

# Grant Accounting for Allocation Pool Transactions

With this release, Workday enables you to generate award costs and recognize revenue for cost reimbursable expenditures associated with allocation pools in an allocation plan.

Posted: 2025-07-18 | Updated: 2025-08-08 | Release 2025R2

Setup Effort: Setup Required Correction

## Business Benefits

This feature enables you to generate award costs for grant-related expenditures that are associated with allocation pools, making it easier to bill the sponsor for the direct and indirect costs associated with these expenditures.

## Changes

We update the Workday grant accounting engine to now support cost reimbursable expenditures tagged with allocation pools. When you access the **Process Allocation Plan** task, Workday initiates the grant accounting job to process award costs for cost reimbursable spend transactions associated with the allocation pools in the allocation plan, provided that the allocation pools contain these worktags:

- A grant associated with the same company as the allocation pool. The company for the grant is the company on the award line that the grant is assigned to.
- A pay component or spend category associated with a cost reimbursable expenditure.
- A sponsored fund.

The grant accounting job generates accounting for facilities and administration (F&A, or indirect costs) and revenue recognition that you can subsequently view on these new tabs on the allocation pool transactions:

- **Facilities And Administration**
- **Award Revenue Recognition**

You can access these tabs when you select **Accounting > View Accounting** from the related actions menu of the allocation pool transactions.

When you access the **Cancel Allocation Plan** task, Workday:

- Cancels any unbilled cost reimbursable spend and F&A transactions, and either reverses or cancels the F&A and revenue recognition journals corresponding to those transactions, depending on the accounting journal setup of your tenant.
- Reverses any billed cost reimbursable spend and F&A transactions, and reverses the F&A and revenue recognition journals corresponding to those transactions.

When you access the **Reprocess Allocation Plan** task, Workday:

- Performs all the actions related to canceling an allocation plan.
- Creates new cost reimbursable spend and F&A transactions.
- Generates F&A and revenue recognition journals for the new transactions.

If you cancel an allocation plan that has a grant with a basis limit in its allocation pool, then create new transactions and reprocess the plan, we recommend running the **Reprocess Award Costs** task to ensure that the basis limit is consumed correctly.

We update the **Find Cost Reimbursable Lines** report to now include cost reimbursable spend lines associated with allocation pool transactions.

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<b>Delivery Details</b>	
<b>Preview Date</b>	2025-06-27
	
<b>Service Update Date</b>	2025-08-08
<b>Tenant Status</b>	

## Details

### Using Workday

Grants Management

### Products

Grants Management

### JIRA

FINGRT-45926

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## Related Information

[2025R1 Feature Release Note: Allocation Plans for Financial Accounting](#)

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## What Do I Need to Do?

1. Set up your tenant for charging cost reimbursable expenditures to grants through allocation pools:

Access the **Maintain Worktag Usage** task, and add:

- *Allocation Pool* as an additional worktag type for the type of the transactions you want to charge to grants through allocation pools. Example: To charge supplier invoices to grants through allocation pools, add *Allocation Pool* as an additional worktag type to the **Supplier Invoice** taggable.
- *Grant* as an additional worktag type for the **Allocation Pool** taggable, to enable the selection of grant worktags when creating allocation pools.

2. Create or edit an allocation plan with tiers.

Access the **Create Allocation Plan** task to create a plan with tiers. Configure the **Source Journal Lines** tab on the allocation plan to exclude these journal sources::

- Facilities and Administration Expense

- Grant Revenue

### 3. Create or edit allocation pools for the tiers on the allocation plan.

Access the **Create Allocation Pool** task. Configure the **Accounting** tab to add a row for each of these worktag types in the **Pool Worktags** grid:

- *Fund* (specify a sponsored fund)
- *Grant* (specify a grant on the same company as the allocation pool)
- *Pay Component* or *Spend Category* for the cost reimbursable expenditures

Note: Workday recommends that you specify grant worktag values:

- Directly on the allocation pools, not on the spend transactions.
- Only on the allocation pools where you want Workday to generate grant accounting.

### 4. To charge cost reimbursable spend transactions to grants through allocation pools:

1. Create the spend transactions, adding the allocation pool as a worktag for the transactions. If you're prompted for a fund worktag on the spend transactions, specify a non-sponsored fund. Complete the transaction.
2. Access the **Process Allocation Plan** task to process the award costs for spend transactions associated with the allocation pools in the allocation plan. Complete the *Allocation Plan Event* business process.

### 5. To view the grant accounting (F&A and Revenue Recognition) for the allocation pool transactions:

1. After the *Allocation Plan Event* business process completes, click **View Allocation Plan Run**.
2. On the next page, click **View Allocation Transactions**.
3. From the related actions menu of an allocation pool transaction, select **Accounting > View Accounting**.

You can also select tasks in **Facilities And Administration** to view the F&A transactions and journal lines associated with the allocation pool transaction.

## What Happens if I do Nothing?

Workday won't generate grant accounting for cost reimbursable spend transactions associated with allocation pools.

Use this space to ask about specific release note content such as delivery dates, changes related to this feature, or impact of the feature. Otherwise, we recommend:

- For suggested enhancements, use the [Ideation Hub](#).
- For defects, contact [Support](#).
- To collaborate with other users, [Connect on Community](#).

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## 1 Questions

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1 Answer

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