

## University of Idaho Chart of Accounts - V

### Introduction:

The current University of Idaho chart of accounts is the result of a two-year project to modernize the original chart created for the Banner implementation in 1994. The new chart was implemented beginning fiscal year 2019 with a full cut over at that time.

Goals of the project were designed to ensure the FOAPAL (Fund, Organization, Account, Program, Activity and Location) elements were reconfigured to make the best use the flexibility of the Banner chart. **The first goal was to eliminate redundancy in the use of codes.** Organization codes had been set up to mimic funds or accounts codes. Funds had been set up to mimic organizations and in some instances account codes. This created a very large number of unnecessary codes and failed to leverage the power of the multidimensional chart structure. **The second goal was to eliminate as much logic in the chart codes as possible.** Building logic into chart codes limits the flexibility of the chart as the University org structure changes over time and can reintroduce redundancy back into the chart. Some logic still exists in the new chart but only where it made absolute sense to do so for reporting and query in the Banner forms. **The third goal was to facilitate standard budget and finance reporting across the institution.** The accomplishment of the first two goals enabled the third.

### Chart Maintenance:

The chart is the responsibility of the Division of Finance and Administration. It is managed to maintain the chart with the three goals above as the map. Two offices manage the entry of and updates to FOAPAL elements in Banner.

- Funds
  - General Accounting – all non-research funds
  - OSP Post Award – Research funds
- Organizations
  - General Accounting
- Accounts
  - General Accounting
- Programs
  - General Accounting
- Activity
  - General Accounting and OSP Post Award
- Location
  - General Accounting

**Chart Elements:**Fund Type

Fund type is a 2-level classification of funding sources and uses.

Fund Type Level 1 – Fund Group

Fund groups are general high-level reporting categorizations of funds. Designed primarily to categorize funds for financial reporting requirements. The fund type level 1 codes:

<b>Fund Type 1</b>	<b>Fund Type 1 Title</b>
1	Current Unrestricted Funds
2	Current Restricted Funds
3	Auxiliary Funds
4	Loan Funds
8	Agency Funds
9	Plant Funds

Fund Type Level 2 – Fund Category

Fund categories designate specific funds or groups of funds within fund groups. Fund categories further identify the sources of funds. The fund type level 2 codes are as follows:

<b>Fund Type 1</b>	<b>Fund Type 1 Title</b>	<b>Fund Type 2</b>	<b>Fund Type 2 Title</b>
BK	Bank Fund	BF	Bank Fund
1	Current Unrestricted Funds	10	General Education
		11	Central Revenues and Allocations
		12	Local Service
		13	Clearing Funds
		14	Unrestricted Gifts
		15	Service Center
		16	Student Fees
		17	Benefits
		19	Current Unrestricted Accruals
2	Current Restricted Funds	20	Ag Research and Extension
		21	Restricted Gifts
		22	Sponsored Programs
		23	Student Aid Funds
		24	Other Restricted - Appropriations
		29	Current Restricted Accruals
3	Auxiliary Funds	30	Auxiliary Enterprises
		39	Auxiliary Accruals
4	Loan Funds	40	Loan Funds
		49	Loan Funds Accruals
8	Agency Funds	80	Agency Funds
		89	Agency Accruals

9	Plant Funds	90	Unexpended Plant Funds
		91	Renewal & Replacement Funds
		92	Retirement of Indebtedness
		93	Investment in Plant
		99	Plant Fund Accruals

Fund Code

Fund codes identify distinct sources of resources with a separate accounting from all other funds. Funds contain a cash balance, assets, liabilities, fund balance and recorded sources and uses of the cash. Banner provides functionality to develop a fund hierarchy for classification and reporting purposes. The lowest level of funds in the hierarchy are at the “data-enterable” level for that hierarchy, meaning that is where the transactions are recorded. All levels above the data-enterable level are referred to as fund levels for the classification or reporting mentioned above. The first level of funds is the fund type level 2 code to enable some forms of reporting and query in Banner.

Funds, and fund types, are time variant, meaning that reporting for a specific date, or date range, can be done reporting the fund status at that time. This allows fund codes to vary over time but using effective and change dates we can know how it was used at any time. This will allow UI the opportunity to re-use codes as sequences are filling up.

Fund codes are required for all transactions in Banner.

Organization Code

Organization codes (Orgs) represent the structure of the institution and the budget responsibility hierarchy. As with the fund code, code levels define the hierarchy or organization codes, drilling down to the data-enterable level. Each level is referred to org level 2, 3, etc. and use the same time variance as fund codes. The organization hierarchy is defined as:

<b>Organization Level</b>	<b>Level Description</b>
1	Institution level
2	Executive area level
3	College/Division level
4	Department Level

Organization codes, at level 4, are required for all operating ledger transaction in Banner (budget, expense, revenue, encumbrance, and transfers).

As designed, organization codes follow the organization chart of the institution. A code may vary from that structure if budget responsibility differs from the organization chart or there is a very compelling reason centrally to manage specific funding in its own organization code. New code requests deviating from the institution organization chart will be heavily scrutinized prior to creation and require the approval of the Controller or above.

Account Type

Account type is a 2-level hierarchy of account code grouping. Account type level 1 is a highly general categorization of account codes. Level 1 account types are:

<b>Account Type Level 1</b>	<b>Account Type 1 title</b>
10	Assets
20	Liabilities
30	Control
40	Fund Balance
50	Revenue
60	Labor
70	Expense
80	Transfer
90	Fund Additions
95	Fund Deductions

Account type level 2 further defines account code categories into groupings representing primary categories on the institutional financial statements.

<b>Account Type Level 1</b>	<b>Account Type 1 Title</b>	<b>Account Type Level 2</b>	<b>Account Type 2 Title</b>
10	Assets	CA	Current Assets
		FA	Fixed Assets
20	Liabilities	CL	Current Liabilities
		LL	Long Term Liabilities
30	Control	CN	Control
40	Fund Balance	FB	Fund Balance
50	Revenue	RV	Revenue
60	Labor	PC	Personnel Costs
70	Expense	CO	Capital Outlay
		OE	Operating Expenses
		OH	Overhead
		TB	Trustee/Benefit
80	Transfer	TR	Transfers
90	Fund Additions	AD	Fund Additions
95	Fund Deductions	DD	Fund Deductions

Account Code

The account code hierarchy is designed to allow consolidation at different levels for different reporting requirements. As with the other chart codes, the drill down in the hierarchy provides more detailed information. The data-enterable level is the lowest level in the hierarchy for transactions. There are three classifications of account codes:

1. General Ledger codes – statement of net position accounts (assets, liabilities and net position)
2. Operating Ledger codes – statement of revenues expenses and changes in net position accounts (revenue, expense, budget, encumbrance, and transfers)
3. Control Accounts – these accounts facilitate the summary recording revenue, expenses, transfers, budget, and encumbrances to the general ledger.

Account codes are required for all transactions in Banner.

Program Code

The program code is used to categorize operating activity of the institution into functional categories. The 2-level hierarchy uses level 1 program codes to identify transactions as categories such as instruction or public service. The functional categories are based on the NACUBO Financial Accounting and Reporting Manual for Higher Education (FARM). The FARM definitions are the authoritative reference for the functional classifications used in the Integrated Post-Secondary Data Survey (IPEDS) to promote comparability across all higher education institutions. The functional expense footnote disclosure in the audited financial statements is driven by these program code categories.

Program codes and functional categories are:

<b>Program Level 1</b>	<b>Program level 1 Title</b>
01	Instruction
02	Research
03	Public Service
04	Academic Support
05	Libraries
06	Student Services
07	Institutional Support
08	Operation & Maintenance of Plant
09	Scholarships & Fellowships
10	Auxiliary Enterprises
30	Student Loans
40	Fiduciary Accounts
61	Unexpended Plant Fund
62	Renewal & Replacement Fund
63	Retirement of Indebtedness Fund
64	Investment in Physical Properties

## 90 Revolving Funds

Level 2 program codes are designed using the level 1 code and an additional 2 – 3 characters that define categories for gathering the information required for administrative and facilities rates for recovering overhead on research activities from external agencies. A subset of program level 2 is below.

<b>Program Level 1</b>	<b>Program level 1 Title</b>	<b>Program Level 2</b>	<b>Program level 2 Title</b>
01	Instruction	01DRF	Departmental Research Off Campus
01	Instruction	01DRO	Departmental Research On Campus
01	Instruction	01ESF	Experiment Station Off Campus
01	Instruction	01ESO	Experiment Station On Campus
01	Instruction	01IGF	Instruction Grants Off Campus
01	Instruction	01IGO	Instruction Grants On Campus
01	Instruction	01INX	Instruction
01	Instruction	01ORF	Organized Research Off Campus
01	Instruction	01ORO	Organized Research on Campus
01	Instruction	01SRV	Dept Service Center
01	Instruction	01UNA	Other Institutional Act & Unallow

#### Activity Code

Activity codes are available by use by departments to further break down expenditures and revenues into specific buckets. There is no hierarchy to activity codes. One popular use of activity codes is to track the expenditures of individuals that share a FOAPAL. Activity codes reporting can assist departmental management to track to a more granular level than afforded by the fund, organization and account codes. Activity codes are not included in institutional reporting and are optional fields in Banner transactions.

Departments define the code and title for an activity code and request creation by General Accounting. The code must exist in Banner before it can be used.

Departments should be careful not to duplicate other codes in the chart – to avoid creating redundancy in the Chart (reference goal one in Introduction).

#### Location Code

Location codes are primarily used for tracking fixed assets within Banner. The codes are hierarchical, similar to other chart codes. They indicate campus, building, floor and room numbers for all the assets tracked in the asset submodule.

Location codes can also be used for departments with multiple locations where cost and revenue need to be tracked by location.

**Index Codes:**

Index codes are Banner functionality to provide a shortcut to the FOAPAL string for data entry. While they are regularly used to identify transactions on campus, they are not an element of the chart of accounts.

Indexes are created by General Accounting at the request of departments. New codes must be unique to keep from overriding existing codes. Most indexes created at implementation consist of the org code in the first three characters and some identifying characters in the last three. This enables quick querying of departmental codes in Banner.

In addition to short cutting FOAPAL entry, index codes can be set up so that the FOAPAL elements can or cannot be changed. The UI default setup for indexes is to lock the fund, org and program codes. The department can request the setup of new codes, or changes to existing, with other override settings.

Index best practices:

1. Do not set up accounting processes or reporting that is reliant on index codes. While this worked in the previous chart, it does not in Chart V.
  - a. Index codes are not always posted to the transaction tables making them an unreliable reporting focus
  - b. Changes made to FOAPAL elements during data entry change the index code makeup
2. Index codes should be unique. Because they are not a formal code in the chart, creating two or more index codes with the same FOAPAL elements but different titles will not provide reliable reporting. To make transactions unique when using the same fund, org and program code they should include an activity code.
  - a. Index codes are not always posted to the transaction tables in Banner. Therefore, a process to return index codes on reports, per end user requests, takes the FOAPAL from the transaction and look for an index that matches. In the case of multiple indexes with the same FOAPAL elements the programs select the first index alphabetically to display on the report.