



What is Function?

- Function defines why the transaction is occurring. It defines government and accounting purposes for spending. Additional attributes of Function:
- 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

Object/Activity/Function

When coding Function for expenses, consider the following information:

OBJECT - identifies what is purchased (i.e. services, supplies, equipment)

ACTIVITY – internal purpose and University defined

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 a valid Function.

Object	Type of Account	Function
<i>Balance Sheet</i>		
1xxxxx	Assets	00
2xxxxx	Liabilities	00
3xxxxx	Fund Balances	00
<i>Income Statement</i>		
4xxxxx	Revenues	00
6xxxxx	Funding Transfers	00
7xxxxx	Expenses	XX
8xxxxx	Investment Transfers	00

SOURCE - Sometimes Source matters.

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

Infrequently Used Function Codes

Codes you will never charge:

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

These Functions are used by Finance only.

Codes you will never charge:

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

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

Codes you may use if you are using them for unit specific transactions. If you bill these units, you will use these Functions when billing.

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

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 Org starts with 79XXXX)
- Rebill Accounts (Entity 85 Source starts with 85XXXX)
- Foundation Alumni Chapters (Entity 90)

Most Commonly Used Function Codes

When coding Function, you will use the following codes most frequently.

Reasonableness is something to keep in mind.

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.

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

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 that is separately budgeted



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

Note: PTA accounts for research incentive, start up and research related internal award programs also use this function. However, remember, you do not code function on transactions charged to a PTA.

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

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

60 - Auxiliary

An auxiliary is defined as a self-supporting operating unit whose primary purpose is to provide goods, services, or groups of services in support of the university’s education, public service and research mission or incidentally to the general public. These units are responsible for recovering both the direct and indirect costs associated with their operations through established pricing practices.

61 – Intercollegiate Athletics

Intercollegiate athletics expenses represent costs, other than student financial aid or fundraising and development, that support the university’s intercollegiate athletics programs.

Named Auxiliary Units

The following list names the Auxiliary, the Entity tied to it, as well as the Function Code needed for each expense transaction.

- ICA – Entity 20 – FUNCTION 61
- Culinary – Entity 21 – FUNCTION 60
- Housing – Entity 22 – FUNCTION 60
- Parking & Transportation – Entity 23 – FUNCTION 60
- Printing – Entity 24 – FUNCTION 60
- Auxiliaries can also use FUNCTION 72 Scholarship Discounts & Allowances as well as FUNCTION 92 Fundraising & Development

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

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.

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

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)

65 - Recharge

The recharge function is to be used in connection with all expense transactions incurred with the recharge center. A recharge center is defined as an operating unit whose primary purpose is to provide goods, services, or groups of services in support of the university’s education and research mission. These units are responsible for recovering only the direct costs associated with their operations through established pricing practices. Direct costs include personnel and operating expenses.

Note: The function used when recharge services are procured would be the function supported, e.g., instruction, sponsored research, general administrative, etc. The recharge function can only be used with the recharge source # 141000.

Examples:

- OHIO Ready Staff
- Specialized equipment or facilities
- MUST work through Finance to be identified formally as Recharge



72 – Scholarship Discount & Allowances

Scholarship discounts & allowances represent the difference between the charge for tuition and fees, and the amount paid by students or third parties on the students' behalf. Charges for room, board and other services rendered by auxiliary units are not reported here. Scholarship Discounts & Allowances are netted against Tuition & Fees in the Financial Statements.

NOTE: Only scholarships that do not have a work requirement use function 72 Scholarship Discount & Allowances. For Graduate Appointments that have a work requirement please see the QRG for Accounting for Graduate Appointments for guidance on coding function on transactions.

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 services (Financial Aid, Enrollment Management, Registrar)
- Graduation/Convocations
- Adaptive aid services
- Cultural events

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

Note: Academic units will never use this function.

81 – Sponsored Projects Administration

Sponsored programs administration includes the costs of organizations established primarily to administer sponsored projects.

Examples:

- Office of Research and Sponsored Programs
- Grants Accounting Office

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.).

Examples:

- 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

NOTE: This function is used only for University wide public relations. Generally, academic units will not use this function but should identify the function regarding the purpose of the public relations transaction (i.e. is it related to the recruitment of students - use function 75 Student Services; is it related to alumni relations, if so, use function 94 Alumni Relations; recruitment of teaching faculty positions, use function 10 Instruction; etc.).

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

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

Ask for Help

Never feel as if you must guess. If you are entering a transaction and do not know how to code the Function, ask!

- Chief Financial & Administrative Officer or Financial Support Staff in your Planning Unit
- Controller's Office – General Accounting & Financial Reporting