Chart of Accounts (COA) Fundamentals

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Agenda

- Learning Objectives

- General Ledger Account Structure

- Grants Account Structure

- Tools
- Next Steps

Course Objectives

By the end of this session you will be able to:

- Define concepts and terms of the Chart of Accounts

- Describe the General Ledger and Grants Account Structures

- Describe Hierarchies within segments

- Determine where to find and how to use tools for the Chart of Accounts

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Key Terms & Concepts

- **General Ledger (GL):** System of record for all financial transactions

- **Chart of Accounts Structure:** The COA Structure identifies how you will account for transactions

- **Cost Center:** Segment values used together in a transaction (excludes object code)

- **Segments:** Segments are components of cost center, intended to track different information

- **Values**: the range of numbers defined for each segment

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What is a Hierarchy?

- **Hierarchies:** structure for summarizing segment values.

- **Parent values** summarize child values for reporting purposes. Values begin with a letter followed by numbers but length varies depending on segment length.
  - **These can only be used for reporting**

- **Child values** are used for posting transactions and entering budgets and are always numbers, but length varies depending on segment length.
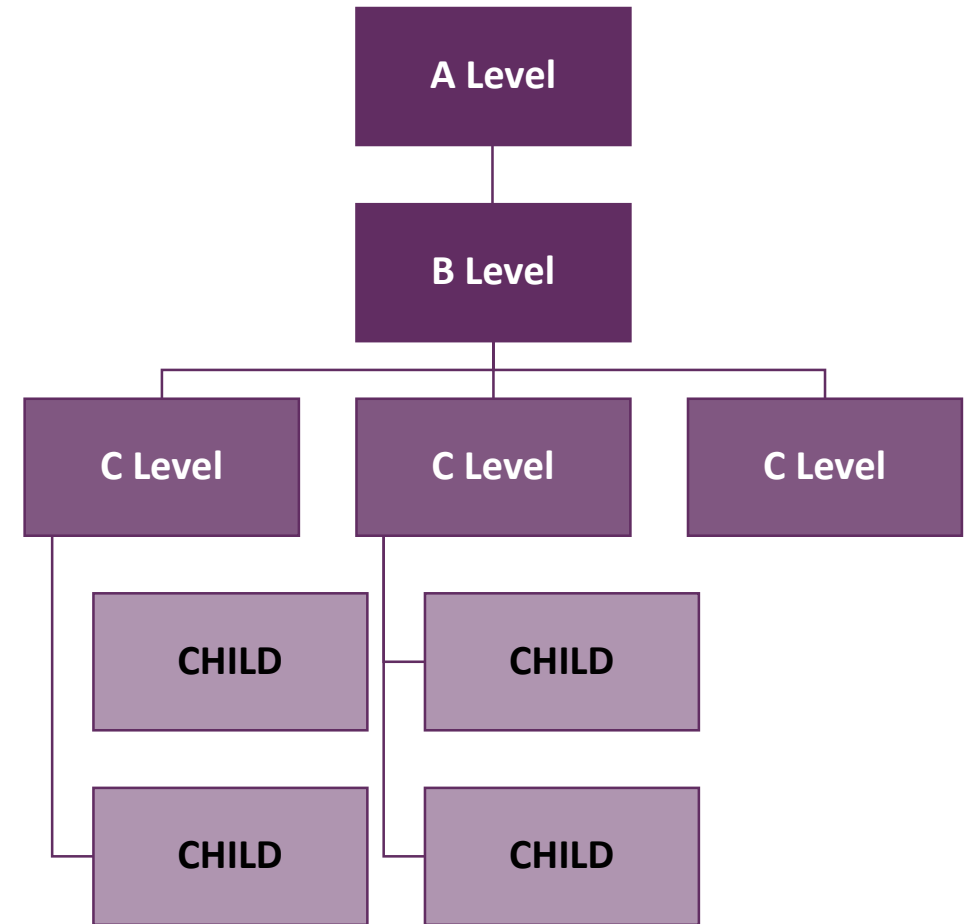
Review Question
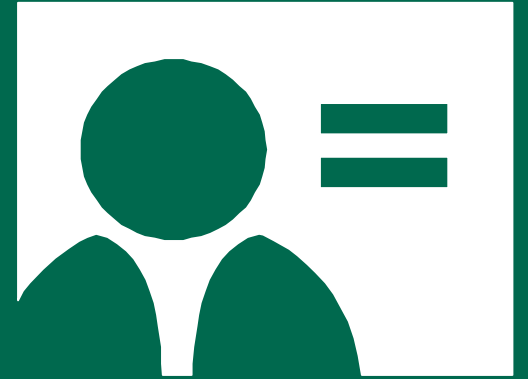
Which value can ONLY be used for reporting?

A. Parent

B. Child

C. Grandchild
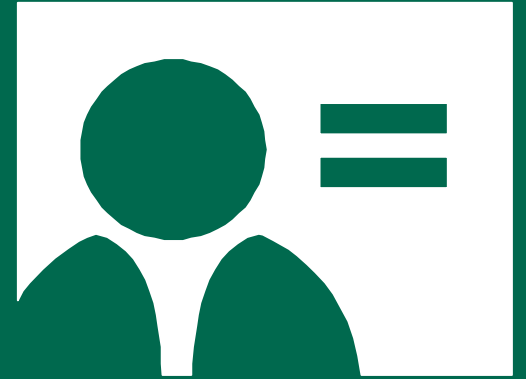
Review Question

If I incur an expense that relates to my entire Planning Unit, can I charge it to a parent value?

A. Yes

B. No

Lesson Summary

- Terms and definitions under current and new charts

- Introduced new concept of two Chart Structures
  - General Ledger account structure and segments
  - Grants account structure and segments

- Hierarchies
  - Each segment has a unique hierarchy
  - Parent and child values within the hierarchy and how they are used for reporting and transactions
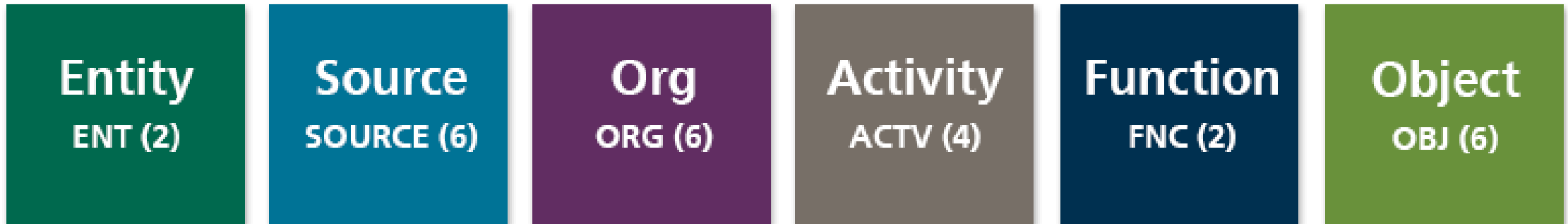
General Ledger Chart of Accounts

Lesson Objectives

By the end of this lesson you will be able to:

- Define each Segment in General Ledger Structure

- Determine how each Segment is used and why it exists

General Ledger Account Structure

Entity	Source	Org	Activity	Function	Object
ENT (2)	**SOURCE (6)**	**ORG (6)**	**ACTV (4)**	**FNC (2)**	**OBJ (6)**

How is the transaction summarized?

Example:
Ohio University, OU Foundation

How is the transaction funded?

Example:
Unrestricted, Sponsored Projects, etc.

Who administers the funds?

Example:
Organization in a department/ planning unit.

What is the internal purpose of the transaction

Example:
Defined by Planning Unit for tracking purposes

Why is the transaction occurring (govt or accounting purpose)?

Example:
Instruction, Public Service Fundraising

What kind of transaction is taking place?

Example:
Tuition & Fees, Salaries, etc.

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Entity Segment

Entity
ENT (2)

- Identifies how the transaction is summarized for financial reporting.

- Represents major components of the University requiring separate balance sheet/external reporting (e.g. legal entities, auxiliary operations, etc.) such as Ohio University or OU Foundation.

- Values will be the same across all Planning Units.

Segment Value	Associated Entity
10	General
20-24	Auxiliaries
50	OUF General
80	Student Orgs

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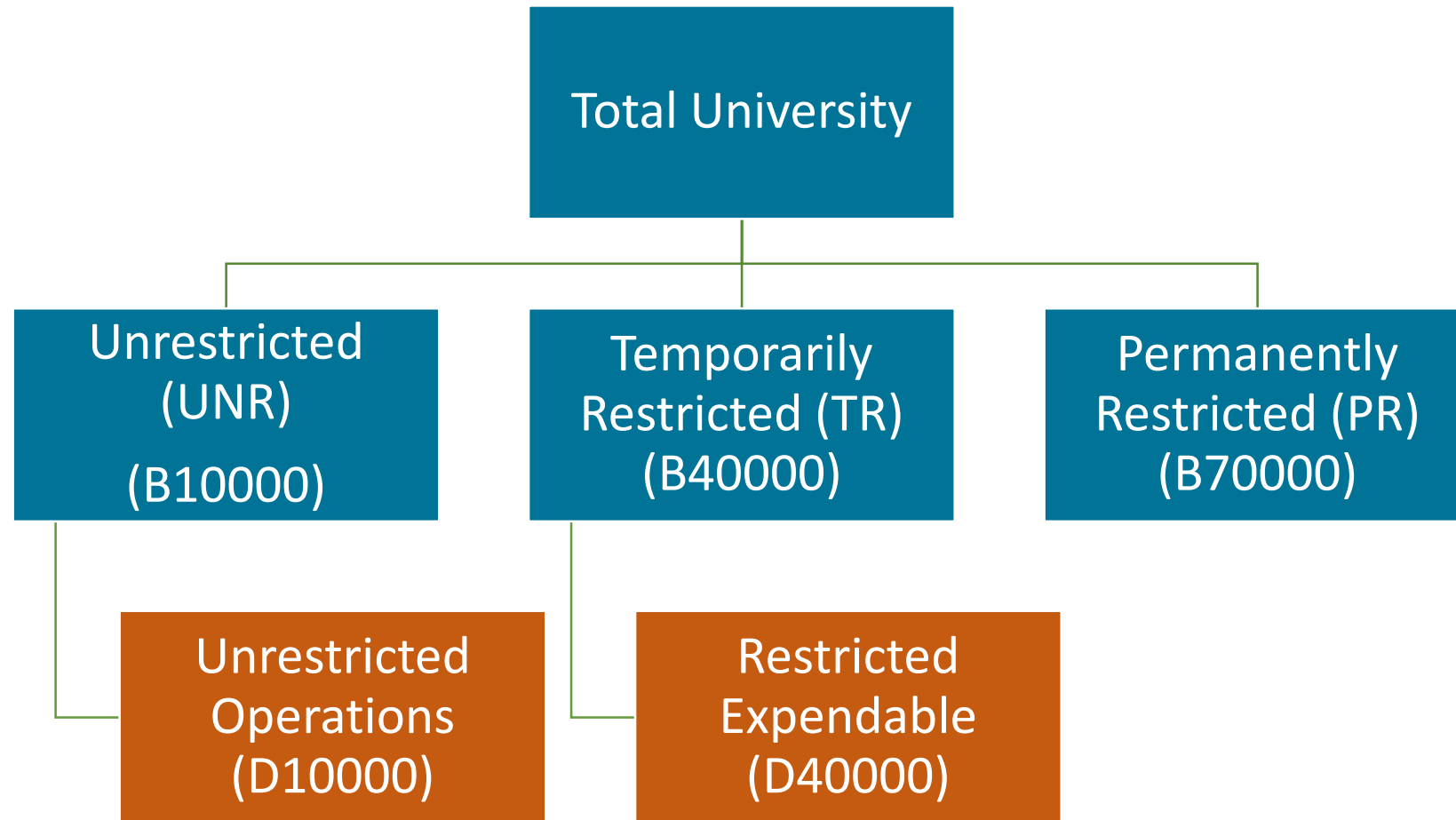Professional Development Pathways

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Source Segment

Source
SOURCE (6)

- Identifies how the transaction is funded.
- **Identifies the source of funds classified by restrictions.**
- Values will be the same across all Planning Units.

- Source values used by Planning Units will generally belong to one of two categories: **Unrestricted Operations** and **Restricted Expendable**
  - **Unrestricted Operating:** University funds from operations that have no "external" restrictions that limit spending
    - Designated funds are unrestricted operating funds that departments chose to internally designate for specific spending **Designated** purposes
  - **Restricted Expendable:** funds received from external parties with specific spending restriction
    - Restrictions are imposed by sponsors and donors

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Sources of Funds Hierarchy

Source
SOURCE (6)

Total University

Unrestricted (UNR) (B10000)

Temporarily Restricted (TR) (B40000)

Permanently Restricted (PR) (B70000)

Unrestricted Operations (D10000)
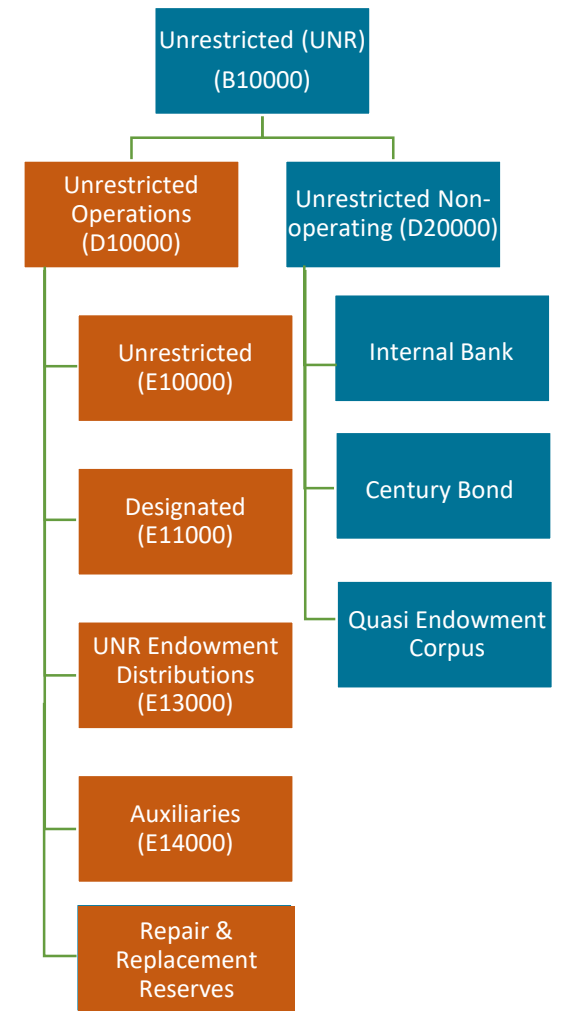
Restricted Expendable (D40000)

Unrestricted Sources

Unrestricted Operating funds are University funds from operations that have no "external" restrictions that limit spending.

Common Unrestricted Sources:

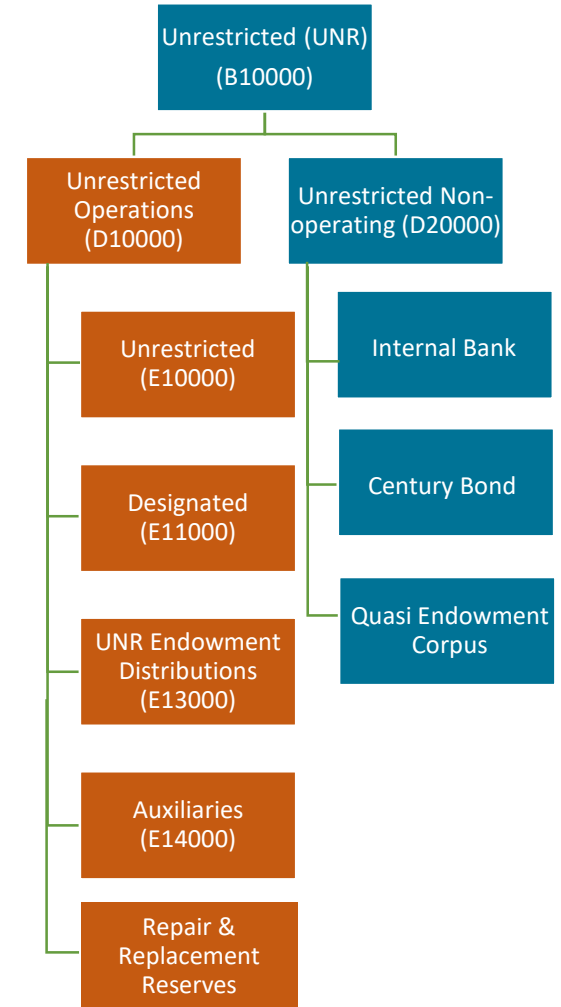| Value	Source Name
100000	Unrestricted
100600	PACE
140000	Auxiliary

Unrestricted Designated Sources

Designated funds are unrestricted funds that departments choose to designate for specific spending purposes.

- Also referred to as "internally restricted"
- Operating reserves (aka carryforward) are considered designated funds
- **Common Designated Sources:**

  Research Incentive, Startup Funds, Internal Awards, Honors Tutorial are considered Designated Sources but are tracked in the Grants Accounting Module.

Value	Source Name
110100	Workshops/Conferences
110410	Course Technology Fees
115000	Operating Reserves
115900	Repair & Replacement

Unrestricted (UNR) (B10000)
- Unrestricted Operations (D10000)
  - Unrestricted (E10000)
  - Designated (E11000)
  - UNR Endowment Distributions (E13000)
  - Auxiliaries (E14000)
  - Repair & Replacement Reserves
- Unrestricted Non-operating (D20000)
  - Internal Bank
  - Century Bond
  - Quasi Endowment Corpus

Restricted Expendable Sources (SPONSORED)

Restricted expendable funds represent funds received from external parties with specific spending restrictions.

Sponsored Projects

- When sponsors engage the University in agreements, the scope of the project and restrictions on spending are specified in the sponsored agreement. Sponsored funds are categorized by source of funds (Federal, State, Local, Private Sources, etc.).
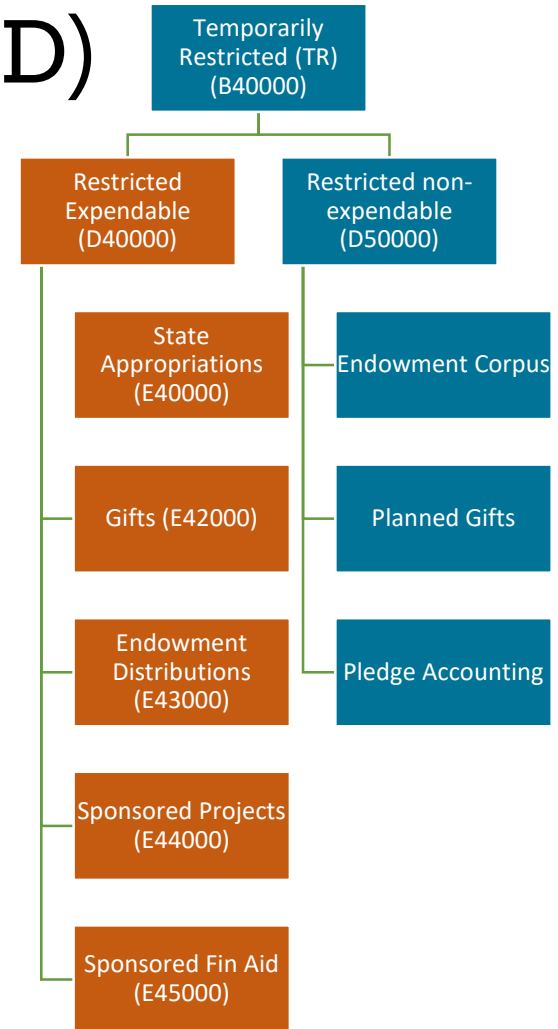
Sponsored Financial Aid

- Federal Workstudy, PELL, SEOG, State OCOG

Source Numbering

Value	Source Name
44XXXX	Sponsored Projects
45XXXX	Sponsored Financial Aid

X Represents uniquely named values for specific gifts, scholarships, and award programs

Temporarily Restricted (TR) (B40000)

Restricted Expendable (D40000)

Restricted non-expendable (D50000)

State Appropriations (E40000)

Gifts (E42000)

Endowment Distributions (E43000)

Sponsored Projects (E44000)

Sponsored Fin Aid (E45000)

Endowment Corpus

Planned Gifts

Pledge Accounting

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Restricted Expendable Sources (FOUNDATION FUNDS)

Received from external parties with specific spending restrictions.

- A discretionary gift can be spent in its entirety, but must be spent in accordance with donor purposes. **(E42000)**

- If a gift is specified as endowed, the gift is to be invested in perpetuity and the endowment distribution/earnings can only be spent for the donor's intended purpose. **(E43000)**

Temporarily Restricted (TR) (B40000)
- Restricted Expendable (D40000)
  - State Appropriations (E40000)
  - Gifts (E42000)
  - Endowment Distributions (E43000)
  - Sponsored Projects (E44000)
  - Sponsored Fin Aid (E45000)
- Restricted non-expendable (D50000)
  - Endowment Corpus
  - Planned Gifts
  - Pledge Accounting

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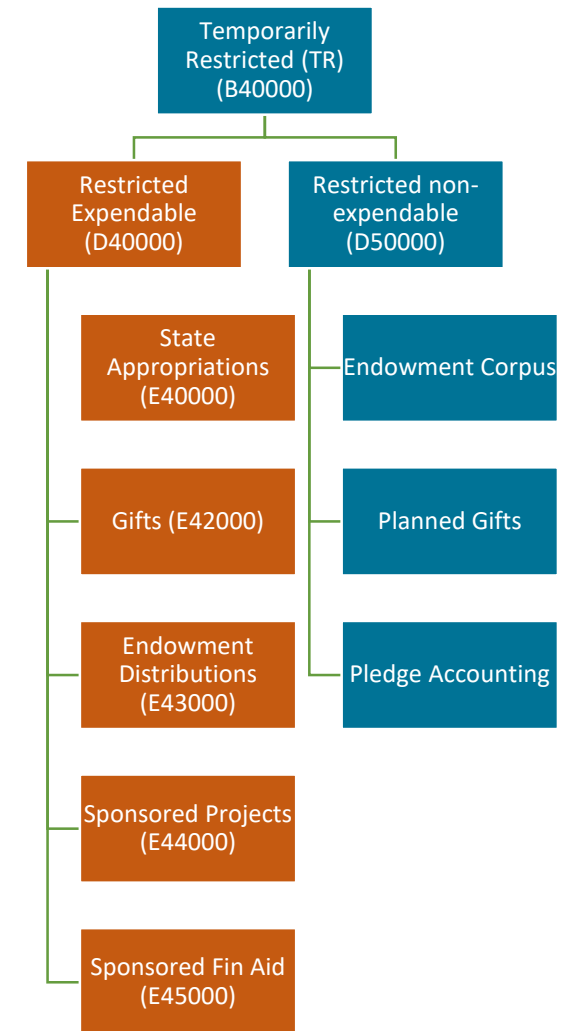
Restricted Expendable Sources (FOUNDATION FUNDS) Numbering

The sources are assigned based on donor restrictions:

First 2 digits identify the type of funds

Type of funds __ __	
42	Restricted Gifts
43	Endowment Distribution

Last 4 digits identify the purpose of the funds

Purpose __ __ __ __	
0000-0999	Other
1000-1999	Discretionary/ Gen Support
2000-3999	Chairs/Professorships/Lectureships
4000-4999	Research
5000-8999	Scholarships, Fellowships, Awards
9000-9999	Capital Improvements/ Renovations

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Review Question

The University receives a sponsored award from the National Science Foundation for the purpose of studying water vapor?

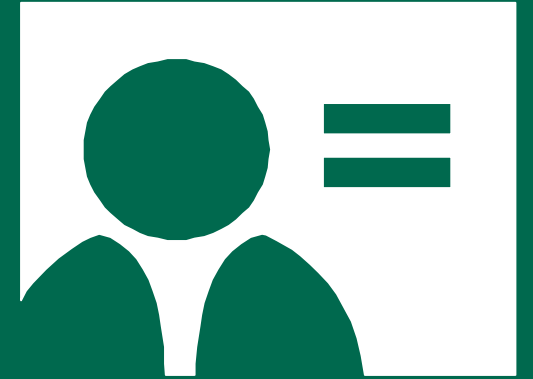A. Unrestricted

B. Restricted

C. Designated

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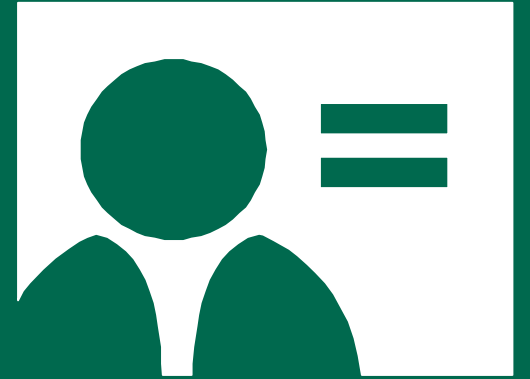
Review Question

The Accounting department receives a discretionary donor gift of $20,000 to use for whatever they want, which of the below sources would be valid?

A. 421435

B. 431435

C. 426500

D. 436500

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Organization Segment

Org
ORG (6)

- **Identifies who administers the funds, such as a Planning Unit or department within Planning Unit.**
  - Organization is the lowest level value of University structure.
  - Planning Units can consist of multiple Departments and Departments can consist of multiple organizations.
- Values will be different in each Planning Unit.
- Financial Approvers: Specify approvers by Organization values or parent values, which will align the approval for spending with the organization that is authorized to administer the funds

6 digit value defined as:

| __ __	__	__ __ __
Planning unit = first 2 digits	**Location = third digit**	**Department & orgs = last 3 digits**
 • 10 – A&S • 14 – Engineering • 25 - HCOM	• 0 – Athens • 1 – Dublin • 2 – Cleveland • 9 – Regionals • Primarily tracks activities of extension campuses	• Numbered and summarized by planning units

Organization Hierarchy Structure

- Executive (A & B level) University

- Planning Unit (C Level)

- Extension Campus (D Level)
  - *If applicable*

- Departments (E level)

- Organization values
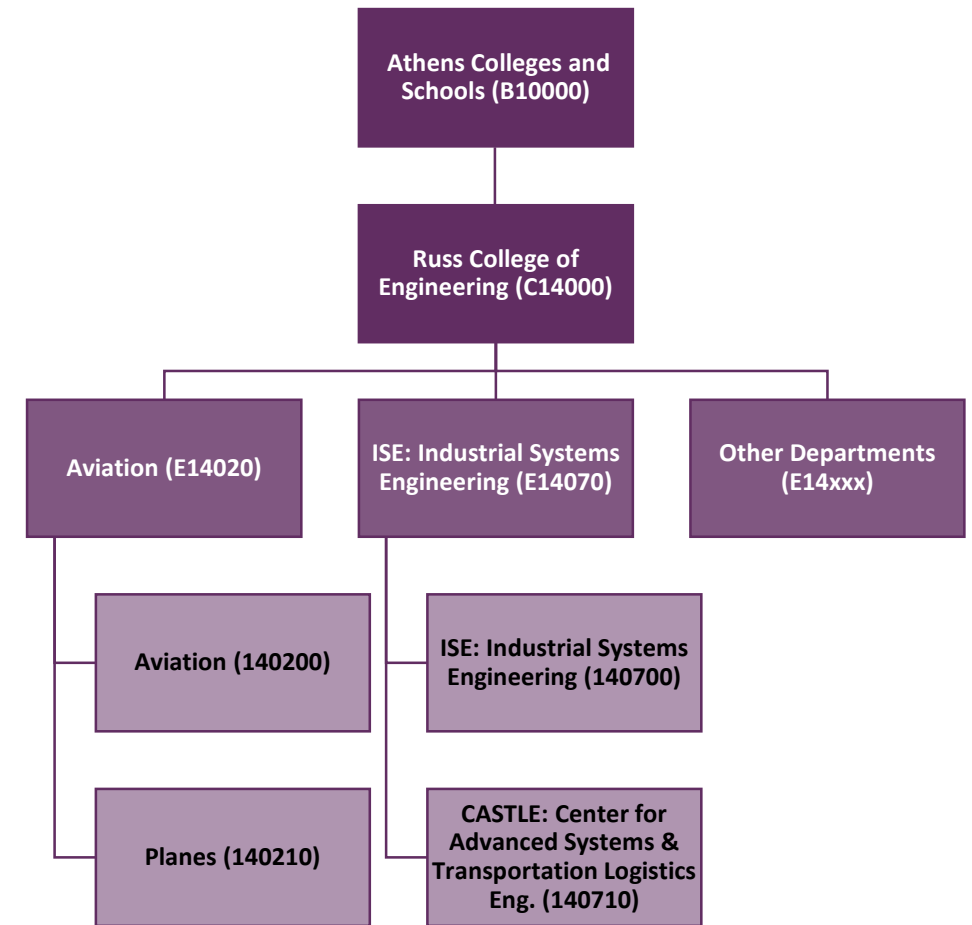
Review Question

If you want to view a report that summarizes transactions at the planning unit level, which level in the hierarchy would you pick?

1. Level B
2. Level C
3. Level E
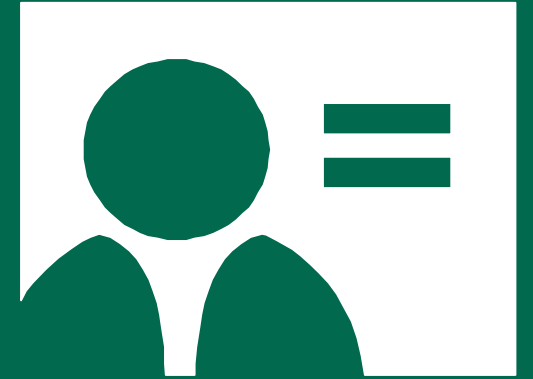
Activity & Function Segments

Both the Activity Segment and the Function Segment track the purpose of the spending

- **ACTIVITY** allows planning units to define purposes of spending related to their specific needs (internal)

- **FUNCTION** tracks high level spending classification as defined by the government or accounting standards - e.g., instruction, research, etc. (external)

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Activity Segment

Activity
ACTV (4)

- Describes the internal purpose of the transaction.
- **Allows departments to identify internal purposes for spending and associated revenues.**
- Shared values are defined at the University level.
- Each Planning Unit has a unique range of values to define.
- Added to assist in reducing "shadow" systems for monitoring and reporting.

Segment Value	Activity Range/Definition
0000	Unspecified
1000 - 1199	University defined codes (e.g., Homecoming, Halloween, Graduation, Recruiting-Faculty, Recruiting-Staff, Recruiting-Students, etc.)
1200 - 1399	Arts & Sciences
1400 - 1599	College of Business

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Activity, Object, Function Segments

- **ACTIVITY** – internal purpose and University defined
- **OBJECT** - identifies what is purchased (i.e. services, supplies, equipment)
- **FUNCTION** - classifies the expense by it's intent or purpose – identifies why the expense is incurred using external guidance (i.e. instruction, research, public service, student services)
  - Required value for expense transactions
  - Cross validation rules enforce a valid Function

Function Classification Guidance

Function Segment

Function
FNC (2)

- Defines why the transaction is occurring.
- **Defines government and accounting purposes for spending.**
- Only used with expense object codes
  - Required for each expense transaction on both University and Foundation accounts.
  - Function is a required value for balance sheet, revenue, and investment and funding transfer transactions; it will be 00.
- Values are the same across all Planning Units.
- **Most Organization values** have a default/primary Function value
- **Project-Task-Award (PTA):** Function is assigned at the time the Award is setup

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General Ledger vs PTA

- General ledger accounts with expense object require a FUNCTION
  - Entity-Source-Org-Activity-<u>FUNCTION</u>-Object

- PTA accounts – do not require a FUNCTION with expense object
  - Project-Task-Award-Object
  - Function will be assigned when the award is set up

Balance Sheet, Revenues, Transfers, and Expenses

Object Code Segment Value	Type of Account	Function
Balance Sheet		
1xxxxx	Assets	00
2xxxxx	Liabilities	00
3xxxxx	Fund Balances	00
Income Statement		
4xxxxx	Revenues	00
6xxxxx	Funding Transfers	00
7xxxxx	**Expenses**	**XX**
8xxxxx	Investment Transfers	00

Expenses are the only transaction you code with Function

Functions you will not code an expense transaction with...

Functions used by Finance only

Function Name	Value
Independent Operations	08
Scholarships/Fellowships	70
Interest on Debt	86
Depreciation	87
Other Non-operating Expenses	88

Functions setup when a Sponsored Project-Task-Award (PTA) is established – Award Purpose on Award

Function Name	Value
Sponsored Instruction	15
Sponsored Instruction – Cost Share	16
Sponsored Clinical Trials	24
Sponsored Research	25
Sponsored Research – Cost Share	26
Sponsored Public Service	35
Sponsored Public Service – Cost Share	36

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Most Commonly Used Functions

Function Name	Value
Agency	09
Instruction	10
University Research	20
Public Service	30
Academic Support	40
Deans & Provost	42
Operations & Maintenance	50
Student Services	75
General Administration	80
Public Relations	83
Fundraising & Development	92
Alumni Relations	94

Agency - Value and Definition

Function Value and Name	Definition
09 – Agency	The agency function is to be used in connection with all expense transactions incurred under agency funds. Agency funds are funds in the custody of the university that are not legally its property

Examples:
- Student Organizations (Entity 80 and Org # starts with 79XXXX)
- Rebill Accounts
- Foundation Alumni Chapters

Instruction – Value and Definition

Function Value and Name	Definition
10 – Instruction	The instruction classification includes expenses for all activities that are part of instruction. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and classes offered fall and spring semester; summer sessions; flexibly scheduled or modular classes, intersession, regular, special, and extension sessions should be included. Expenses for departmental research that are not separately budgeted also should be included in this classification. This classification excludes expenses for those academic personnel whose primary activity is administration—for example, academic deans.

Examples:
- Instructional salaries/benefits, supplies & services (whether credit or non-credit)
- Administrative positions that serve in a support role for academic or instruction related department
- Departmental Chairs or Directors for instructional departments
- Instructional Technology – separately budgeted

Instruction Function Exercise

- Tim is buying dry erase markers, a whiteboard, and an iPad for Professor Jones History 101 class using Designated funds. How should these transactions be coded for function?
  - *This is an example of an expense that should be coded as (10) Instruction.*

- Dr. Jones teaches 3 sections of History 101 and 1 section of History 201 which account for approximately 80% of his time. In addition, Dr. Jones spends 20% of his time pursuing departmental research endeavors. What function should his salary be coded as?
  - *Dr. Jones' salary should be coded as (10) Instruction.*

- What about Tim's salary?
  - *Because Tim works for a department organization that provides instruction, his efforts should be categorized as (10) Instruction as well. Tim's activities are part of the institution's instructional program.*

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University Research– Value and Definition

Function Value and Name	Definition
20 – University Research	All research and development activities that are separately budgeted and accounted for by the institution or under an internal application of institutional funds. For purposes of the Uniform Guidance and development of the F&A rate, University research shall be combined with sponsored research under the function of Organized Research.

Examples:
- Research Centers & Institutes
- Research Memberships/Consortia
- Foundation accounts established for university related research activities
- Research Information Technology – separately budgeted

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Public Service – Value and Definition

Function Value and Name	Definition
30 – Public Service	The public service classification includes expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services.

Examples
- WOUB
- HCOM Community health programs
- ILGARD local government and rural development
- Literacy Center
- Kids on Campus
- Wellworks
- Child Development Center

If you have a class with a public service requirement, you need to use instruction not public service.

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Academic Support – Values and Definition

Function Value and Name	Definition
40 – Academic Support	The academic support classification includes expenses incurred to provide support services for the institution's primary programs of instruction, research, and public service. It includes the following activities: • Libraries, museums, and galleries • Services that directly assist the academic functions of the institution that are associated with a department, school, or college. Examples include academic support of information technology, academic personnel development • Educational media, such as audio-visual services, and technology, such as computing support • Separately budgeted support for course and curriculum development
42 – Deans and Provost	Includes the Deans (does not include Academic Department Chairs/Directors – Instruction) and Provost administrative costs and personnel providing administrative support and management direction to the three primary missions of instruction, research and public service. Note that instruction, development/fundraising and student services conducted by these organizations should be charged to those functions and not to the Deans & Provost function.

Academic Support Examples

- Information Technology
  - Supports classroom or instruction – FUNCTION 10 Instruction
  - Supports research or researchers – FUNCTION 20 University Research
  - Otherwise, Academic Support – FUNCTION 40
- Separately budgeted activities that reward professional performance of Faculty (awards, sabbaticals, organized faculty development programs)
  - Honors Tutorial funds
- Course & Curriculum Development
- Central libraries (Alden & Regionals)
- Museums and Galleries (Kennedy)
- Reasonable estimates acceptable
  - FTE and expenses

Deans & Provost Examples

- Administrative costs and personnel providing administrative support and management direction to the three primary missions of instruction, research and public service

- Need to identify expenses in Dean organization for many functions – separate from expenses for Deans/Provost functions:
  - Instruction
  - Fundraising and Development
  - Academic Support
  - Student Services
  - Research
  - Public Service

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Academic Support/Deans and Provost Exercise

- Dr. Richards, Dean of the College of Business, has asked IT to purchase and install a Smart Board for his conference room.
  - *This purchase is made in support of the administrative duties of the Dean and therefore would be coded as (42) Deans & Provost.*

- Dr. Lin has just been named Dean of the College with a salary of $250,000.
  - *Deans and their administrative support staff are considered Deans & Provost. However, if Dr. Lin were to opt to take on a 10% teaching load, then her salary should be proportioned as such (90% Deans & Provost, 10% Instruction).*

- The Campus Library is adding a part-time Librarian to the staff.
  - *Expenses related to campus or departmental libraries that are centrally operated would be coded as (40) Academic Support.*

Student Services – Values and Definition

Function Value and Name	Definition
75 – Student Services	The student services classification includes expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program.

Examples:
- Student and cultural related activities (VP Student Affairs, Campus Rec, The Post)
- Counseling and career guidance (excludes informal counseling by Faculty)
- Advising
- Student recruitment
- Student services (Financial Aid, Enrollment Mgt, Registrar)
- Graduation/Convocations
- Adaptive aid services
- Cultural events

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Student Services Exercise

- The Registrar's Office hires two new Record Administrators.
  - *Registrars and enrollment administrators are examples of Student Services and should be coded as (75) Student Services.*
- Sarah, an incoming freshmen, visits the Career Center and is provided several pamphlets, pens and a t-shirt after discussing possible majors with career counselors.
  - *The expenses associated with the Career Center, be it staff salaries, the cost to print the pamphlets or to have the pens and t-shirts printed with university logos would all be considered (75) Student Services.*

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Operations & Maintenance – Value and Definition

Function Value and Name	Definition
50 – Operations and Maintenance	Operations and maintenance includes the costs of administration, supervision, operation, maintenance, preservation, and protection of physical plant/facilities and utility costs such as gas, steam, electricity, water and sewage. This includes major capital projects and capital improvement accounts.

Examples:
- Foundation accounts – facilities purpose
- Facilities Management – operations in planning units, central Facilities Management on Athens & Regional Campuses
- Utilities (Object codes)

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Academic Support Revisited

- Decision making in an academic department
  - Can you classify the function in something other than Academic Support (i.e. instruction, university research, student services)?
    - Yes – use that function
    - No – Is it something happening in the Dean or Provost's Office?
      - Yes – use Function 42 – Deans & Provost
      - No – Academic Support
- Make Academic Support your last option unless you know it is Academic Support (Separately budgeted activities that reward professional performance of Faculty, Course & Curriculum Development, Central libraries, Museums and Galleries)

Institutional Support – Values and Definition

Function Value and Name	Definition
80 – General Administration	The institutional support classification includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises

Examples:
- Executive Officers (except EVP & Provost – Function 42 Deans & Provost)
- Budget, Treasury, Finance, Human Resources, Space Management, Bursar, Internal Audit, VP Research
- General Administration is not a Function that will be used in Academic units

Institutional Support – Values and Definition, continued

Function Value and Name	Definition
83 – Public Relations	All advertising and public relations costs except the following: (1) the recruitment of personnel, (2) the procurement of goods and services (RFP), (3) other specific advertising or public relations costs specifically required by sponsored agreements, (4) costs of communicating with the public and press pertaining to specific activities or accomplishments which result from the performance of sponsored agreements; or (5) costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of contract/grant awards, financial matters, etc. These exceptions are charged to the function which they support (e.g., instruction, sponsored research, general administrative, etc.).

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Public Relations

- Charge to applicable Function (Instruction, Deans & Provost, Auxiliary, etc.)
  - Recruitment of personnel
  - Required notices to public – may be research related, compliance related, general information to public about university
- University wide function
  - Communications & Marketing
  - Public Relations

Fundraising & Development – Values and Definition

Function Value and Name	Definition
92 – Fundraising and Development	Fundraising and development expenses support efforts to raise money for the institution. This classification includes printing and postage costs, professional fundraiser fees, and the salaries and wages of staff members engaged in fundraising activities.

Examples:
- VP Advancement functions
- Planning unit development functions

Alumni Relations – Values and Definition

Function Value and Name	Definition
94 – Alumni Relations	Alumni relations expenses support efforts to build relationships with alumni in support of the university. This classification includes staffing and operational costs associated with alumni communications, reunions, special events and other programs to engage alumni.

Examples:
- Alumni Association
- Planning unit alumni functions

Functions you may use if...

- Unit specific for expense transactions.
- If you are billing these units, use these Functions when billing.

Function Name	Value
Auxiliary	60
Intercollegiate Athletics	61
Recharge	65
Sponsored Projects Administration	81
Other Institutional Activities	82
Foundation Administration	90

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Sometimes Source Matters

- **SOURCE**
  - Scholarship only Sources
    - FUNCTION 72 – Scholarship Discounts & Allowances
  - Course/Technology Fees 110410
    - FUNCTION 10 – Instruction
  - Auxiliaries Source 140000
    - FUNCTION 60
    - FUNCTION 61 - ICA
  - Recharge Source 141000
   - FUNCTION 65

Reasonableness

- *80/20 or 90/10 Rule*
  - *80-90% of the time, when assigning the classification, you will use the same one or two over and over again.*
  - *The other 10-20% may take some further research and reaching out for help.*

Review Question

If a Dean is traveling to meet with a group of donors, which Function should be used?

A. 42: Deans & Provost

B. 92: Fundraising and Development

C. 40: Academic Support
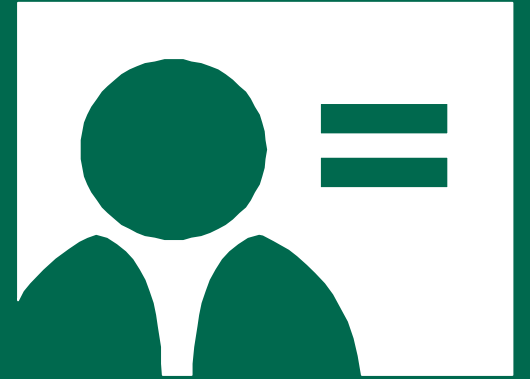
Object Segment

Object
OBJ (6)

- **Defines what kind of transaction is taking place and delineates the values by account type for Assets, Liabilities, Fund Balance, Revenues, Expenses and Transfers.**

- Used to further define the nature of a transaction; for expenses it is what is purchased while revenues define the activity that generates the income

- Values are the same across all Planning Units.

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How Object is Structured

The first digit of the Object represent the major groupings for Assets, Liabilities, Fund Balance, Revenue, Transfers and Expenses.

Segment Value	Type of Account
Balance Sheet	
1xxxxx	Assets
2xxxxx	Liabilities
3xxxxx	Fund Balances
Income Statement	
4xxxxx	Revenues
6xxxxx	Funding Transfers
7xxxxx	Expenses
8xxxxx	Investment Transfers

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Assets – Object (1XXXXX)

- Represent property or something of value (cash, investments, intellectual property) owned by the University, has value, and is available to meet the debts and other commitments of the University

- Examples of Assets:
  - Inventory
  - Equipment Inventory
 - Petty Cash or Change Fund
  - Accounts Receivable
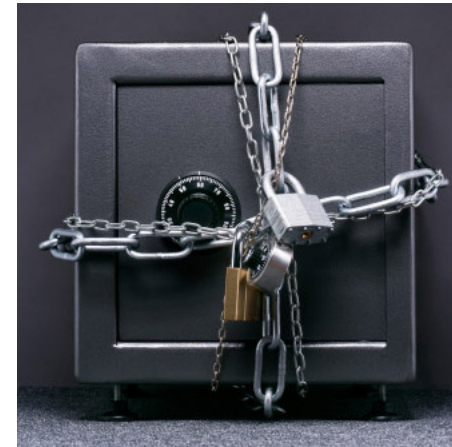
Liabilities – Object (2XXXXX)

- Represent sacrifices of economic benefits (i.e. cash) that the University is *obliged* to make to other entities for payment (for things like services or goods)

- Liability Object values are not commonly used by departments in charging financial activity

- Examples of Liabilities:
  - Accounts Payable
  - Taxes Payable

Fund Balance – Object (3xxxxx)

- Represents the difference between Assets and Liabilities on the Balance Sheet (AKA Owner's Equity or Equity)
- No transactions are made against Fund Balance – it is a computed balance
- Fund Balance Types
  - Unrestricted
  - Temporarily Restricted
  - Permanently Restricted
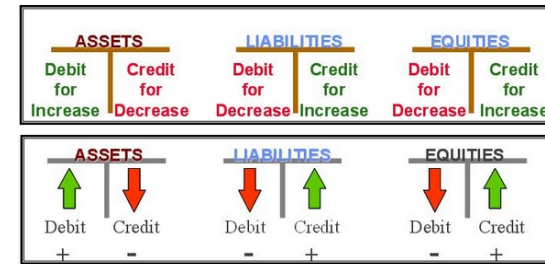
Revenues – Object (4xxxxx)

- Income
- Revenue Objects:
  - Tuition
  - Course Fees
  - Lab Fees
  - Sales & Services

Funding & Investment Transfers

Transfers are broken down into two sub-groups:

- Funding Transfers and Investment Transfers
- Both types of transfers identify the movement of funds for specific activities or expenses within the University or planning unit
- Funding Transfers represent the movement of operating funds
- Investment Transfers represent the movement to/from non-operating funds.

Item Type	Value Range
Revenues	4XXXXX
Funding Transfers	6XXXXX
Expenses	7XXXXX
Investment Transfers	8XXXXX

Funding Transfer – Object (6xxxxx)

- Used to identify the movement of funds for specific activities or expenses
- Values in the 6XXXXX range (between Revenues and Expenses) to represent that each transfer can be viewed as both a Revenue and Expense
  - Revenue for unit receiving
  - Expense for unit funding

Examples

Object Code B Level	Value	Name
Funding Transfer	610100	Funding Transfer - Within Units
Funding Transfer	620100	Funding Transfer - Across Units

The same object code is used on both sides of a transfer entry.

Investment Transfer - Object (8xxxxx)

Transfers to/from non-operating funds for specific purposes (i.e., funding a capital improvement account or moving funds from an operating reserve)

Seven main subcategories:

The same object code is used on both sides of a transfer entry.

Object Code C Level	Value
Transfer to/from Operating Reserve	81XXXX
Reserves for Facility/Non-Facility Renewal	82XXXX
Transfer to/from Plant Fund	83XXXX
Transfer to/from Quasi Endowments	84XXXX
Repair & Replacement Transfers	85XXXX
Internal Bank Transfers	86XXXX
Other	87XXXX

Expenses – Object (7xxxxx)

- Money spent on a good or service
- Expense Object:
  - Payroll
  - Benefits
  - Supplies
  - Travel
  - Equipment
  - Maintenance

Object Code Hierarchy Examples

A70000	Expenses
B70000	**Compensation**
C70000	**Salaries & Wages**
D70100	**Faculty Salaries**
701110	Professor
701120	Associate Professor
701130	Assistant Professor
D70300	**Administrative Salaries**
D70400	**Classified NBU Salaries**
C70900	**Benefits**

A70000	Expenses
B71000	**Supplies & Services**
C71100	**General Supplies & Services**
711510	Office Supplies
711120	Promotional Items
C71200	**Instructional & Research**
C71300	**Information & Technology**
B72000	**Professional Services**
B73000	**Occupancy & Maintenance**
B74000	**Capital Costs**
B75000	**Student Aid**

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Travel Object Codes

OBJECT CODE	OBJECT DESCRIPTION
718110	Airfare - Domestic
718115	Charter - Air Transportation - Domestic
718120	Ground Transportation - Domestic
718125	Charter - Ground Transportation - Domestic
718150	Lodging - Domestic
718160	Meals & Incidentals - Domestic
718380	**Travel (Conversion Only)**

*Domestic & Foreign Travel have different Object Codes

Conversion Only Codes

- When the COA converted in 2017, the previous Natural Account often included charges that were converted to multiple Object codes

- As such, CONVERSION ONLY codes were created to store history

- **Cannot charge against conversion only codes**

- Object description will indicate (CONVERSION ONLY)

Internal Charges

- To provide better visibility into internal charges (IC), better-defined Object segments have been created for internal charges (IC).
- IC Codes are paired codes

Expense Account	Revenue Account	Segment Descriptions
78**2020**	48**2020**	IC Postage
78**0085**	48**0085**	IC Printing Services
78**0295**	48**0295**	IC Equipment Rentals

IC codes always start with 78 or 48 and will roll to appropriate parent (revenue or expense).

* DO NOT USE FOR ACCOUNTING/COST DISTRIBUTION CORRECTIONS *

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Internal Charges continued

Example of how the expense side of the internal charges will appear separately from external charges.

ORACLE **Business Intelligence**

Object Summary

Object Summary

Period NOV 2017-18   Cost Center W Actv 10-100000-950501-8051

Object	OBJ Desc	Current Budget	PTD Actuals	YTD Actuals
707210	RELOCATION EXPENSES - CASH PAID TO EMPLOYEE	0.00	0.00	1,089.41
711320	PRINTING & PUBLISHING EXTERNAL	0.00	0.00	7,632.00
711710	US POSTAGE	0.00	0.00	1,091.48
711720	SHIPPING AND FREIGHT CHARGES	0.00	0.00	71.94
712240	LABOR DISTRIBUTION	0.00	0.00	597.50
717100	FACILITIES REPAIR & MAINTENANCE EXTERNAL	0.00	0.00	300.00
718410	BUSINESS MEALS	0.00	0.00	517.50
719180	OTHER PERSONNEL COSTS (CONVERSION ONLY)	0.00	0.00	0.00
724510	MOVING SERVICES	0.00	0.00	0.00
725030	PROFESSIONAL SERVICES	0.00	0.00	0.00
780085	IC PRINTING SERVICES	0.00	0.00	500.00
782020	IC MAIL SVCS POSTAGE	0.00	0.00	400.00
830100	TRF TO FUND A CAPITAL IMPROVEMENT	0.00	0.00	2,902.50
		0.00	0.00	15,102.33

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Object Code Resources

- Object Lookup: allows you to search by number or search a word in Object description
- Segment Lookup: provides Object definitions
- [Object Quick Reference Guide](#)
- [Purchasing Guide on Finance Website](#)
- Still have questions?
  - Contact your CFAO

Review Question

A revenue Object and an expense Object start with what as the first digit?

A. 4 and 7

B. 6 and 7

C. 1 and 4

Answer: A – All revenue Object codes begin with the first digit of "4" and all expense Object codes begin with the first digit of "7"
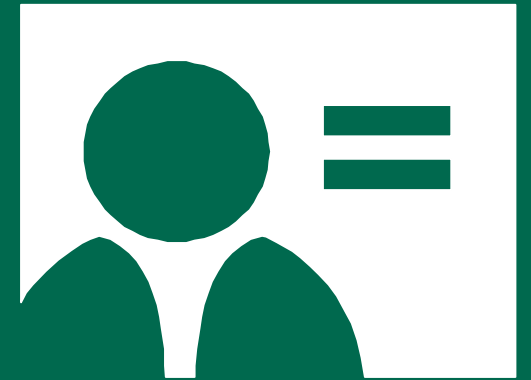
Review Question

Jane purchased an airline ticket for Professor Smith to New York City, NY. What object would you select for the airline ticket?

    A. 400000
    B. C300200
    C. 718110

    Answer: C - 718110 – Airfare - Domestic

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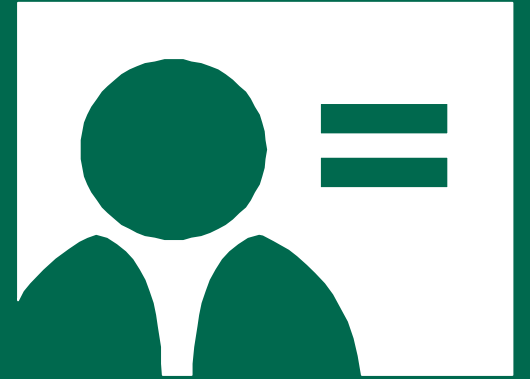
Lesson Summary

- The General Ledger Chart of Accounts is comprised of 6 segments
  - Each segment has a set length of digits that tracks specific purposes

- **Entity:** 2 digits, tracks the how the transaction is summarized

- **Source:** 6 digits, tracks how the transaction is funded

- **Org:** 6 digits, tracks who administers the funds

- **Activity:** 4 digits, tracks planning unit specific purpose for the transaction

- **Function:** 2 digits, tracks why transaction is occurring (for external reporting)

- **Object:** 6 digits, used for tracking the type of transaction

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BREAK

Grants Accounting Chart of Accounts

Lesson Objectives

By the end of this lesson you will be able to:

- Describe what the Grants Module is used for
- Define each Segment in the Grants Accounting Structure
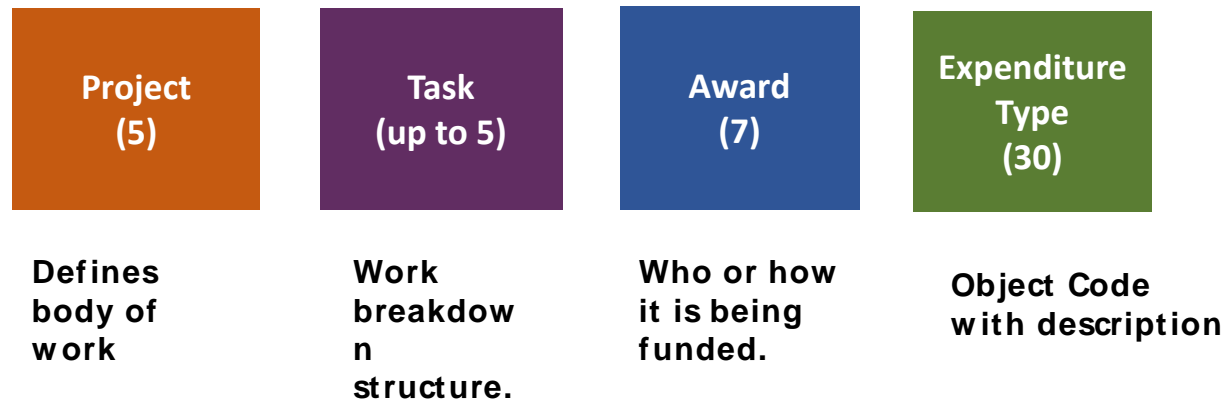- Describe Award Numbering

What is tracked in the Grants Module

- **Sponsored Award:** externally funded sponsored awards.
  - National Science Foundation or National Institute of Health
- **Sponsored Cost Share Award:** internally and externally funded, both mandatory and voluntary committed.
  - Mandatory: Salaries and wages, and benefits
  - Voluntary Committed: Equipment
- **Capital Projects:** internal and externally funded and allow different project funding options.
  - Construction projects for buildings, other infrastructure and capital improvements
- **Internal Awards:** managed by the Planning Units for internally funded awards.
  - Research incentives, start ups, research challenge, departmentally funded for research supplements, professional development for faculty, honors tutorial

Project-Task-Award (PTA) Structure

The Grants Accounting Chart of Accounts (COA) structure is comprised of four segments, each with a defined segment length and set of possible values:

Grants COA Structure

Project (5)	Task (up to 5)	Award (7)	Expenditure Type (30)
Defines body of work	Work breakdown structure.	Who or how it is being funded.	Object Code with description

For activity tracked in Grants, you will ONLY use the PTA structure when charging transactions.

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Project Segment

- Five-digit number that identifies a body of work that is broken into tasks

- System-generated value, assigned in sequential order

- Represents a person or scope of work with a single task or multiple tasks.

- Each is assigned an organization for reporting purposes

- Sponsored Projects and Internal Awards most frequently used by Planning Units
  - EX) Sponsored project based on research or an Internal award for a faculty development project

- Capital Projects will be used by some units such as Housing
  - Building renovations

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Task Segment

- Represents the work breakdown structure for a project
- Provides a way of organizing expenditures
- Structure can vary from project to project and can have varying dates of completion for each task
- Every project must have at least one task and can be up to five digits.
  - Multiple work activities or time frames can have the following task structure:
    - Task 01 = Phase I Project Costs, Task 02 = Phase II Project Costs
    - Task 01.01 = FY18 Startup Costs, Task 01.02 = FY19 Startup Costs
- **Task organization** is the expenditure organization which identifies the department assigned to the task.

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Award Segment

- Allocation of funding that supports one or more projects

- Can be funded from internal departments or external entities

- **Award type** is the source of funding for that award and auto-accounts to the **General Ledger Source segment**

  - Award Type example: NSF Natl Science Fnd (441800)

    - Source GL Segment = 441800

- **Award purpose** is the function for that award and auto-accounts to the **General Ledger Function segment**.

  - Award Purpose example: Sponsored Research (15)

    - Function GL Segment = 15

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Award Smart Numbering

- Award is seven digits and the first number identifies the type of award:

Award Type	First Digit
Sponsored	1 or 2
Sponsored Cost Share	3
Internal Award	4
Capital	9

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Expenditure Type Segment

- Type of goods or services being purchased.
- Each Expenditure Type is mapped to an Expenditure Category.
- Expenditure types in Grants Accounting COA will auto-account to the Object Code in the General Ledger
- An example is as follows:
  - Expenditure Type = 712410 LABORATORY SUPPLIES
  - Expenditure Category = SUPPLIES
  - Object Code = 712410

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How Grants data is reflected in the GL (auto-accounting)

- The Grants Module is a subledger of the General Ledger Module

- Maintains the details and reporting in the Grants Module and posts in summary to the General Ledger

- The auto-accounting to the General Ledger is shown as follows for a sponsored project-task-award
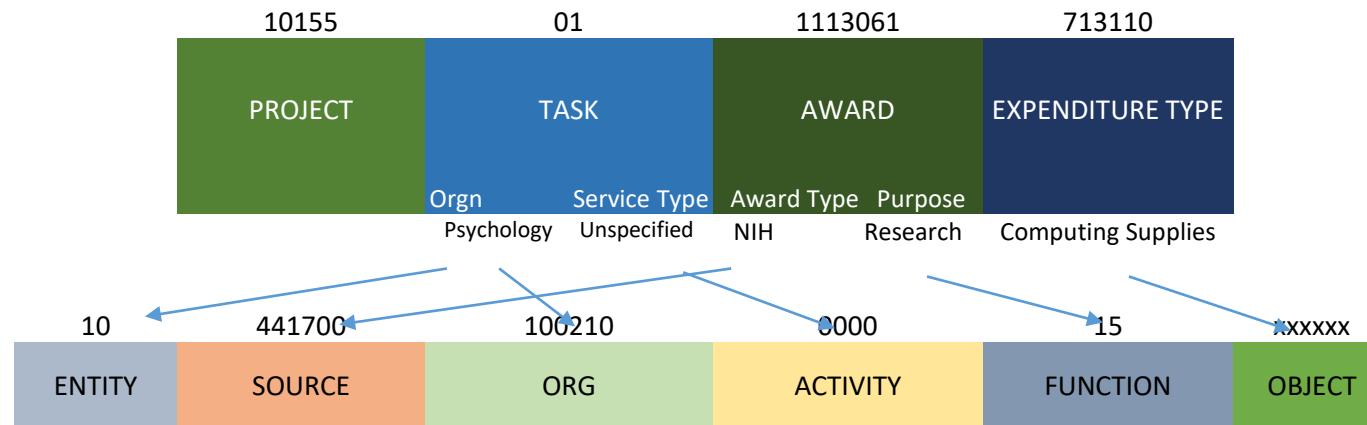
Lesson Summary

- The Grants Module is a sub-ledger of the General Ledger Module
  - Maintains the details and reporting in the Grants Module and posts in summary to the General Ledger

- Sponsored Awards, Sponsored Cost-Share Awards, Capital Projects, and Internal Awards are tracking in the Grants Module.

- **Project:** 5 digits, defines the body of work

- **Task:** up to 5 digits, represents the work breakdown structure

- **Award:** 7 digits, tracks who or how it is being funded

- **Expenditure Type:** 30 digits, type of goods or services being purchased

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Tools

Lesson Objectives

By the end of this lesson you will be able to:

- Describe how to use the Account Validation tool
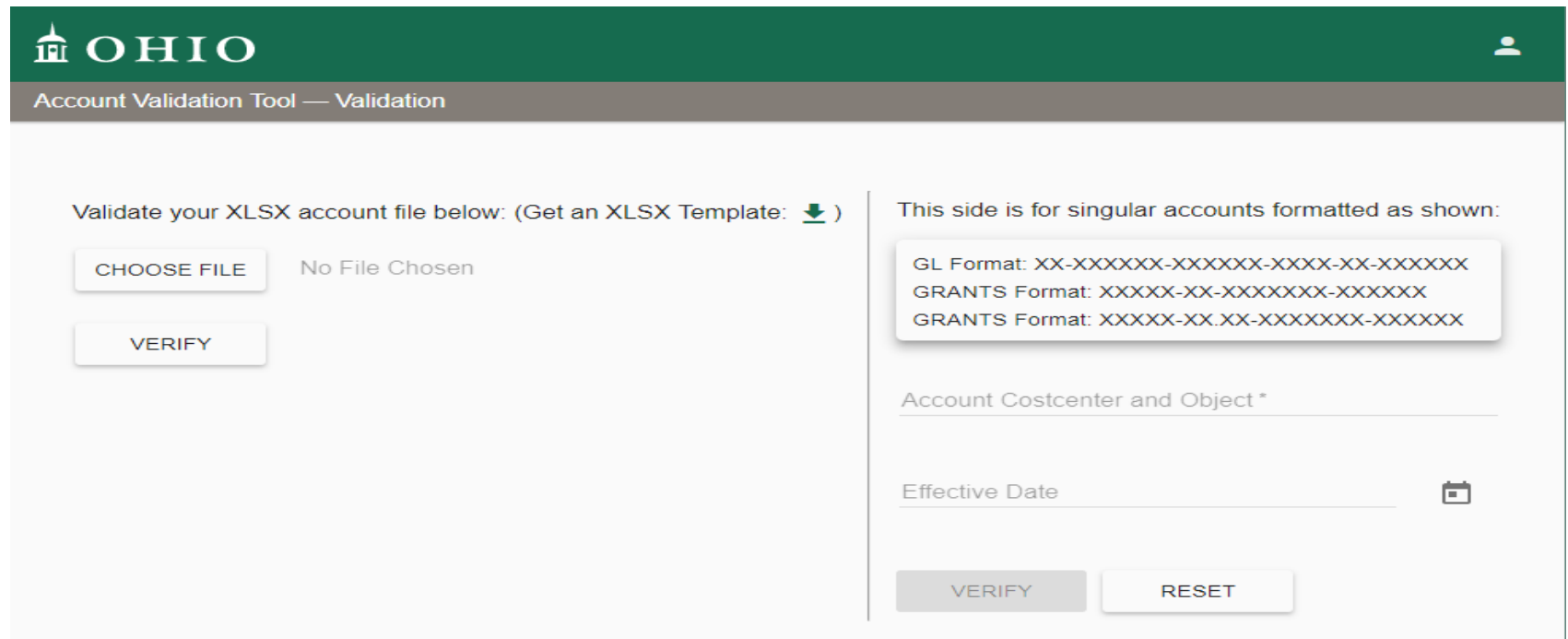
- Describe cross validation rules

Account Validation Tool

Interactive tool that allows the user to validate a group of cost centers (via an Excel upload) or a single cost center via the screen.

- https://webapps.ohio.edu/avt/

How do segments work together?

Validation rules control and limit how segment values can be combined in forming an account string

Examples:

- Culinary org must be used with Entity 21 (Culinary Svcs)
- Auxiliary org must use Source 140000 (Auxiliaries)
- Scholarship object codes must use Function 72 (Scholarships, Discounts & Allowances)
- Planning Unit can only use their Activity Code range

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Lesson Summary

- The **Account Validation Tool** will tell you if your account string is valid or not and why (if not valid)

- **Validation rules** control and limit how segment values can be combined in forming a valid cost center

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How to Request New COA Values

- **Entity**: requests for new entities would be coordinated with General Accounting & Financial Reporting (GAFR) - occurs infrequently

- **Source:** requested by planning units for new designated sources (11xxxx), like internal award programs, travel programs, etc.
  - Must include a name and description
  - NOTE: Foundation sources will be established by OUF

- **Organization:** requested by planning units and must include proposed value and placement in the parent hierarchy.

- **Activity:** can suggest new shared values or request planning unit specific values (specify value and name).

- **Function:** would be requested and defined by central users

How to Request New COA Values

- Each segment will have a separate request form, in order to capture all of the relevant information about the value

- Complete the [Chart of Accounts (COA) Segment Value Request](#) form

- Completed forms should be emailed to: financecustomercare@ohio.edu

- A Customer Ticket will be created and you will be informed of when the value is established and ready to use

Course Objectives Review

By the end of this session you will be able to:

- Define concepts and terms of the Chart of Accounts

- Describe the General Ledger and Grants Account Structures

- Describe Hierarchies within segments

- Determine where to find and how to use tools for the Chart of Accounts

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April 2018

Next Steps

- To get your badge for this course complete the following:
  - COA Fundamentals Quiz in Blackboard
  - Training Evaluation in Blackboard

  - [Login to Blackboard](#)
    - OHIO ID and Password
  - In the "My Organizations" section, click Accounting Certificate
  - Within the Accounting certificate, click Core Courses and then Chart of Accounts Fundamentals.
    - Take the quiz and complete the survey listed here
    - You can also view the course reference materials from this screen

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Resources

- [COA – General Ledger Quick Reference Guide](#)
- [COA – Entity Segment Quick Reference Guide](#)
- [COA – Org Segment Quick Reference Guide](#)
- [COA – Source Segment Quick Reference Guide](#)
- [COA – Function Segment quick Reference Guide](#)
- [COA – Activity Segment Quick Reference Guide](#)

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Questions?

- Contact Finance Customer Care: financecustomercare@ohio.edu

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Thank You!