

CHART OF ACCOUNTS (COA) INTRODUCTION

Beth A. Meiser



OHIO
UNIVERSITY

LEARNING OUTCOMES

- 1. Understand basic concepts and terminology of Chart of Accounts (COA).**
- 2. Understand the new General Ledger COA structure and how it meets OHIO needs.**
- 3. Understand the functionality of the new Grants module and its COA structure and how Grants activity is summarized to the General Ledger.**



MATERIALS

1. Segment Value Quick Reference List
2. Source Hierarchy Chart



CURRENT CHART OF ACCOUNTS

Fund
Type

Fund

Org

Natural
Account

Project



OHIO
UNIVERSITY

GLOSSARY OF TERMS

- **COA Structure** identifies how you will account for transactions. OU will have two structures: one for GL and one for Grants.
- **Segments** are the components of an account structure. Each segment has a name and defined length (e.g., Natural Account is 6 digits in our current structure).



CURRENT COA STRUCTURES

Current account string (in BobcatBUY, Concur, PEDS, etc.)



Account string is actually posted as different account strings in GL and Projects

GL
COA
string



Projects
COA
string



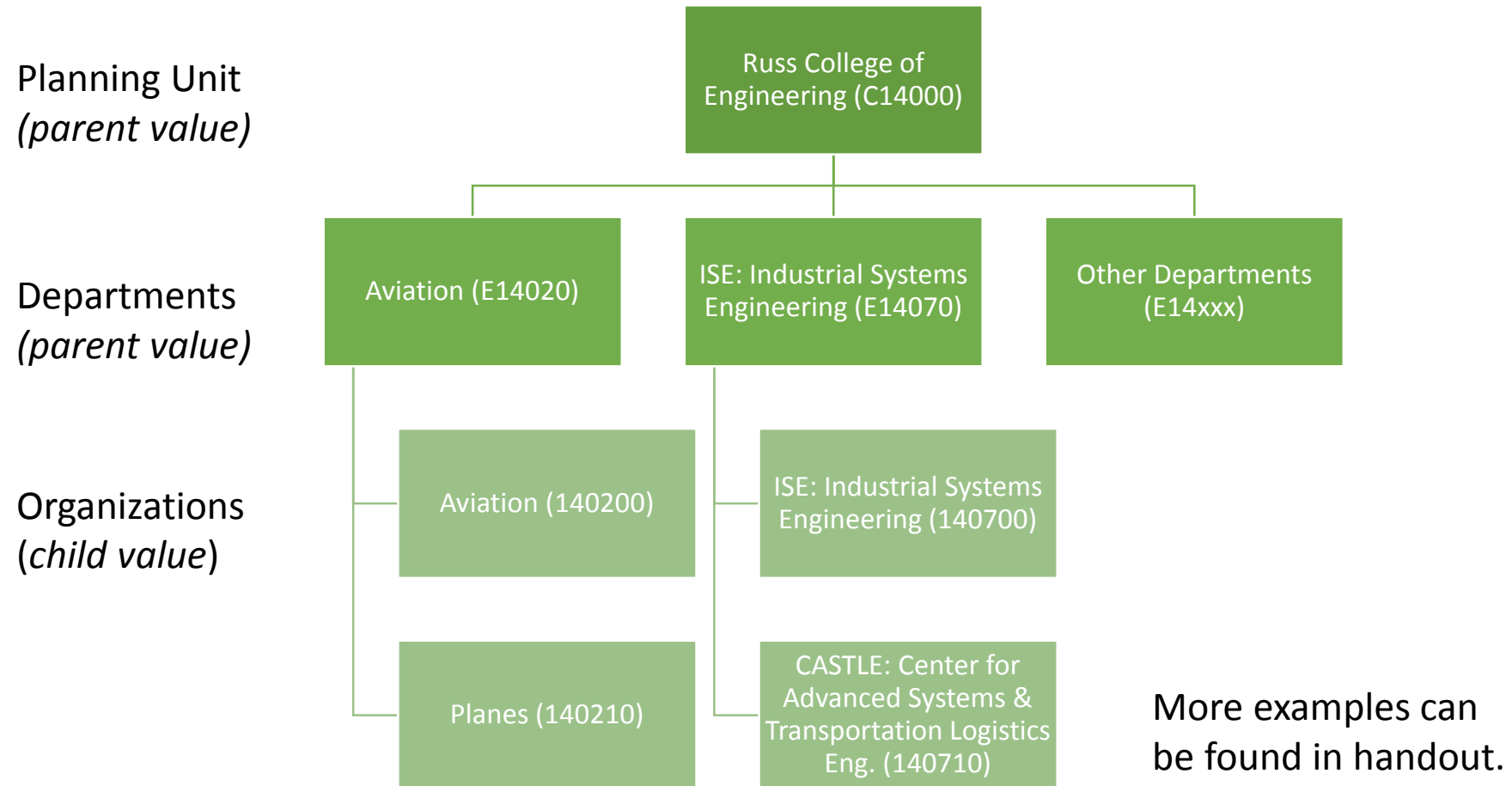
OHIO
UNIVERSITY

SEGMENT VALUES

- **Values** are the range of numbers defined for each segment (e.g., Source 100000 = Unrestricted)
- **Child values** are used for posting transactions and entering budgets (140200)
- **Parent values** summarize child values for reporting purposes(E14020)
 - Can run reports at either child value or parent value level



VALUE HIERARCHY:



WHY DO WE NEED A NEW COA STRUCTURE?

1. 'Fund' and 'Fund Type' lead to confusion.
2. The source of funding can be difficult to identify (e.g. federal, state, private allocation funds).
3. The current 'Project' segment reflects sub-organizations, activities, internal awards, and gifts/endowments limiting the ability to clearly track.
4. Similarity of segment values and format restrictions (e.g., natural accounts) do not allow for growth.
5. Enhancements of current reporting capabilities will likely result in less reliance on shadow systems in the future.



GENERAL LEDGER CHART OF ACCOUNTS



OHIO
UNIVERSITY

PROPOSED GL COA STRUCTURE



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.*

Why
is the
transaction
occurring?

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.*



Entity ENT (2)

Definition	Represents major components of the university requiring separate balance sheet/external reporting (e.g. legal entities, auxiliary operations, etc.).
Examples	
	10 Ohio University General
	14 Century Bond
	21 Culinary Services
	50 Foundation General
	80 University Agency Funds



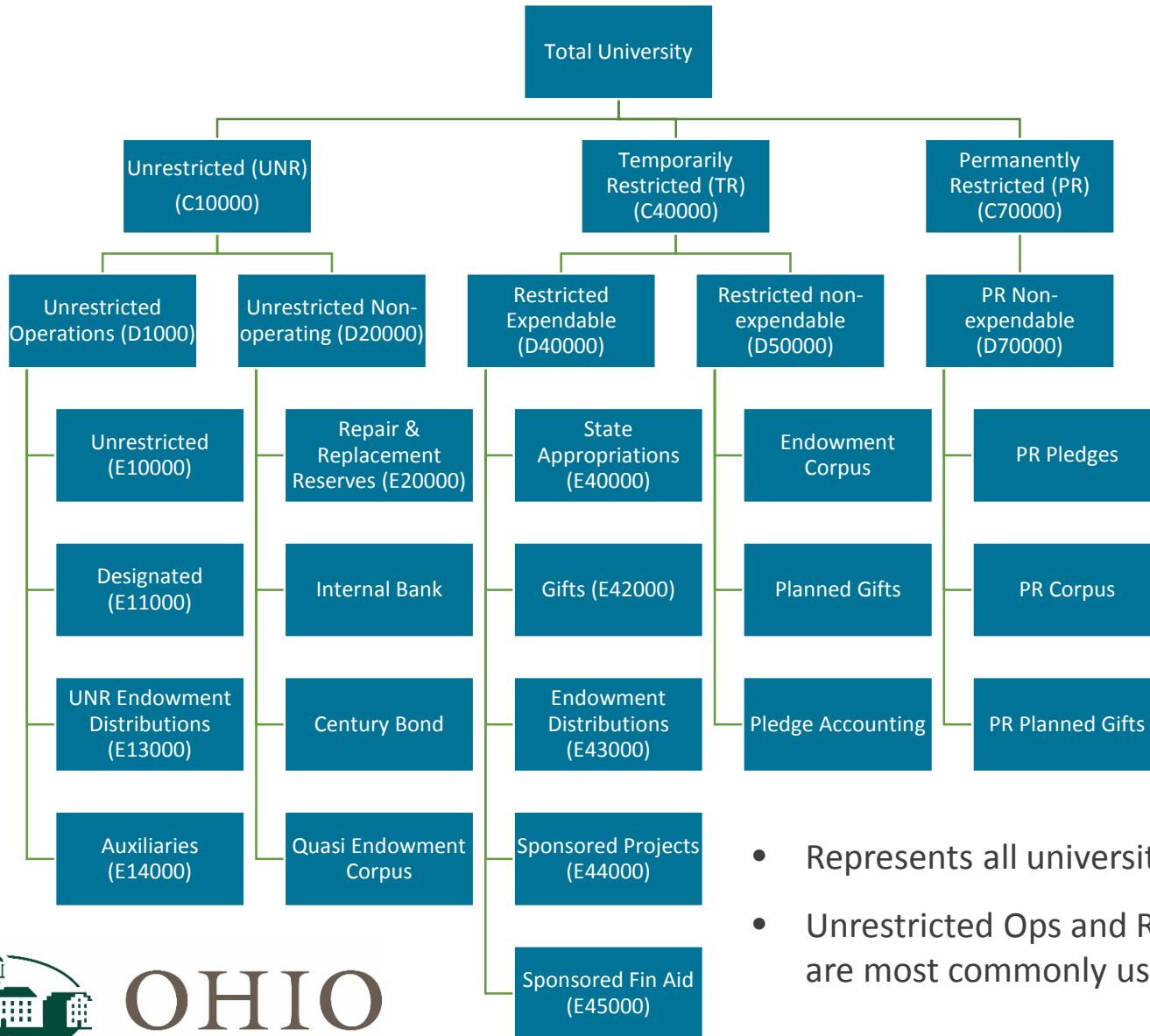
Source
SOURCE (6)

Definition		Identifies the source of funds classified by restrictions. Restrictions are imposed by sponsors and donors.
Examples:		
Unrestricted:	100000	General Fund (Unrestricted)
* Designated:	112400	VPR Startup Allocations
	113000	Cost Share Funds
	115000	Operating Reserves
Restricted:	400000	State Appropriations
	42xxxx	Restricted Gifts
	43xxxx	Endowment Distributions
	44xxxx	Sponsored Projects



* Designated funds are internally restricted, while restricted funds are externally restricted by donors/sponsors.

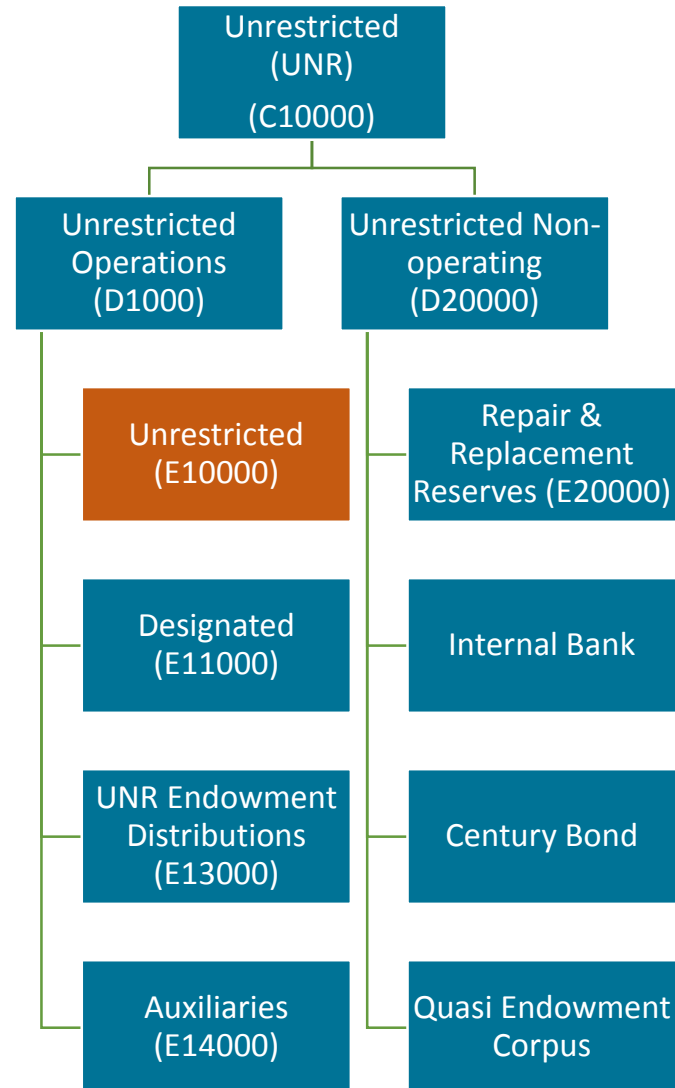
SOURCES OF FUNDS HIERARCHY



- Represents all university sources.
- Unrestricted Ops and Restricted Expendable are most commonly used by Planning Units.



SOURCE SEGMENT: UNRESTRICTED



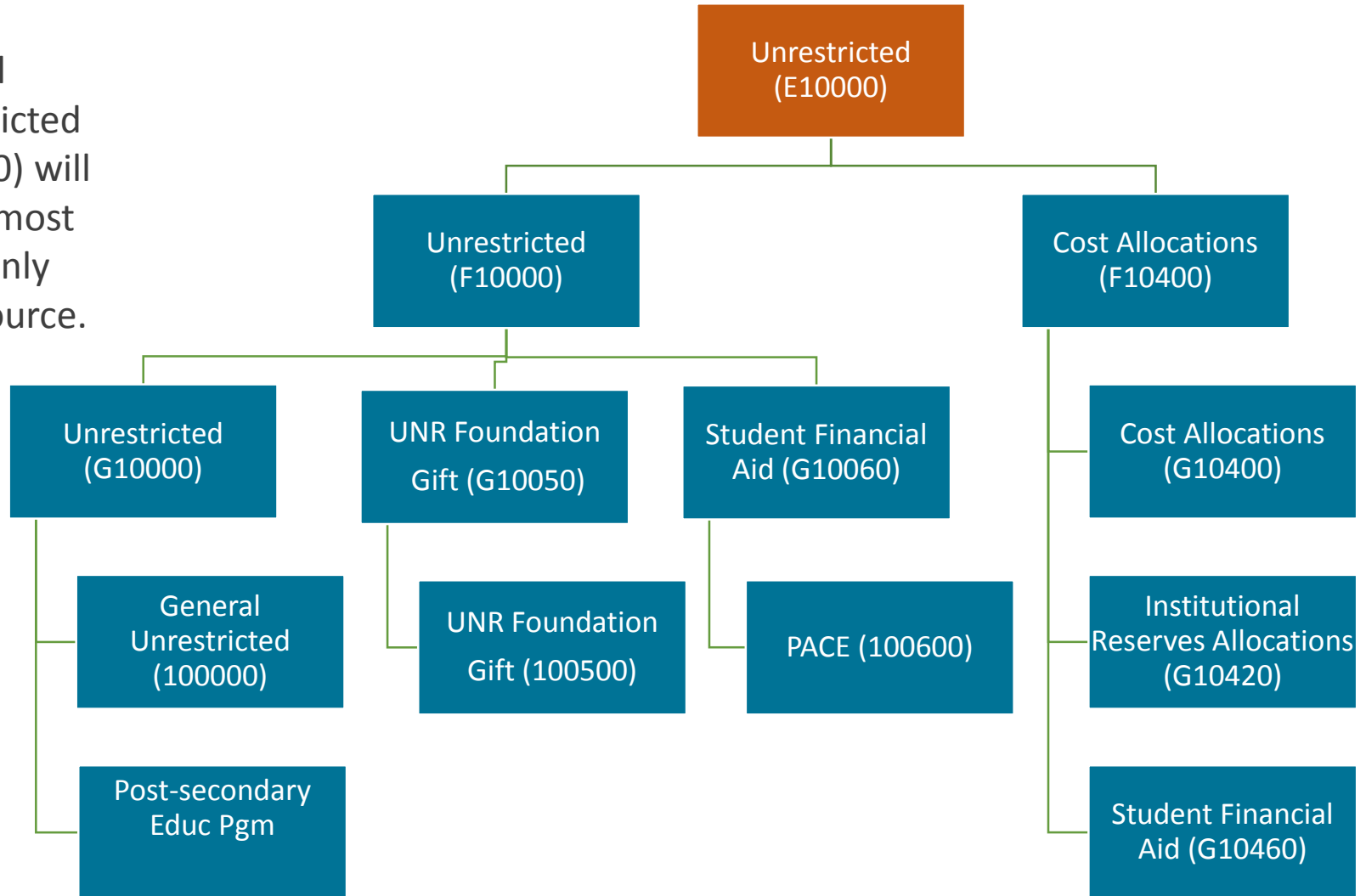
Unrestricted Operations represents various types of unrestricted spending.



OHIO
UNIVERSITY

UNRESTRICTED CONTINUED

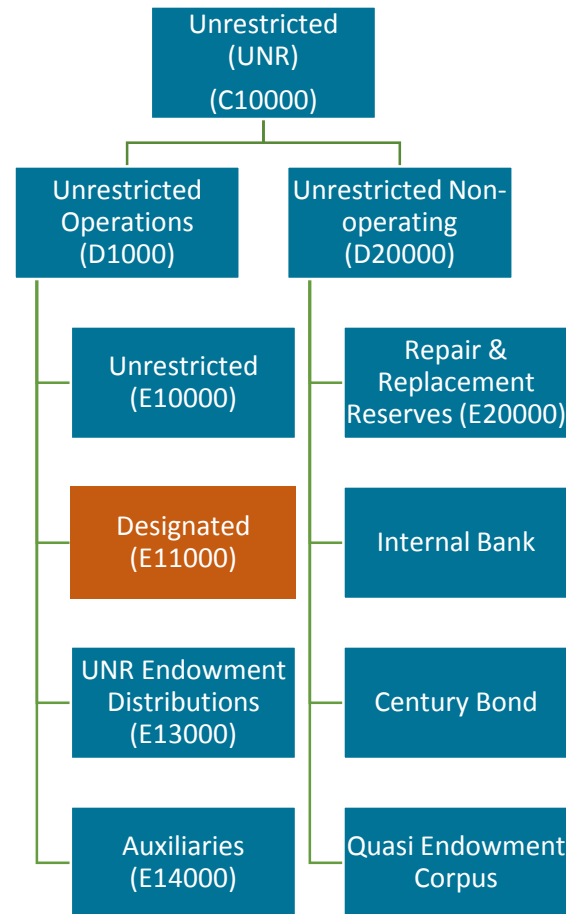
General Unrestricted (100000) will be the most commonly used Source.



OHIO
UNIVERSITY

Cost Allocation sources are used to track collection and distribution of fees/funding.

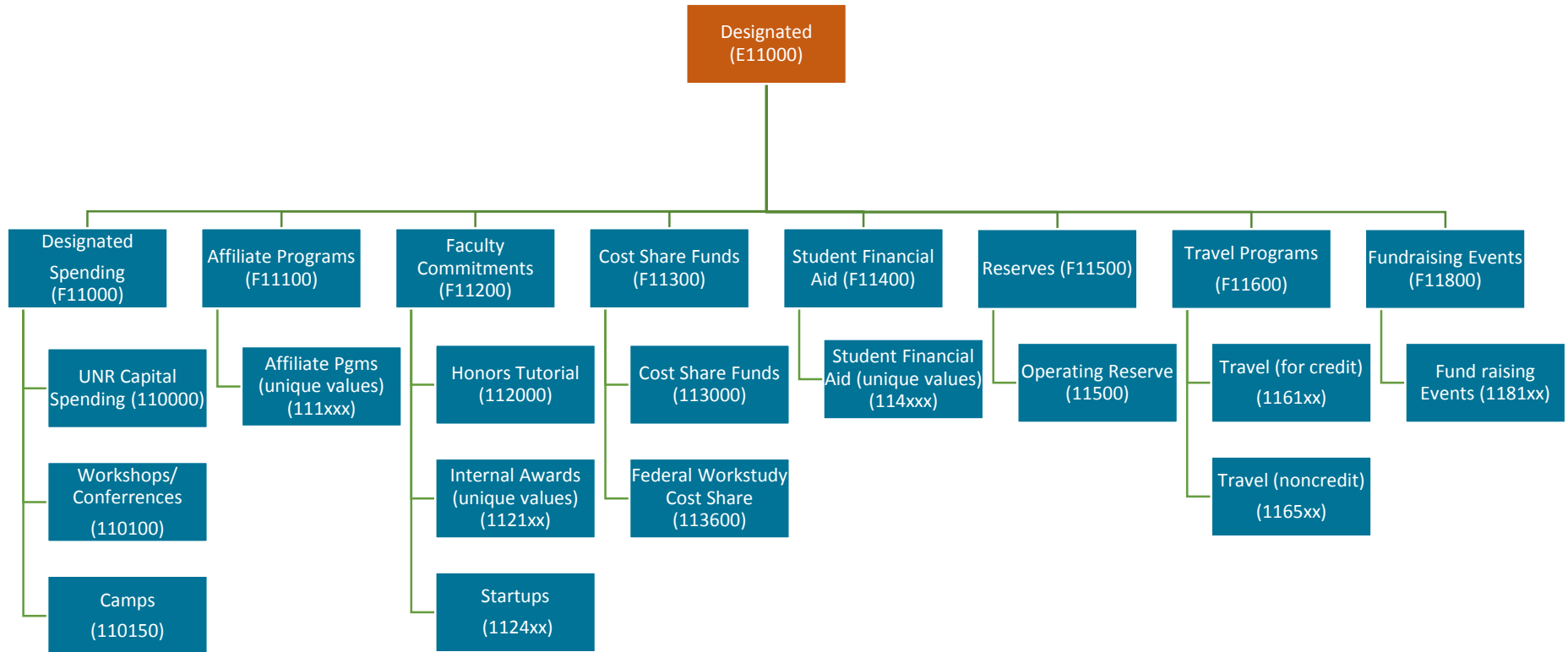
SOURCE SEGMENT: DESIGNATED



Designated represents unrestricted funds that have been “designated” or set apart for a specific purpose (aka internally restricted).



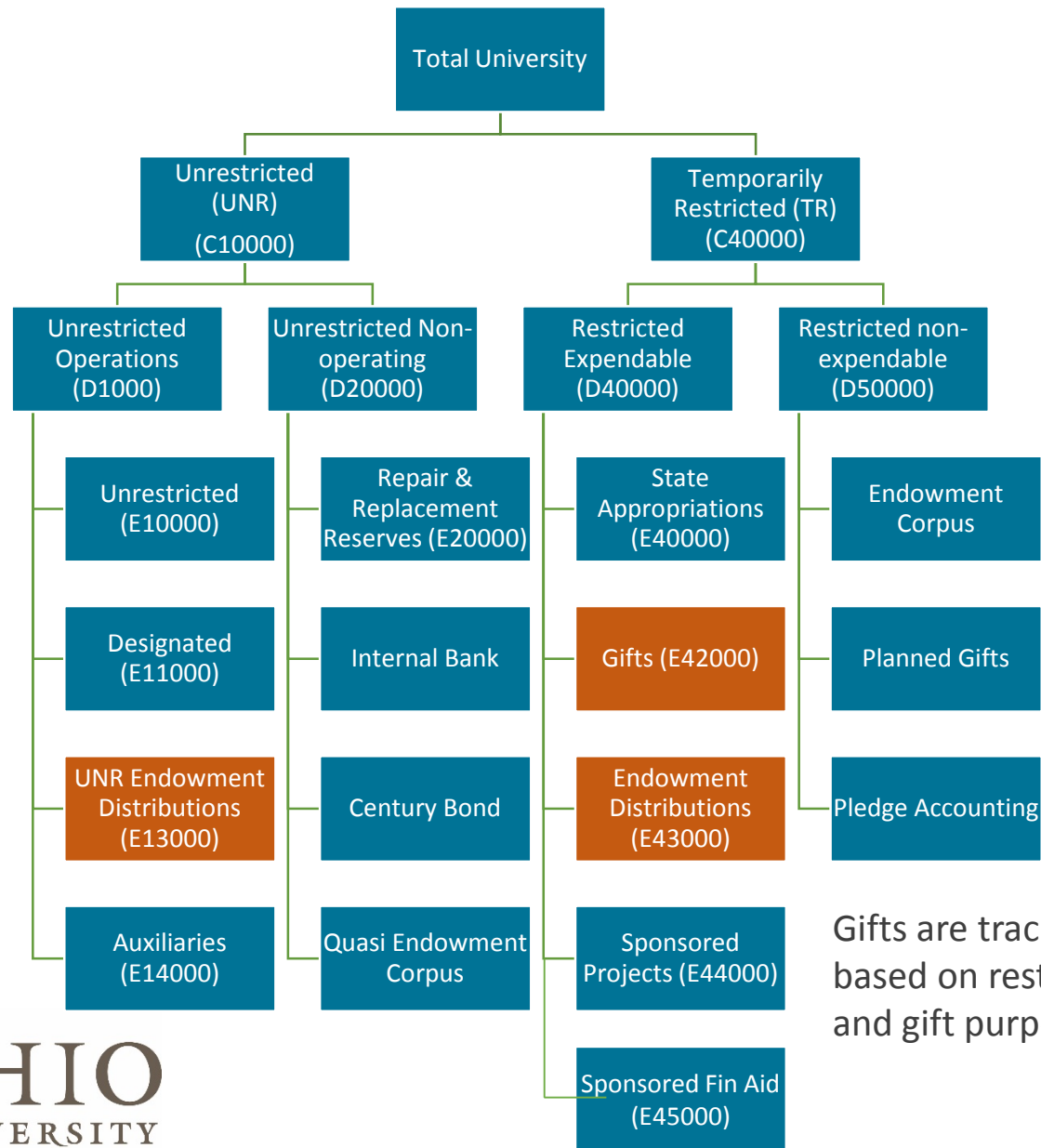
DESIGNATED CONTINUED



- Designated funds are categorized by purpose or use.
- Operating Reserve is new Carryforward.



SOURCE SEGMENT: DONOR FUNDS



Gifts are tracked based on restriction and gift purpose.



DONOR FUNDS CONTINUED

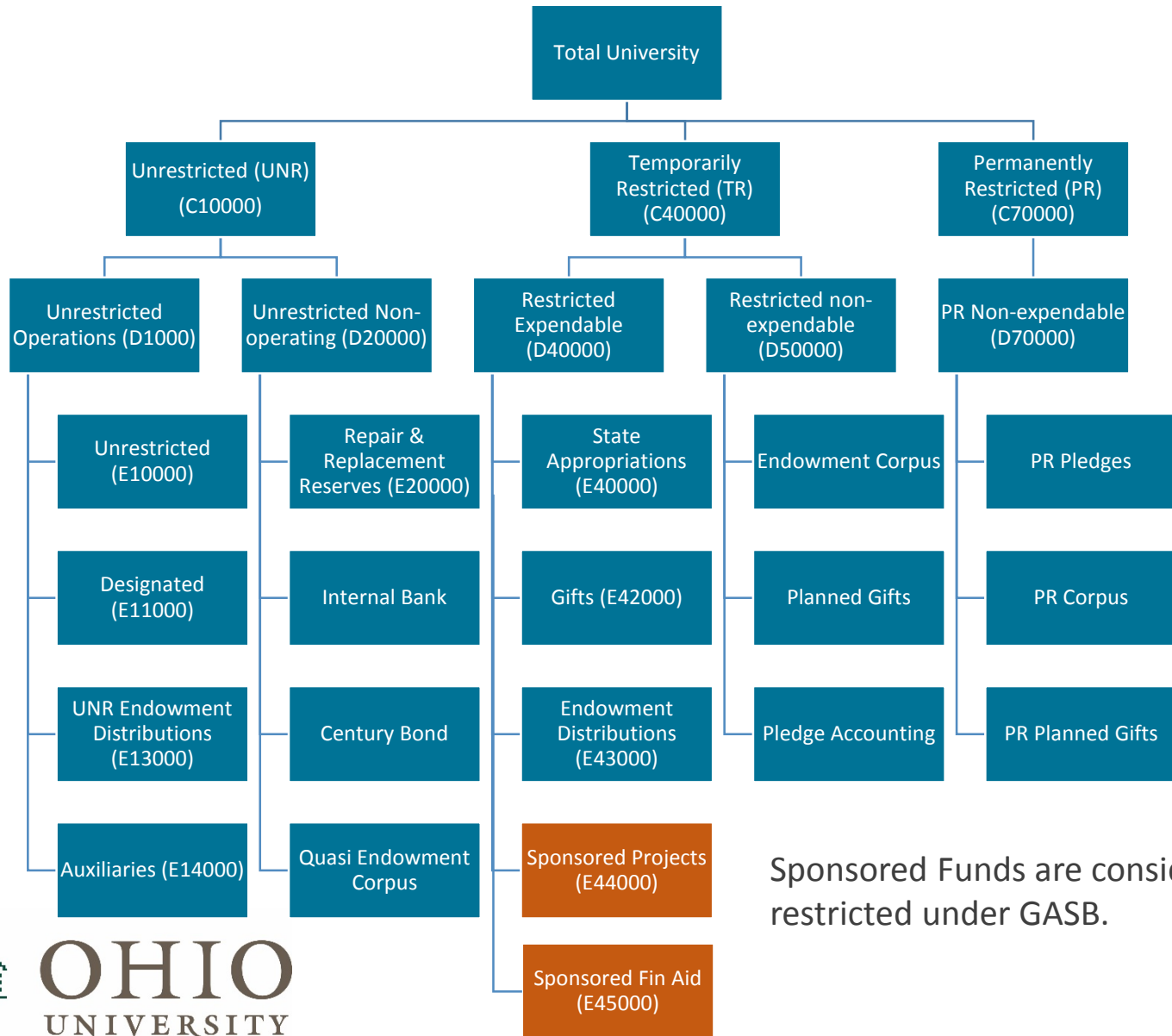
- Funds from Donors are tracked by gift purpose
 - If donor doesn't specify an annual gift or broad category (e.g. scholarship), this would be considered an unrestricted gift (Source 100500).
 - If the donor has specifications, then determine type of fund and purpose.

Type of funds (first 2 digits)
<ul style="list-style-type: none">• 13 – Unrestricted Endowment• 42 – Restricted Gifts• 43 – Endowment Distribution

Purpose (last 4 digits)
<ul style="list-style-type: none">• 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



SOURCE SEGMENT: SPONSORED



Sponsored Funds are considered restricted under GASB.



OHIO
UNIVERSITY

SPONSORED FUNDS CONTINUED

- Sponsored Funds are categorized by source of funds:

Sponsored Projects	Sponsored Financial Aid
<ul style="list-style-type: none">• Federal• State• Other Govt• Local• Private Sources	<ul style="list-style-type: none">• Federal (PELL, SEOG, etc.)• State (Gear Up, OCOG, etc.)



Org ORG (6)

Definition

Identifies who administers the funds, such as a planning unit or department. 6 digit number defined as:

- —
- Planning unit = first 2 digits
 - 10 – A&S
 - 14 – Engineering
 - 25 - HCOM

-
- Location = third digit
 - 0 – Athens
 - 1 – Dublin
 - 2 – Cleveland
 - 9 – Regionals
 - Primarily tracks activities of extension campuses

- — —
- Department & orgs = last 3 digits
 - Numbered and summarized by planning units



WHAT IS AN 'ORGANIZATION'?

- 'Organization' is the lowest level value of our university structure.
 - A department can consist of multiple 'organizations'
- Reports can be run at either for an individual 'org' value or for the department parent value.



CONSIDERATIONS IN DETERMINING 'ORGANIZATION' CODE

1. Are your current organization codes sufficient for your needs?
2. Do you have a department that you'd like to track with greater granularity?
3. For a research area, would you like to track sponsored activity by discipline?



CONSIDERATIONS IN DEFINING 'ORGANIZATIONS'

1. Does a unit appear on your org chart?
2. Is it a program you offer?
3. Does it represent a service provided?
4. Is it an initiative to be tracked?

Organizations:

Often will have payroll charges

Have a need to match revenues and expenses



Activity

ACTV (4)

Definition	<p>Allows departments to identify internal purposes for spending and associated revenues.</p> <p>Some joint purposes are defined at the university level, as well as range of values that are defined at the planning unit level.</p> <p><i>Activity Segment was added to assist in reducing “shadow” systems for monitoring and reporting.</i></p>
Examples	
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



Function

FNC (2)

Definition	<p>Defines government and accounting purposes for spending. Values generally follow the NACUBO and A-21 Function Codes.</p> <p><i>Function is only used with expense object codes.</i></p>
Examples	
10	Instruction
25	Sponsored Research
30	Public Service



Object

OBJ (6)

Definition	Defines the purpose of a financial transaction and delineates the values for Assets, Liabilities, Fund Balance, Revenue and Expense.
Examples	
1xxxxx	Asset codes
2xxxxx	Liability codes
4xxxxx	Revenue codes
6xxxxx	Transfer codes
7xxxxx	Expense codes



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 70 (Scholarships/Fellowships)
- Planning Unit can only use their Activity Code range



GRANTS ACCOUNTING CHART OF ACCOUNTS



OHIO
UNIVERSITY

WHAT IS THE GRANTS COA?

- Project Accounting tracks activity based on Project - Task
 - Utilizes different tasks to differentiate sources of external and internal funds match
 - Sometimes multiple projects represent awards from different external sources
- Grants Accounting tracks activity based on Project - Task - Award
 - Task represents work breakdown structure for Project
 - Award represents various sources of funding (both external and internal)



GRANTS COA STRUCTURE

Project
(5)

Task
(up to 5)

Award
(7)

Expenditure Type
(30)

Same as Object
description in GL



OHIO
UNIVERSITY

AWARDS

1. Supports multi-funding concept

- One award can fund multiple projects
- One project can be funded by multiple awards

2. Tracks all installments, supplements, amendments to the award along with future commitments

- Tracks funding to various projects and can be directed to specific tasks on a project

3. Indirect cost rates including retroactive changes

4. Compliance terms & conditions

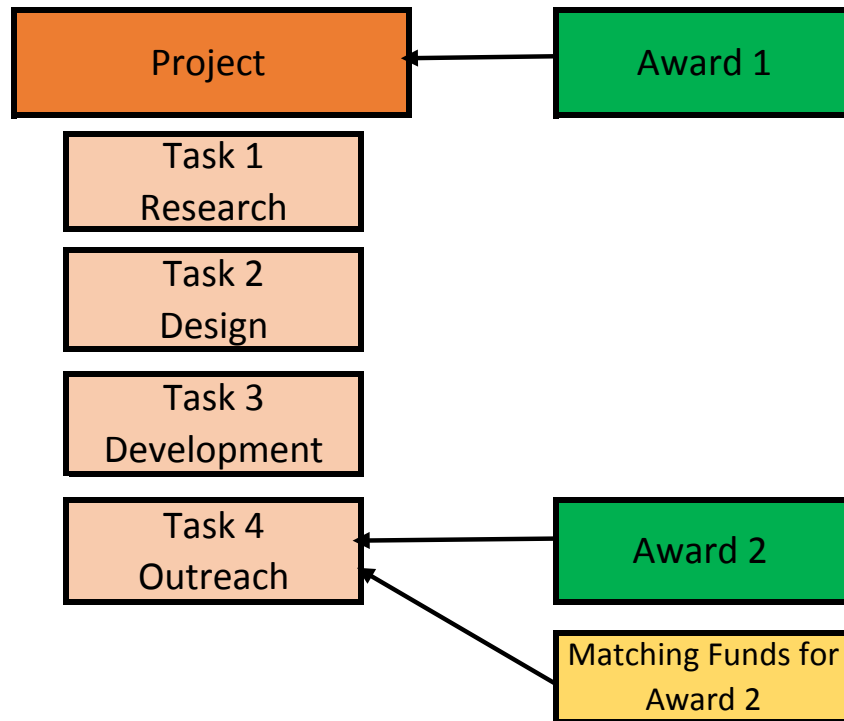
5. Flexible budgetary controls & funds checking

6. Meets reporting requirements

- Produces SF425, SF270, SF1034/1035



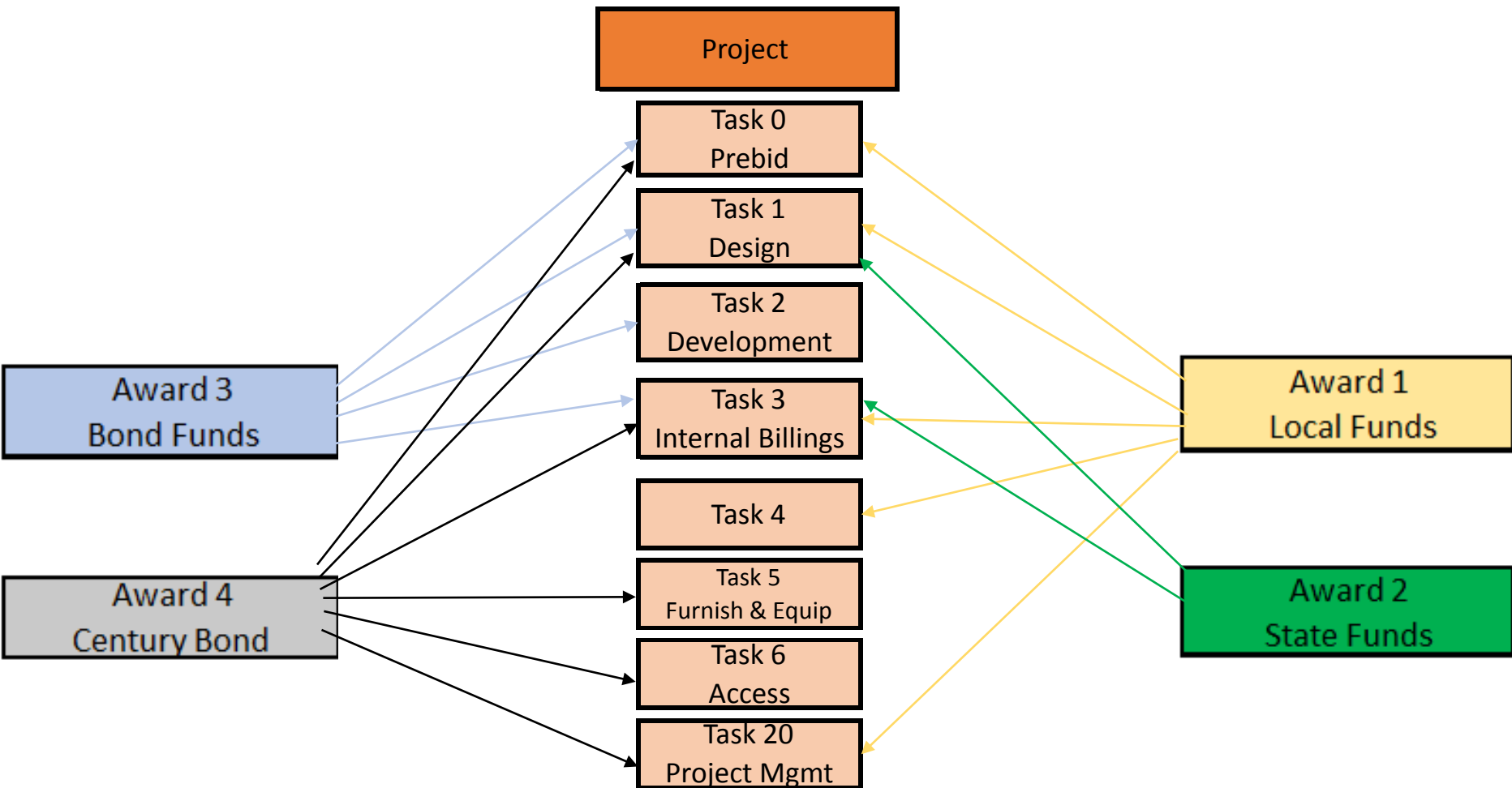
MULTI-FUNDING EXAMPLE



- Award 1 funds the total project
- Award 2 only funds task 4
 - Matching Funds requirement on Award 2

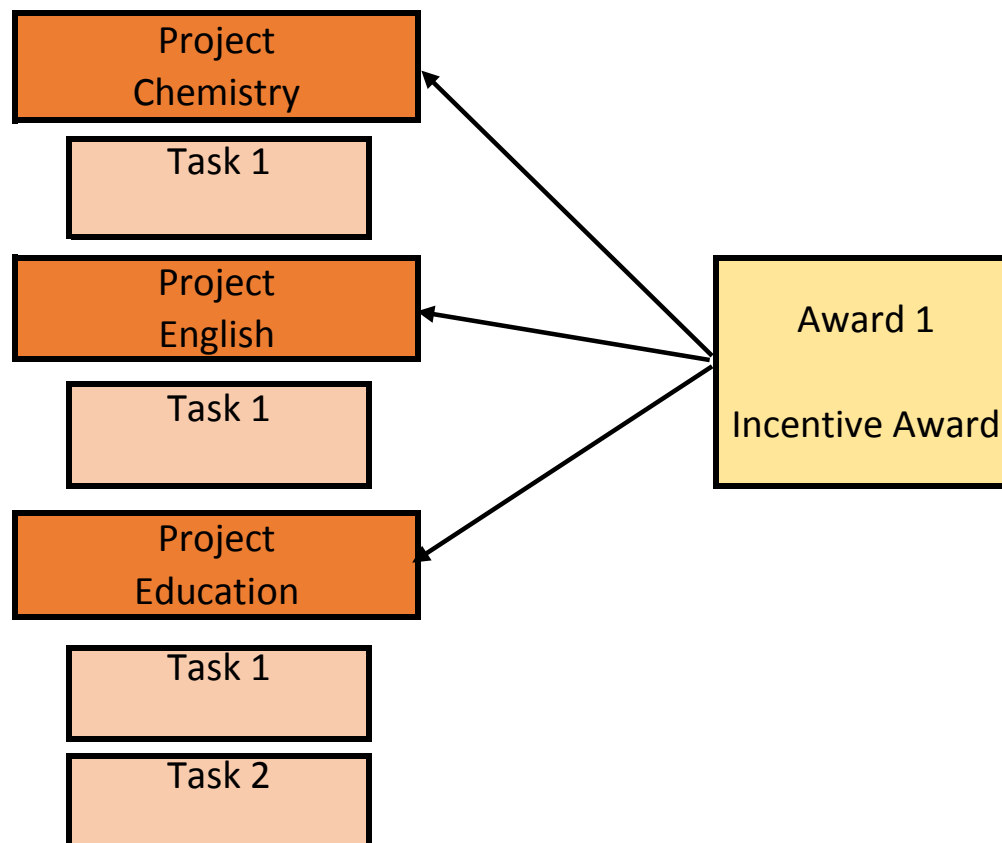


CAPITAL PROJECT EXAMPLE

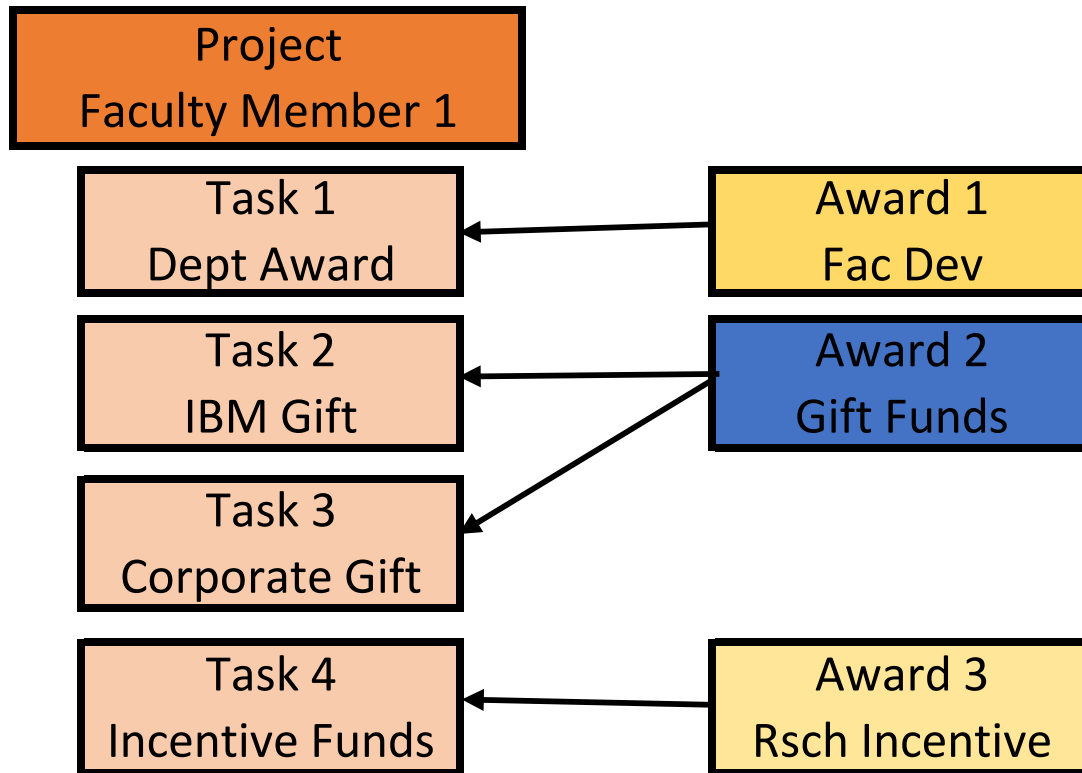


Multiple sources of funds would create multiple tasks to represent each source of funds (e.g. task 3 would have had 4 subtasks in Projects).

INTERNAL AWARD FUNDING



FACULTY FUNDING

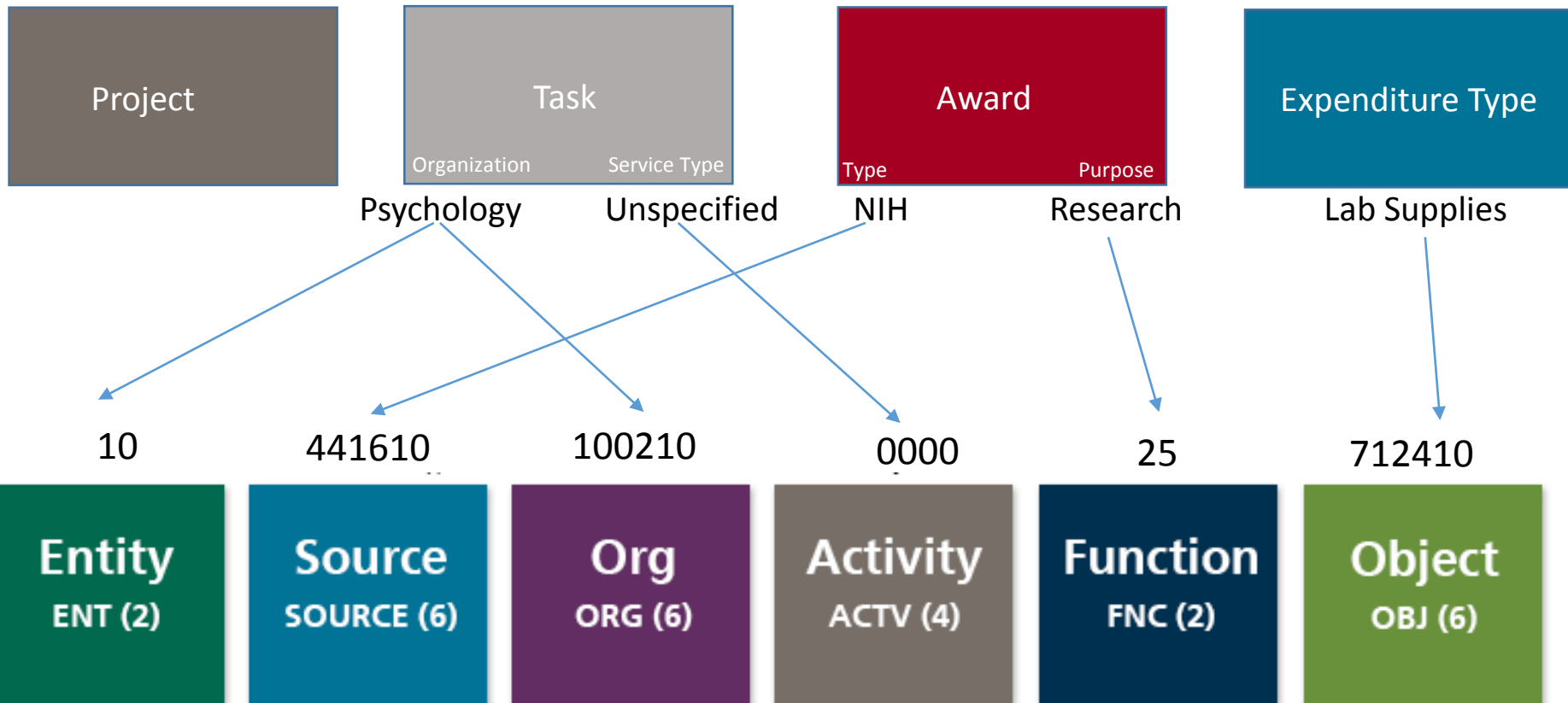


GRANTS DATA IN GL

- Grants is a subledger to the GL
- ‘Project’ will no longer be a represented segment in GL COA structure
- All transactions are stored in detail in Grants, but posted in summary to the GL
 - Summarized by source of ‘funds’, ‘organization’, and ‘function’
 - Utilizes auto-accounting to determine GL account strings
 - University rarely used auto-accounting in ‘Projects’, which is why account string is required for all segments



GRANTS AUTO-ACCOUNTING



WHAT ARE ADVANTAGES OF TRACKING IN GRANTS?

1. Tracks activity both by fiscal year and project period (inception to date)
 - Budgets/funding continues across fiscal years
2. Ability to summarize activity by ‘Project’ or Award
 - Tasks can belong to different organizations/planning units
3. Can create a “grants-centric” view of reporting for faculty
 - Track all faculty activity in Grants
 - Common tool to view reporting (OBI dashboard)



FUNDS YOU MIGHT TRACK IN GRANTS

- Sponsored Project awards
 - Capital Projects
 - University award programs
 - Planning Unit awards
 - Start-up funds
- Restricted gifts
 - Endowed fund distributions
 - Honors Tutorial College funding
 - IDC incentive funding



MAPPING NEXT STEPS:

- Begin to think about:
 - New Organization values for your Planning Unit
 - New Activity values for your Planning Unit
- Optional: Participate in a Q&A session if you have questions about today's information
 - April 25: 3:30 – 5 PM (WUSOC 302)
 - April 27: 12:30 – 2 PM (WUSOC 302)
- **Attend your scheduled Mapping Kickoff Workshop**
- Participate in scheduled Mapping Action Sessions during May/June
- For clarification or information, please email:
COA@ohio.edu



COA RESOURCES

COA Website:

<https://www.ohio.edu/finance/coa/>

All COA information posted on website.

- *Mapping information will be posted soon.*
- *Utilize site to check on COA project news and updates.*

Any questions?

- *Email COA@ohio.edu*



OHIO
UNIVERSITY