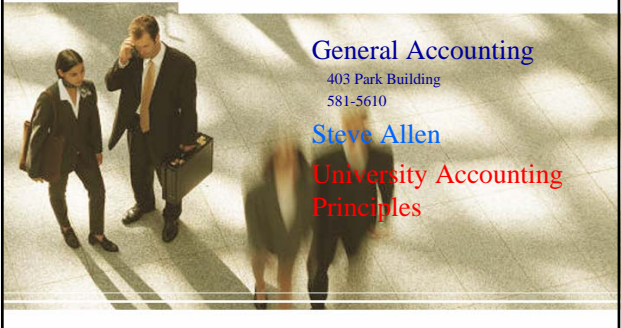


Welcome &
Thank you for Attending



General Accounting

403 Park Building
581-5610

Steve Allen

University Accounting
Principles

Agenda

- Need for Accounting
- Methods of Accounting
- Chart of Accounts
- Accounting Transactions
- Campus Information System (CIS)
- Management Reports
- Questions



Need for Accounting

- Reporting:
 - Institutional
 - Departmental
 - Consistency, uniformity, & comparability
- Management:
 - Institutional
 - Departmental
- Auditing:
 - Who Audits?
 - Why?



Method of Accounting

- Universal Accounting Principles:
 - Double Entry Accounting (Debits (+) = Credits (-))
 - Assets = Liabilities + Fund Balance
 - Change in Fund Balance is a result of Revenues and Expenses (Profit or Loss)



Method of Accounting continued

- Fund Accounting:
 - Used generally by public entities like the Federal Government, state, municipalities, and universities
 - How are Funds Determined?
 - State Appropriations
 - Sales & Services
 - Gifts
 - Contracts & Grants
 - **SPEND FROM WHERE FUNDS RESIDE**



Method of Accounting continued

- Governing Bodies:
 - GASB (Governmental Accounting Standards Board)
 - FASB (Financial Accounting Standards Board)
 - NACUBO (National Association of College and University Business Officers)



CHART OF ACCOUNTS

- Financial transaction coding structure
- Provides identifying information about transactions
- Enables isolation, categorization, and classification of accounting and budgetary information



Chartfields for the University of Utah

- Business Unit
- Organization ID (OrgID)
- Fund
- Activity
- Project
- Account
- Allowable/Unallowable (A/U)



BUSINESS UNITS

- Business Unit is the highest level at which transactions and processing rules can be grouped and reported
- Multiple Business Units can be combined or consolidated for Total Entity reporting.
- Oft times, but not always, represents a separate legal entity.
- Allows for the segregation of dissimilar types of business activity within a larger entity
- Each Business Unit can define the other chartfields to meet its own needs



Business Units continued

➤ Business Unit Values

- 01 – University of Utah
- 02 – University Hospital & Clinics
- 03 – University Neuropsychiatric Institute
- 04 – University of Utah Research Foundation



Organization ID (OrgID)

- Represents a unit within the University that has responsibility for resources such as: people, space, funding, etc.
- Rollup Structure



Fund

- Identifies the source of funds
- Separate funds are established to insure observance of limitations and restrictions placed on the use of resources
- Examples:
 - 1001 – General Fund
 - 2xxx – Designated Funds (sales & service of academic departments or service units)
 - 4xxx – Auxiliary Enterprises (entities servicing students student life)
 - 5000 – Contracts and Grants
 - 6000 – Gifts



Activity

- Identifies differing business activities within the same Fund
- Allows for financial reporting and transaction segregation by each Activity



Project

- Uniquely identifies the various contracts, grants, or construction projects
- Delivered features are unique to other chartfields



Account

- Classifies the nature of a transaction
 - ✓ Assets – 1XXXX
 - ✓ Liabilities – 2XXXX
 - ✓ Fund Balance – 30000
 - ✓ Revenues – 4XXXX
 - ✓ Expenses:
 - Personal Services – 5XXXX
 - Nonpersonal Services – 60000 – 89999
- The term “Account” does not apply to an entire chartfield string. It is only one element of a chartfield string.



Allowable/Unallowable (A/U)

- Identifies expenses as either allowable or unallowable for purposes of calculating the University's indirect cost rate (F&A)
- Valid values:
 - 0 – Unallowable
 - 1 – Allowable
- Used only for:
 - Expenses (Account values 50000 – 89999)
 - Business Unit – 01
 - Funds 1001, 2XXX, or 6XXX



Transaction Coding

- Chartfields:
 - Business Unit
 - Org ID
 - Fund
 - Activity
 - Project
 - Account
 - A/U (Allowable/Unallowable)
- Coding Examples:

– 01-00348-1001-05809-	-63200-1
– 01-00359-5000-	-58200073-63200-
– 01-00406-70xx-B0001-12345	-63200-
– 02-91000-	- - -65250-
– 03-91023-	- - -65250-
– 04-00344-02 -00003-	-63200-



Transaction Coding continued

- Common Mistakes:
 - Wrong Combination
 - Wrong Fund
 - Wrong Org ID
 - Wrong Activity
 - Nonexisting Chartfield
 - Project Closed
 - Activity Closed
 - A/U Usage
 - One-sided Fund Transfers



Accounting Transactions

- Activity/Project Setup
- Accounting Calendar
- Accounting Date
- Accounts Payable
- Deposits
- Journal Entries
 - Journal ID
 - Journal Source
- Campus Orders
- Revenue/Expenses vs. Fund Transfers
- Year-end Transactions (Thermidor)
- Petty Cash



Campus Information System (CIS)

- Financial & Business Services:
 - Reports
 - Transaction Detail Search
 - Forms
 - Processing
 - Resources & Information
- Financial & Business Svcs News (FBS News)



