Introduction to the new Chart of Accounts

February 2019

Introductions: Project Team

- William Mea, VP for Business & Finance
- Derrick Antwi, Controller
- Erin Delffs, AVP for Business & Finance
- Terry Lahm, Senior Associate Provost
- Eileen Day, Director of Accounting Operations
- Constanza Sands, Associate Director of Enterprise Applications
- Melissa Sponseller, Business Intelligence Lead

Objectives

- Understand the Chart of Accounts (COA)
- Familiarize yourself with concepts in the new structure
- Understand and prepare for what is changing
- Feedback on the new object codes

- **Note**: A second more detailed and hands-on training on using the new chart to code transactions and reviewing your budgets will begin mid-April.

What is the Chart of Accounts?

What is the Chart of Accounts?

- The COA is the listing of all account numbers in the University's financial system :
  - Allows departments to track revenues
  - Allows departments to track expenses (e.g. budget, payroll)
  - Records our Assets (e.g. cash, investments, buildings)
  - Records our Liabilities (e.g. debt, vendor payables)

- Basis of financial reporting for decision making

Why are we doing this?

- Existing chart is from 1987 when Colleague was first implemented

Why are we doing this?

- Structure broken and cluttered
- Increasingly complex reporting needs
- Outdated object descriptions

Should I care? How am I impacted?

- Your department number will change
- Account numbers for payment requests will change
- Forms for purchase requisitions and POs
- Budget reports will change
- Awareness of expanded expense reporting requirement (location and Activity)

Current Structure

Fund (2)

Department (5)

Object (5)

Where is the funds coming from?

E.g.: Unrestricted funds, restricted funds, endowment

Who administers the budget?

E.g.: English department, Facilities management

What kind of transaction is taking place?

E.g.: Salaries, supplies, travel

Current Structure

Fund (2)	Department (5)	Object (5)
21 Unrestricted Fund	30304 Admissions	71006 Printing

Current Structure is **12** Digits Long.

New Structure will be **20** digits long.

Introducing….

Location

| Fund	Location	Department	Object
Where is the funds coming from? Example: Unrestricted funds, restricted funds, endowment	Which campus? Example: Law, Bexley, Seminary, General Univ.	Who administers the budget? Example: English department, Facilities management	What kind of transaction is taking place? Example: Salaries, supplies, travel

Four Location university

Bexley/Main Campus

Trinity Seminary

Gen. Univ.
Offices that support the entire University

Law School
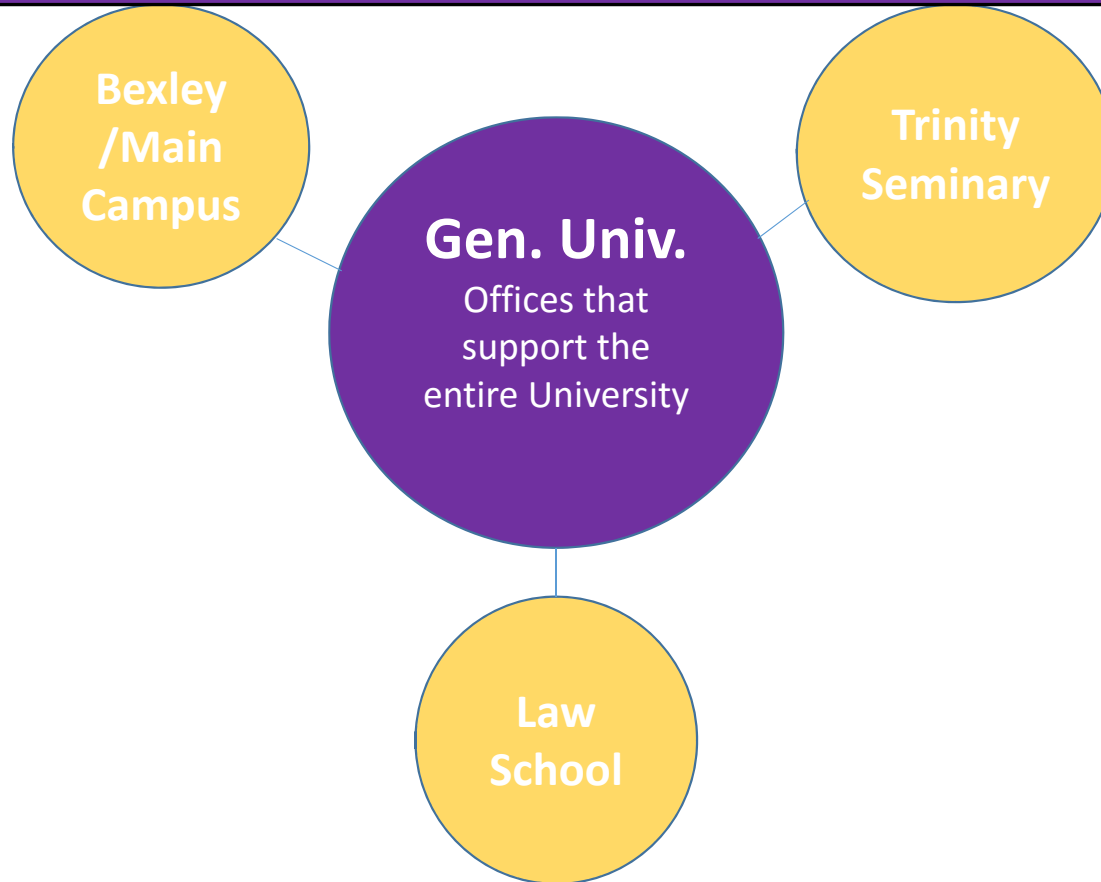
Four Location University

General University

- President
- Vice-Presidents

Offices that Serve the entire university:
- Human Resources
- Information Tech.
- Advancement
- Media relations
- Publications & Marketing

Activities directly benefiting the entire university, regardless of the office initiating or in-charge of the activity.
E.g. Software purchased by Law Office of Admission to be used by Seminary as well.

Location

- Most Law School transactions can expect to use the Law location code (tentatively code 30)

- Most Trinity transactions can expect to use the Trinity Location code (tentatively code 40).

- More consideration will be needed from Main/Bexley campus users, many of whom really serve in offices that also support Trinity and the law school.

Four Location University

- Where does my work take place?

- Who is the ultimate beneficiary of my work?

- Activities benefiting 2 or more locations can be thought of as a General University activity.

- General University locations will be allocated to the 3 main campuses.

Examples

- 1) Athletics purchases several sporting equipment for the women's basket ball program. What location will be charged for this expense:

    Answer: Bexley/Main campus will be charged since the basket ball program (and all athletic programs) is an Bexley/main undergraduate program.

- 2) Provost office purchases a survey software for undergraduate education. What location will be charged for this expense?

    Answer: Although the Provost office is a University wide location, this expense can be attributed directly to Bexley/Main campus and should be charged to that location.

Examples

- 3) The Graduate Admissions office at the Law school purchases consulting services. 40% of the service is expected to benefit the Seminary. What location will be charged?
  - Answer: 60% should be charged to Law School location and 40% to Seminary.

- 4) An Advancement Officer travels to raise funds from several donors across the country. There are multiple small expenses that cannot be easily and directly allocated. What location should be charged?

    Answer: Given the multiple and small dollar transactions, the amount of effort to split between locations, you may charge the expense to General University Location.
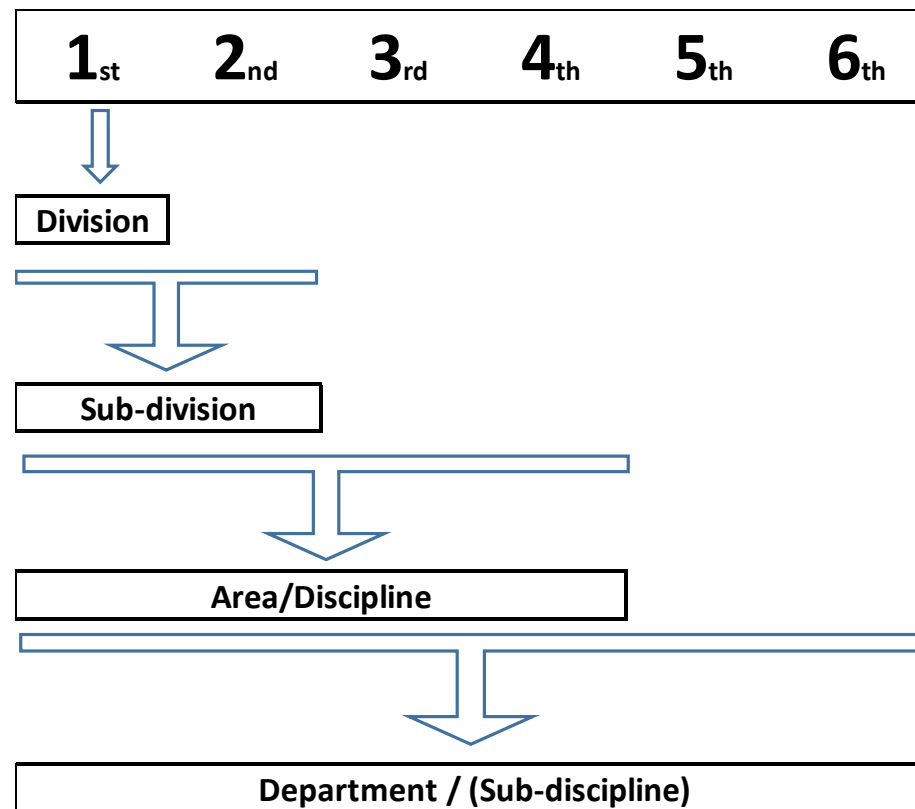
Introducing....

Departments

The New Department

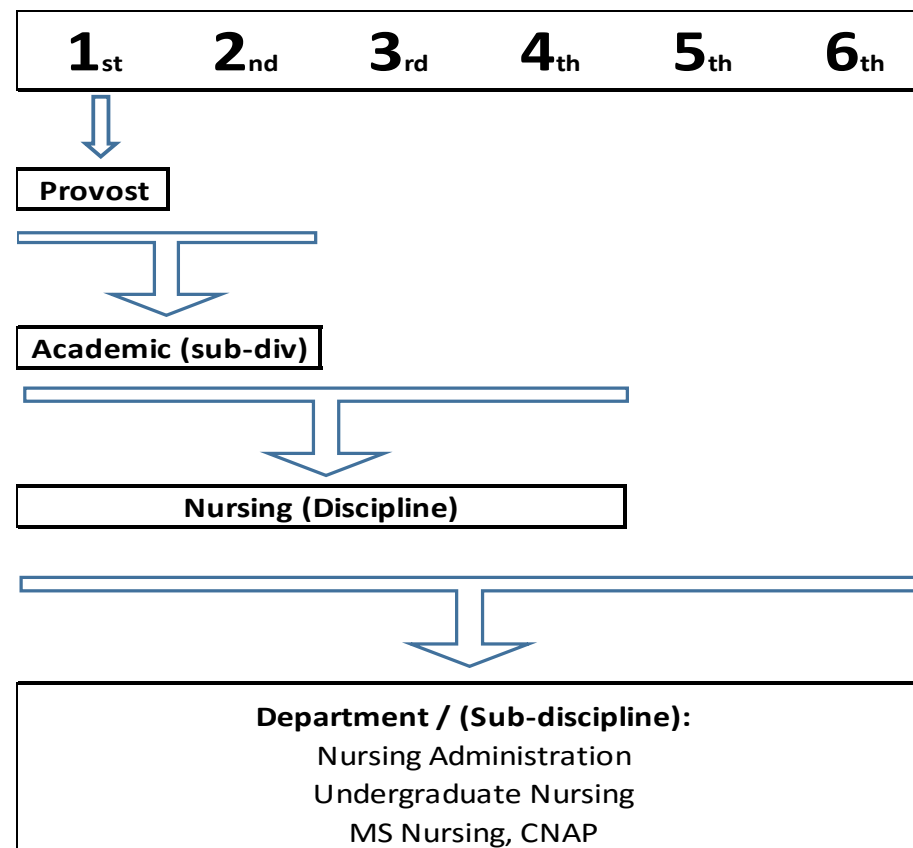| Fund	Location	**Department**	Object

- The objective of the new department structure is clear **reporting hierarchy**
- 6 digit number replaces current 5 digit string
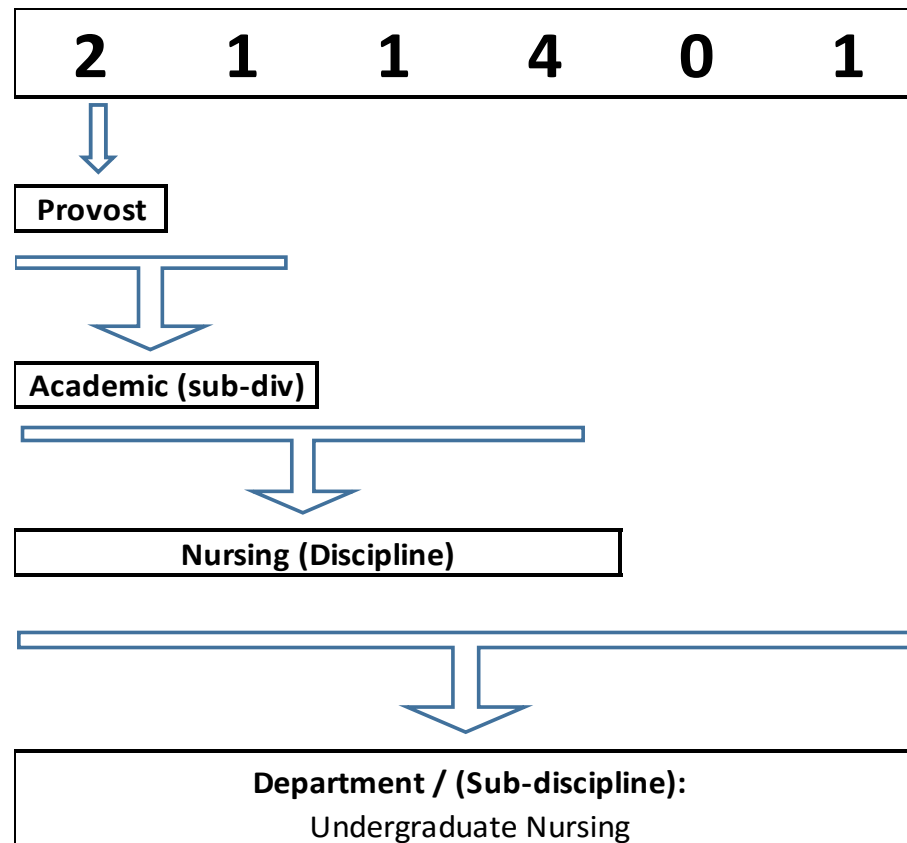- Represents true operating departments with human beings

New Departments Structure

1st	2nd	3rd	4th	5th	6th

↓

Division

↓

Sub-division

↓

Area/Discipline

↓

Department / (Sub-discipline)

Dept – e.g. Academic: Nursing

2	1	1	4	0	1

Provost

Academic (sub-div)

Nursing (Discipline)

Department / (Sub-discipline):
Undergraduate Nursing

Dept – e.g. Non-Academic: AVP B&F

| **1**st | **2**nd | **3**rd | **4**th | **5**th | **6**th |

VP B&F

B&F sub-division

AVP B&F (Area)

Department:
Mail Services
Dining Services
Meetings & Events Services

Dept – e.g. Non-Academic: AVP B&F

3	0	0	1	0	2

VP B&F

B&F sub-division

AVP B&F (Area)
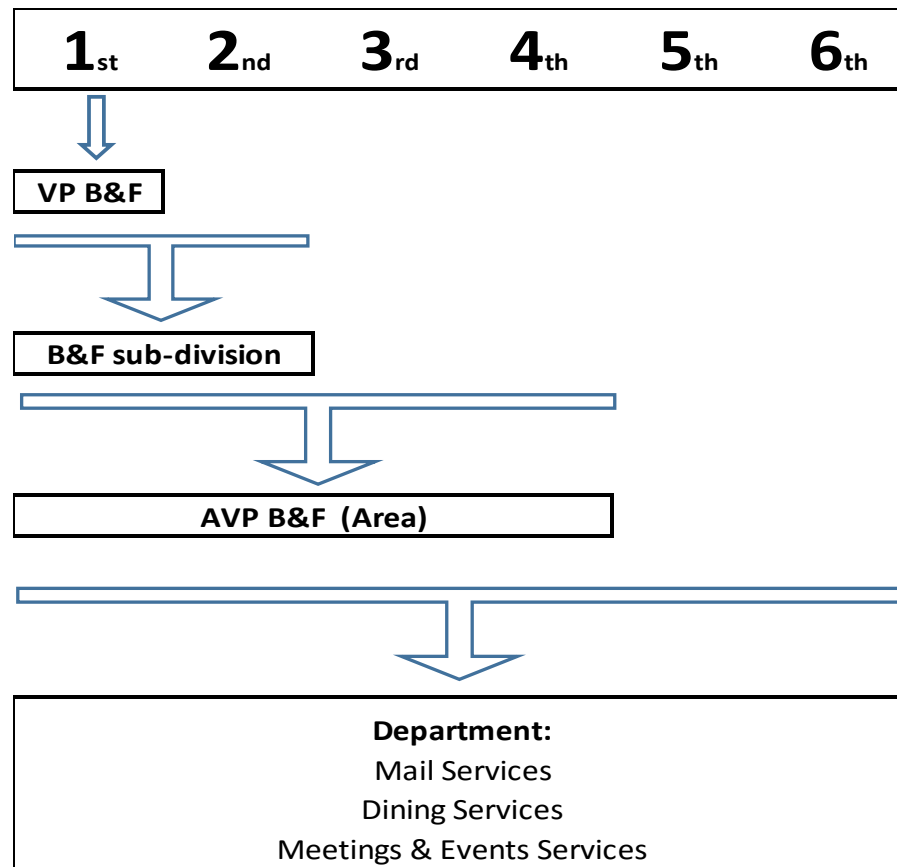
Department:
Mail Services
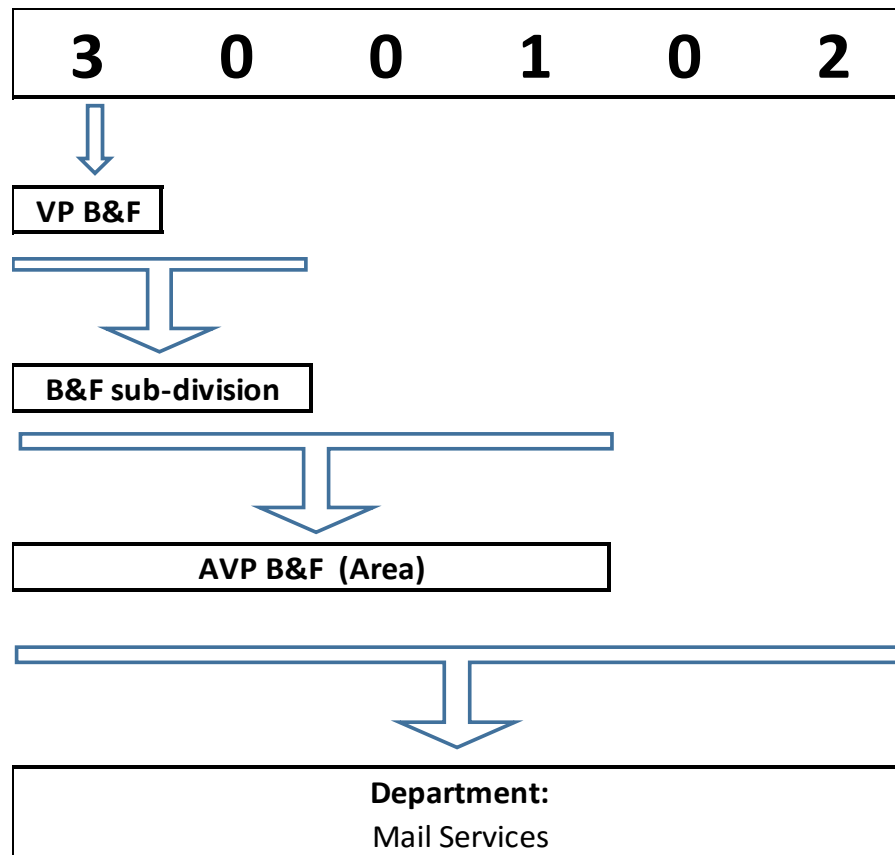
Dept – e.g. Non-Academic: Facilities

3	0	0	4	x	x

VP B&F

B&F sub-division

Facilities Management (Area)

Department:
Facilities Mangement Admin, Academic Facilities
Auxiliary Facilities, Law Facilities, Rental/other Faciliteis
Residential Facilities, Trinity Facilities, Capital Projects
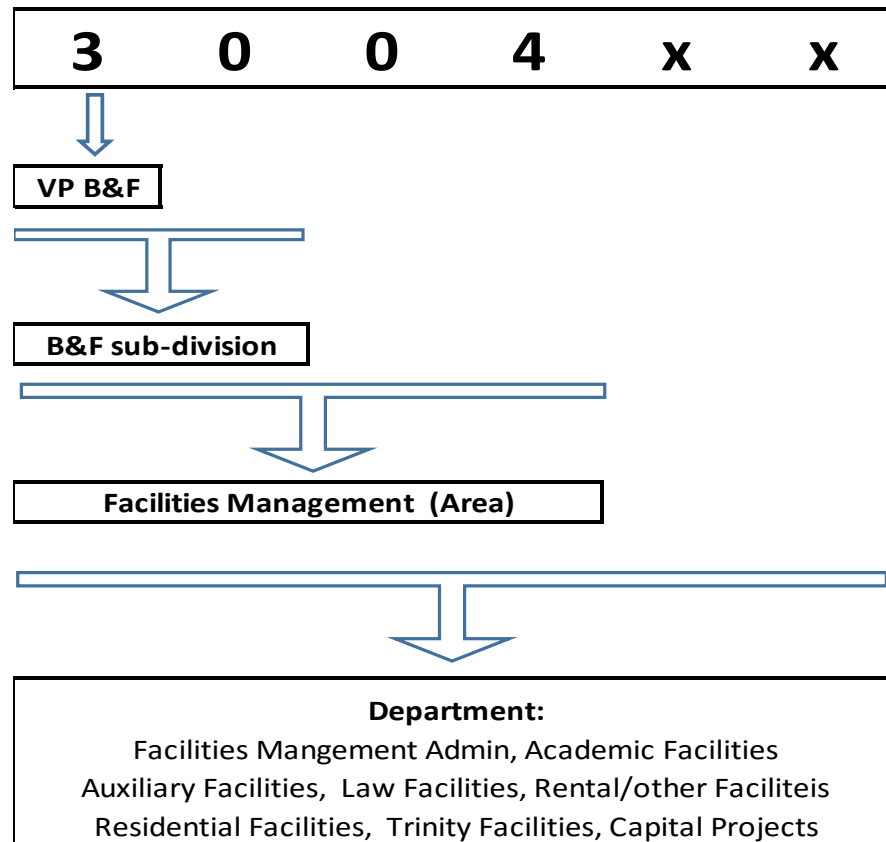
Introducing....

Activity Codes

Activity

| Fund | Location | Department | Object | Activity/ project |

Departments numbers will now represent true operating departments. Everything else will be identified using Activity numbers

- Restricted Funds
- Endowment Funds
- Agency Accounts
- Grants

- Student Organizations
- Capital Projects
- Optional internal tracking

Activity

- Provides for identification of grants, projects, endowments, student organizations, restricted accounts etc.

- 5 digit number

- The objective of the department-activity combination is **ownership.**

- Activity codes will be attached to the department number. The combination will help departments identify their grants, restricted accounts, student orgs, endowments, etc

Activity

DEPT ↔ GRANTS

DEPT ↔ RESTRICTED FUNDS

DEPT ↔ STUDENT ORG

DEPT ↔ AGENCY

Activity

Activity Code – Optional Tracking

- Provide departments with the option to define purposes of revenue or spending related to their specific needs

- Examples:

(A) The conservatory can create an activity code for each concert they put on to track the revenues and expenses of each separately.

(B) The Chemistry department can create activity codes to track the cost of separate research projects

(C) Residence Life can track expenses by individual residence halls

Activity Code

Remember activity code is **<u>optional</u>** (fill with "00000"), except when dealing with:

- Restricted funds
- Grants
- Student organizations
- Endowment funds
- Capital spending

Bringing it all together...

Fund (2)	Location (2)	Department (6)	Object (5)	Activity (5)
Where are the funds from? Example: Unrestricted funds, restricted funds, endowment	What campus? Example: English department, Facilities management	Who is administers the funds? Example: English department, Facilities management	What kind of transaction is taking place? Example: Salaries, supplies, travel	Choose Example: student org, grant, restricted fund, endowment, building, optional internal tracking

Bringing it all together...Info Tech

Fund (2)	Location (2)	Department (6)	Object (5)	Activity (5)
12 Unrestricted Fund	**20** Bexley	**211401** Info. Tech Administration	**63801** Equipment Purchases	**53111** WiFi Upgrades

Impact to various functional Areas

- Other Colleague suites (HR, Financial Aid, Student accounts): Most Account information will be automatically updated with minimal action on the part of super-users to verify changes after the conversion.

- Non-Colleague systems with Account information: bring to attention of project team immediately.

Timeline

- Week of January 28 – Conversion test #1
- February/March – Introduction to Chart of Accounts
- Week of March 4 - Conversion test #2
- March 11-22 - ****Budget Managers and Administrators Review****
- March 28-April 1 – Conversion test #3
- April 7-12 – **Budget Managers confirm corrections**
- April 18-22 – Go-live Final Conversion (colleague will be unavailable)
- April-May – Training – How to use the new chart of Accounts

Next Steps

- Provide feedback on object code descriptions
- Provide feedback on changes desired in your department structure
- Review your budgets
- Visit www.capital.edu/finance for more information

Questions