287	n/a - charge will be made against the appropriate funding source
Institutional Loans	No	Various (131/134/161)	Ledger 6050, SC00154	n/a - charge will be made against the appropriate funding source
Financial Aid Type	Should Expense/Revenue net?	Fund	Student Information System Disbursement	Receipt of Funds - Grant Accounting
Federal grant awards (McNair, Social Ward, Upward Bound, etc)	No	FD0144	Ledger 5500, SC00153	Ledger 1305
Private grant awards	No	FD0133	Ledger 5500, SC00153	Ledger 1305

*WIGI Tuition Waivers for the upcoming summer term

Since the Summer Session revenue is deferred, the corresponding financial aid expense will need to be recorded as a Prepaid Expense (SFS 6410/Workday 1400). In July of the new fiscal year, a manual entry will need to be recorded to recognize the financial aid expense and close out the prepaid expense.

Perkins Loan Program

The Perkins loan program was discontinued in 2017-2018 and loan disbursements are no longer made to students. Annually, universities are required to return the federal share of capital distribution to the Department of Education. The return payment is processed through the G5 system and should be debited from the Direct Debit bank account x7673. To record the return of funds in Workday, the university will need to enter an Ad Hoc Bank Transaction using ledger account 4028, Federal Student Aid and FD0147. The Financial Reporting team will reclassify the payment from revenue to a reduction in the long-term liability in the GAAP book.

Administrative Cost Allowance on Federal Student Aid

In Workday, the Administrative Cost Allowance (ACA) for Federal Student Aid programs should now be recorded in FD0150, as FD0144 is limited to grants. Campuses should ensure the FDM mapping tool reflects FD0150 to guarantee a correct conversion of the FD0144 balance to FD0150. Campuses may transfer the FY25 ending balances into FD0150 by period 13 close to ensure the balances roll forward under the same fund that will be used in Workday.

Financial Reporting to Stakeholders

Given the change in accounting methods, it will be important to provide the impact of the change to various stakeholders including the Board of Regents. Upon request, Universities will need to be able to provide dollar impact of the financial aid items.

Comparison of Old and New Methods (T-Accounts)

Financial Aid Accounting (Example Direct Loans - Fund 149)																			
FY25										FY26									
Actuals										Actuals									
	Accounts Receivable			Scholarship Expenses		Federal Aid Revenue		Cash			Accounts Receivable			Scholarship Expenses		Federal Aid Revenue		Cash	
	Debit	Credit		Debit	Credit	Debit	Credit	Debit	Credit		Debit	Credit		Debit	Credit	Debit	Credit	Debit	Credit
1 Direct loan is disbursed to student in SIS			1	5,000							1	5,000							1
2 Funds are drawn down from G5 and deposited							5,000	2	2	5,000		5,000	2				2	5,000	5,000