# Funds

Hello, funds answer the question “How are we spending our money?” In Polaris, budgets, encumbrances, and expenditures are tracked with Funds.

In this session, you will learn how to build the Fund structure for your system and how to add money to a fund.

Setting up Funds starts with creating a Fiscal Year. In Polaris, click New, then select Fiscal Year. Give it a Name. For Owner, select the branch that is responsible for these funds. Choose a Start and End Date for this Fiscal Year. For many libraries, this is a calendar year. Click Save. Now you can click Funds to view and add Funds to this Fiscal Year.

Let’s look at an example of a Fiscal year that already has Funds in it. For each fund, Polaris tracks the Total amount of Allocated money, how much is currently Encumbered, how much has been Expended, and how much Free Balance is left.

Funds represent different categories of spending within that Fiscal Year. When you create a fund and allocate money to it, you are deciding how much money you want to spend on that category. Throughout the year, the Funds track whether you are hitting your targets.

When planning how to build the fund structure, think about what categories you want to use. These could be categories related to audience, genre, topic, branch, language, or any other category that is important to you. Funds can also have subfunds, in a hierarchical structure.

For example, a library may want to have Funds based on audience: one for adults, one for young adults, and one for children. Those funds can be further divided into subfunds. The fund for adults could be divided into fiction and non-fiction. The fund for young adults could be divided into a subfunds for physical and electronic materials. The structure can be as simple or as complex as you want.

Let’s start defining the structure of the fiscal year by adding funds to our new Fiscal Year. Click + NEW FUND. Give it a Name and an Alternative Name. Click Save. We will allocate money after all our Funds are set up. Click Close to close this fund. If you don't see your new fund in the list, click Refresh. Click New Fund again, and follow the same process to add any other funds you need.

In this example, you'll add a new Fund for 'Young Adult' and 'Juvenile'.

To add subfunds, click the fund row. At the top, you can see the Fiscal year that this fund is a part of. Click the Subfunds tab and then click + New Subfund. Give your subfund a Name and an Alternative Name.

To add sub-funds, click the fund row. At the top, you can see the Fiscal year that this fund is a part of and the Parent Fund. Click the Subfunds tab and then click + NEW SUBFUND. Give your subfund a Name and an Alternative Name. The Owner will be preselected to the branch you are logged in to. When you’re done, click Save. Your new subfund has now been created. Click CLOSE and then REFRESH, to see it in the list.

Repeat these steps to add any additional subfunds. In this example, you’ve added one more subfund for ‘Adult Media’.

When you’re done, you can click the Fiscal year or Parent fund to return to the list of all the funds. You may need to click REFRESH, to update the list with your new subfunds.

Note that all funds will be displayed as a single list without a visible hierarchical structure in Polaris.

You now have your Funds and Subfunds setup and after you get confirmation from your financial office regarding the library budget, you can add money to them.

This does not actually transfer any real money. You can think of the Funds as a form of bookkeeping. The Funds only track how much money you have to spend in each budget category.

Click a fund or subfund to open it, then open the ACTIONS menu, and select Adjust Fund Balances. Since this is a new fund, you'll select Assign “Beginning allocation”.

Once there is an existing balance, you'll only be able to select Supplementary or Reduction in allocation; or Manually adjust "Total currently encumbered", or "Total Expended".

Enter the Amount, then click UPDATE FUND. Notice that the Balance has been updated.

For more information on how funds are used in the purchase order process, see the Polaris Acquisitions training videos. You can also use reports to see a visual representation of how money has been spent in each fund. And you can learn more in the Reports training session.

You now know how to build the fund structure for a fiscal year in Polaris and add budgeted amounts to funds and subfunds.

Thanks for watching!