# Chart of Accounts - Introduction

Office of the Controller – General Accounting

# Course Goals:

- Familiarize you with the Banner Chart of Accounts

- Explain what your 'account' is

- Explain what goes into creating your 'account'

- Explain how budgets and revenue affect your spending authority

- Determine which reports are needed for your specific purposes

# What is a FOAP?

- FOAP is the acronym used for the Chart of Accounts structure in Banner Finance and represents the following:

  - F- Fund
  - O- Organization (Org)
  - A- Account Code
  - P- Program

  This is your 'account'

- Every FOAP has a 'unique' identifier (either Fund or Org)
- INDEX Codes are short-cuts for your fund/org combination, more on them later.

# FUND - **F** O A P

The Fund is the source of money. In other words, it is where the money comes from.

- We classify Funds as either Cash Funded or Budget Funded:

  - **Cash** Funded accounts bring in revenue to pay for expenses. Money left at the end of the year rolls forward and is available for spending in future years.

    - Athletics is an example of a fund balance account – they sell tickets to bring in revenue, so cash comes in directly to their accounts

# FUND - <u>F</u> O A P

- **<u>Budget</u> <u>Balance accounts</u>** derive spending authority from a budget established by the Budget and Planning Office, Foundation, or third-party sponsor.

- For operating accounts, (Fund 1001) unused budget amounts do not roll forward to future years.

- For grants (funds starting with '4') and Foundation funds (funds starting with '6'), unused budget amounts do roll forward to future years.

# Organization & Account - F **O A** P

- Every department is assigned one or more **Organization Codes**. These org codes are common for a department, although departments can have multiple org codes. This is how we identify the operating activity of a specific department, lab, or separately identified activity.

- The **Account code** categorizes the type of **Revenue** or **Expenditure** the department is recording.

- Account codes **1100** through **2900** are used by the General Accounting team, do not use unless directed otherwise by our office.

- Account codes **3100-3900** are system only account codes – DO NOT USE

- Account codes **4100** to **4999** are for incoming revenue. Revenue is money made by providing goods or services, receiving grants and donations, or through financing efforts.

- Account codes **5100** to **5299** are for Payroll payments and should be used only by the Payroll Office.

- Account codes **5300** to **5999** are for operating expenditures.  Expenditures are money paid by Mines for goods and services.

# PROGRAM CODE- F O A **P**

- Program Codes are predefined codes set up by the National Association of College and University Business Officers (NACUBO).

- Most Fund-Org combinations have <u>one</u> default Program code:

  - You will be notified of your default program code upon the establishment of your Fund.

  - If you encounter a Fund-Org that does not have a default program code, please contact [co-accounting@mines.edu](mailto:co-accounting@mines.edu) for assistance.

- Academic Departments use **1100** (Instruction).

- Research - use **1200**

- Grants providing public services would use **1300 (Not commonly used at Mines)**

- Academic Support Departments use **1400**.

- Student Services Departments use **1500**.

- Institutional Support Departments use **1600**.

- Program Code **1700** is used for Operation and Maintenance of Plant. Departments should use this when paying for repairs done by Facilities Management and outside contractors.

- Scholarships and other Financial Aid use **1800**.

- Only Auxiliary Funds (starting with 3) should use **1900**.

- Capital additions to plant use **3200**.

COLORADO SCHOOL OF MINES
EARTH ● ENERGY ● ENVIRONMENT

MINES**.**EDU

# Index Codes

- An 'Index' groups together your Fund, Org, and sometimes Program codes.
- Use your Index with the appropriate account code to allocate revenue and expenses
- Account codes are determined by the revenue activity or expense type.

INDEX / ACCOUNT

=

(FUND / ORG / ACCOUNT / PROGRAM)

# Revenue vs. Negative Expense

- <u>Revenue</u> is money earned by or given to Mines. It is not a reimbursement of costs we have incurred. Examples would be money received as payment to Mines for work done in a lab for an external entity.

- <u>Negative expenses</u> are refunds for prior payments. Examples of negative expenses would be a same year refund from a vendor or reimbursements for a trip from a third party.