



Charting Our New Path
Introduction to the New Chart of Accounts



University
of Dayton

Meet Charty

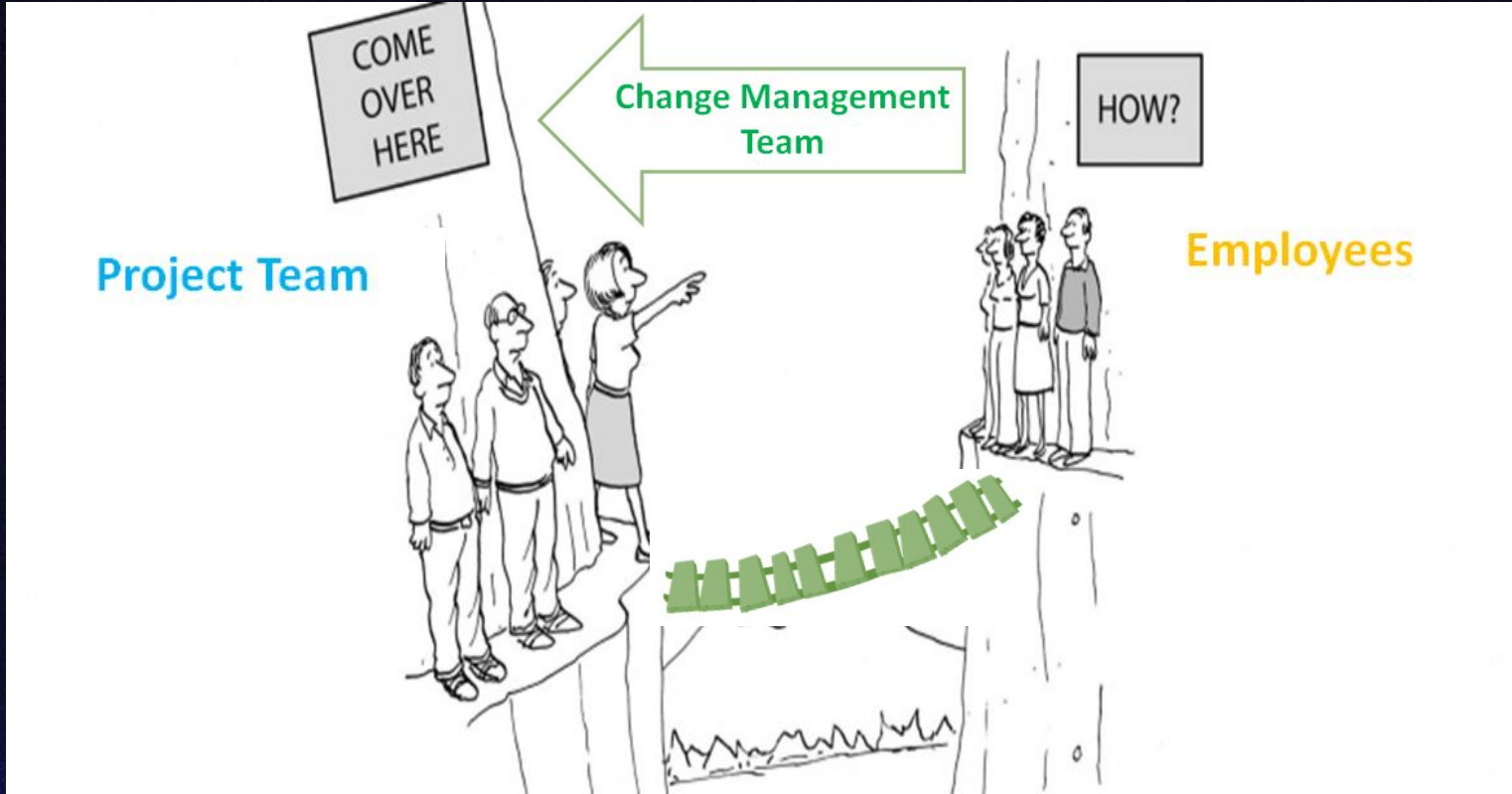


Agenda

- Project Introduction
- Key Takeaways
- How You Use the Chart
- Why Change the Chart
- Departmental Benefits
- The FOAPAL String
- Next Steps
- Questions & Open Discussion



Change Management Approach



Project Overview

- Chart of Accounts Redesign is wave 1 of the Financial Management Transformation project
- Change in the numbers and the way we use them when accounting for financial information, i.e. purchasing
- New Chart of Accounts will go live on July 1, 2019
 - Old chart = D New chart = F

	FUND	ORG	ACCT	PROG	ACTV	LOC	TOTAL
# of active Chart D values	16,930	2,248	1,976	82	0	5,593	26,829
# of Chart F transactable values (as of 4.15)	3,973	416	644	53	1,696	260	7,042



Key Takeaways

1

Benefits of moving to the new Chart of Accounts

2

New terminology associated with the Chart of Accounts

3

Definition of the FOAPAL string and how to apply it to financial transactions

4

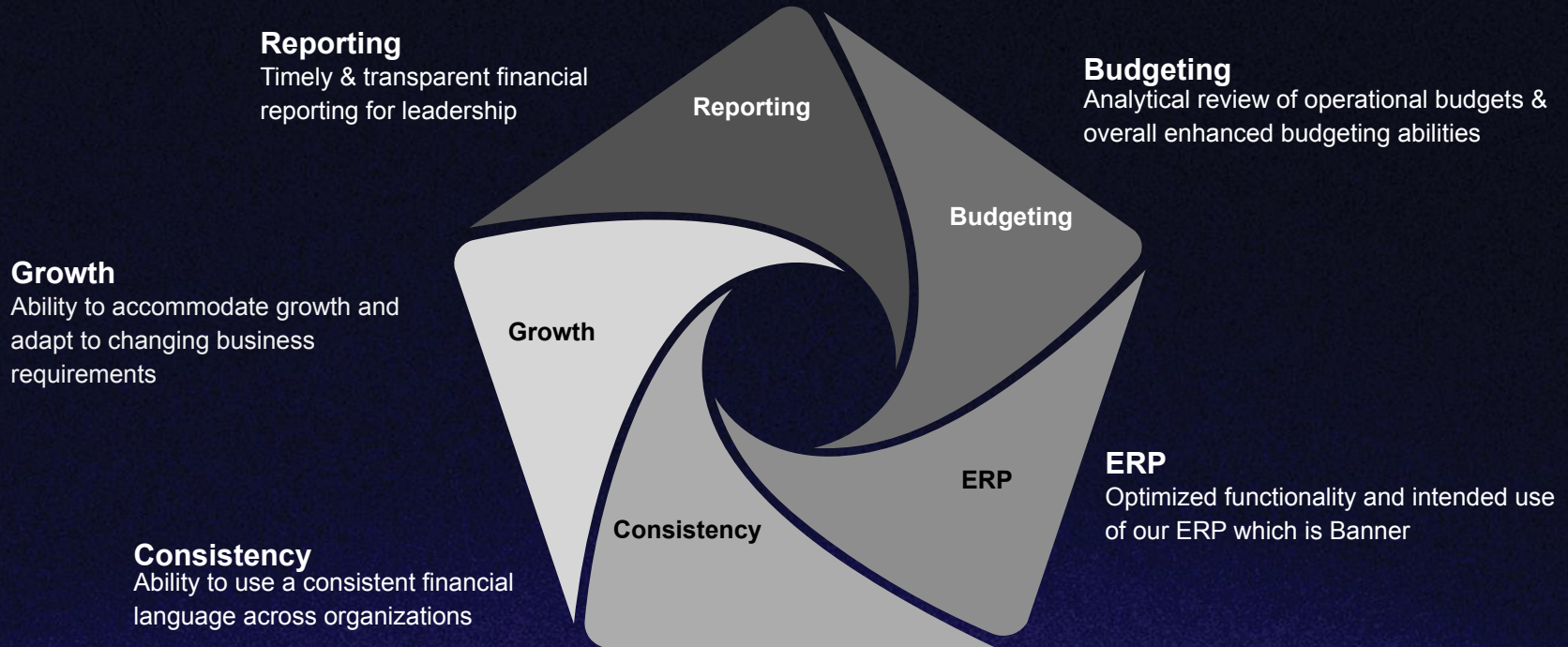
What is coming next for Chart of Accounts and where you can go for additional information



How do you use the Chart of Accounts?



Why Change the Chart of Accounts: University Benefits

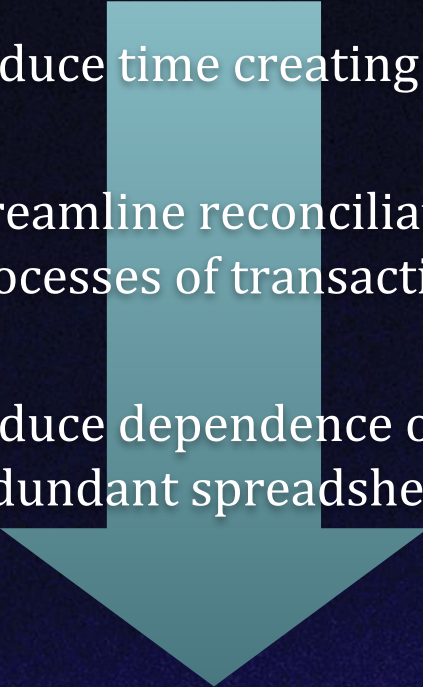


Why Change the Chart of Accounts: Internal/External Reporting Requirements

- Consistent and compliant reporting
 - Accreditation Agencies
 - Auditors
 - Board of Trustees
 - Bondholders
 - Donors
 - Federal, State, and Local Governments
 - Investment Partners
 - Leadership
 - NCAA



Departmental Benefits

- 
- Reduce time creating reports
 - Streamline reconciliation processes of transactions
 - Reduce dependence on redundant spreadsheets

- 
- Increase analytical reporting
 - Allow more time for critical decision-making activities
 - Facilitate sharing and communications across organizations



The FOAPAL String

- I made a purchase using this money: **FUND**
- For my department: **ORGANIZATION**
- I purchased this type of product or service: **ACCOUNT**
- To fulfill this particular function: **PROGRAM**
- The purchase was for this event or initiative: **ACTIVITY**
- At this building: **LOCATION**



The FOAPAL String: Fund

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOAPAL String: Fund

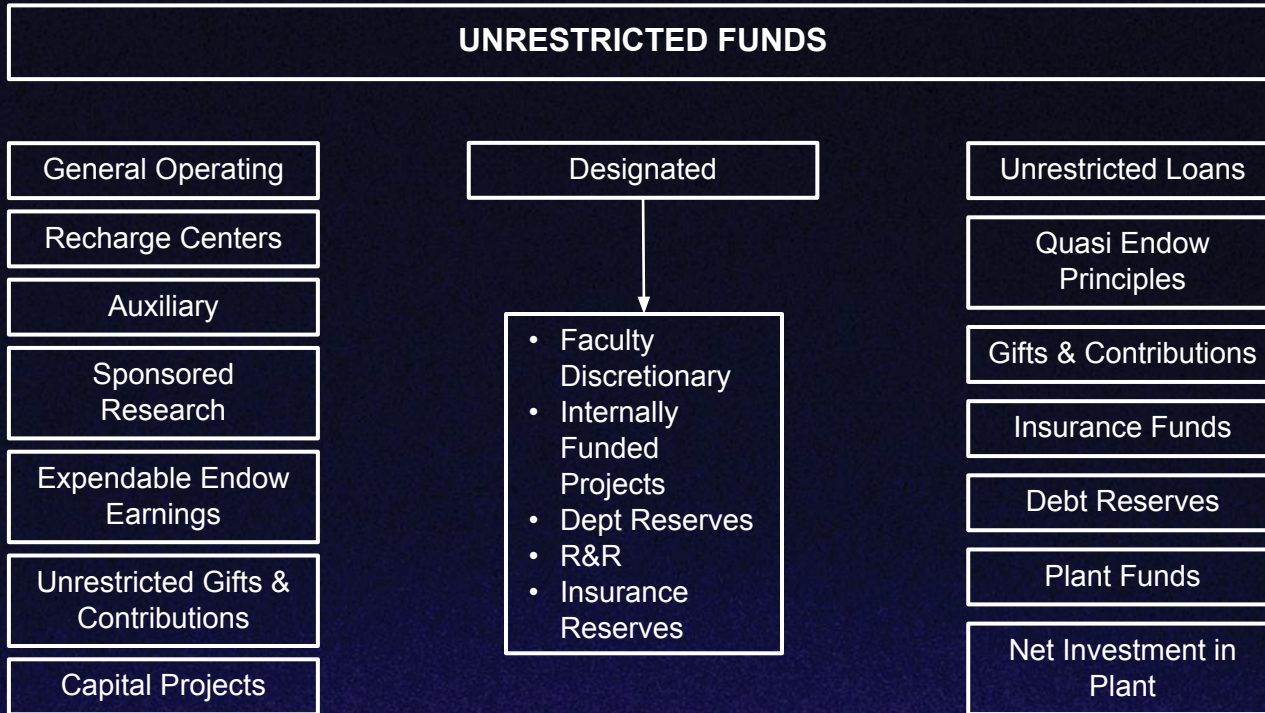
Identifies each “source of money”, including those for projects, that requires separate budgeting, financial management, and / or reporting.

- **Unrestricted:** University funds from operations that have no “external” restrictions that limit spending
- **Restricted:** funds received from external parties with specific spending restriction
- Values will be the same across all Units

Where did the money come from?



The FOAPAL String: Fund



The FOAPAL String: Fund

RESTRICTED FUNDS

Plant Fund Contributions

Annuity and Life

True Endowments

Agency Funds

Bank Funds

Restricted Endow Earnings and
Restricted Gifts & Contributions

- Department Operations
- Scholarships/
Fellowships
- Chairs
- Special Interest



Example (Academic)

The Department is purchasing a piece of equipment from their department reserves for a new lab.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
Unrestricted Designated: Dept Res - Physical Therapy (115099)	Physical Therapy (210510)	Equipment - Laboratory (845102)	Instruction - General (100000)	Lab A (151300)	Fitz Hall (10CH00)



Example (Academic)

A faculty member renewed a membership fee using money from their PI Discretionary funds.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
Unrestricted Designated: Faculty Discretionary - SOE (110000)	Chemical & Materials Engineering (220420)	Other Exp - Membership and Dues (839005)	Instruction - General (100000)	Faculty A (151500)	Unspecified (999999)



Example (Administrative)

A donor has made two gifts, with restrictions, to the Student Development division.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
Restricted, Special Interest: Robert & Catherine Redgate Memorial (407000)	Stdnt Devel - Admin (700000)	Private Gifts & Grants (620000)	Fundraising (620000)	Unspecified (999999)	Unspecified (999999)
Restricted, Department Operations: Counseling Center (410080)	Counseling Center (700950)	Private Gifts & Grants (620000)	Fundraising (620000)	Unspecified (999999)	Unspecified (999999)



Example (Auxiliary)

Parking Services paid for automobile insurance for their vehicles.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - General (130000)	Parking Services (701150)	Insurance - Automobile (835002)	Auxiliary Enterprises (900000)	Unspecified (999999)	Unspecified (999999)



The FOAPAL String: Organization

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOAPAL String: Organization

Represents the unit responsible for, or affected by, a given transaction; aligns with organizational charts and structure

- **Organization** is normally used to define “who” spends the money and is responsible for tracking budget to actual activity
- Based on true organizational structure of the University
- Organization/Fund relationships can be one to one, or one to many
- Organization in new chart of accounts enables better assignment of cost

Who is responsible for the money? To whom does the money belong? Who is spending the money?



Example

Multiple departments incur costs related to new student orientation.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	President (100000)	Student Programming / Meetings (831003)	Student Services (500000)	Orientation - First-Year (400000)	Unspecified (999999)
General Operating (100000)	SoE Comm (220030)	Printing for Distribution (838000)	Student Services (500000)	Orientation - First-Year (400000)	Unspecified (999999)
AUX - House & Res Life Operating (130002)	Housing & Residence Life (700550)	Other Exp - Advertising (839000)	Auxiliary Enterprises (900000)	Orientation - First-Year (400000)	Unspecified (999999)



The FOAPAL String: Account

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOAPAL String: Account

Categorizes the nature of the transaction as a specific type of revenue, expense, asset, liability, or net asset

- **ACCOUNT** identifies the type of transaction
 - Revenues: Tuition, gifts, interest income, etc.
 - Expenses: Labor, professional development, general supplies, travel, etc.
 - Transfers: Transfers in and Transfers out
- Consistent regardless of the Fund/Organization combination

What kind of transaction is taking place? On what is the money being spent?



Example

Multiple departments incur costs related to new student orientation.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	President (100000)	Student Programming / Meetings (831003)	Student Services (500000)	Orientation - First-Year (400000)	Unspecified (999999)
General Operating (100000)	SoE Comm (220030)	Printing for Distribution (838000)	Student Services (500000)	Orientation - First-Year (400000)	Unspecified (999999)
AUX - House & Res Life Operating (130002)	Housing & Residence Life (700550)	Other Exp - Advertising (839000)	Auxiliary Enterprises (900000)	Orientation - First-Year (400000)	Unspecified (999999)



The FOA**P**AL String: **P**rogram

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOA**P**AL String: **P**rogram

Used to record revenue and expense transactions associated with a formalized, named set of activities, and track functional classification of expenses

- **PROGRAM** will be utilized primarily for **external reporting**
- Identifies the functional purpose and enables the University to classify transactions in the same categories as other universities for reporting comparability.
- Examples: Instructional, Research, Public Service, Academic Administration, Student Services, Institutional Support, Operations & Maintenance of Plant, Financial Aid, and Auxiliary
- Exception: When there are organized programmatic cross-unit financial reporting needs such as 2U Online

How does this transaction compare to other universities?



Example (Academic)

You ordered office supplies for your department.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Mechanical & Aerospace Engineering (220430)	Supplies - Office Supplies (820001)	Academic Administration (420000)	Unspecified (999999)	Unspecified (999999)



Example (Administrative)

Thom Madden agreed to buy all staff a shiny new iPad.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Financial Support Serv (800450)	IT Supplies - Computers (820101)	General Administration (610000)	Unspecified (999999)	Unspecified (999999)



Example (Auxiliary)

Dining Services ordered office supplies for administrative use.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - Dining Operating (130001)	Dining Serv Admin (800600)	Supplies - Office Supplies (820001)	Auxiliary Enterprises (900000)	Unspecified (999999)	Unspecified (999999)



The FOAPAL String: Activity

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOAPAL String: Activity

Used to record revenue and expense transactions associated with activities that have no external, formal reporting requirements and for which additional categorization is useful and meaningful

- **ACTIVITY** is an optional code which can be used to further define events/initiatives that cross funds and organizations
- Allows departments to identify internal purposes for spending and associated revenues as well as reduces “shadow” systems for monitoring and reporting
- **ACTIVITY** values will generally be generic (e.g. Conference A, Publication B, etc.)
- Exceptions include campus-wide initiatives such as Graduation, Finals, Christmas on Campus, etc.

What additional activity would you like to track internally?



Example (Academic)

A travel reimbursement was submitted for a conference that multiple faculty & staff attended (and you want to know how much the department spent to attend).

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Chemistry (208110)	Travel - Domestic Lodging/Meals (830101)	Instruction - General (100000)	Conference A (253100)	Unspecified (999999)

Use **Activity** - Conference B (253101) for another conference



Example (Academic)

The department is recruiting for multiple faculty positions.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Department of Accounting (209300)	Other Exp - Advertising (839000)	Instruction - General (100000)	Recruiting – Faculty Search A (105100)	Unspecified (999999)
General Operating (100000)	Department of Accounting (209300)	Travel - Domestic Airline (830100)	Instruction - General (100000)	Recruiting – Faculty Search A (105100)	Unspecified (999999)

Use **Activity** - Recruiting – Faculty Search B (105101) for second search



Example (Administrative)

Campus Ministry needs to track expenses related to the Lighthouse Retreat and the New Beginnings Retreat.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Campus Ministry (400200)	Travel - Domestic Mileage (830103)	Student Services (500000)	Outreach Activity A (300400)	Unspecified (999999)
General Operating (100000)	Campus Ministry (400200)	Travel - Domestic Mileage (830103)	Student Services (500000)	Outreach Activity B (300401)	Unspecified (999999)

Use **Activity** - Outreach Activity A (300400) for Lighthouse Retreat & Outreach Activity B (300401) for New Beginnings Retreat



Example (Auxiliary)

Housing & Residence Life is sending a staff member to a conference.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - House & Res Life Operating (130002)	Housing & Residence Life (700550)	Travel - Domestic Airline (830100)	Auxiliary Enterprises (900000)	Prof Devel - Staff General (106000)	Unspecified (999999)
AUX - House & Res Life Operating (130002)	Housing & Residence Life (700550)	Travel - Domestic Lodging/Meals (830101)	Auxiliary Enterprises (900000)	Prof Devel - Staff General (106000)	Unspecified (999999)
AUX - House & Res Life Operating (130002)	Housing & Residence Life (700550)	Prof Dev - Conferences (832000)	Auxiliary Enterprises (900000)	Prof Devel - Staff General (106000)	Unspecified (999999)



The FOAPAL String: Location

FUND 999999	ORGANIZATION 999999	ACCOUNT 999999	PROGRAM 999999	ACTIVITY 999999	LOCATION 99XX99
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The FOAPAL String: Location

Used to designate physical places or operating sites

- **LOCATION** is designed for the operational tracking of activities to general locations both on campus, and off campus
- Will be primarily used to track revenue and expenses related to the general location (facility or site)
- Example: Facilities, along with Housing and Residence Life, will use the location field to track general operations, maintenance, and utilities for each residence hall

What physical location is the money being spent on?



Example (Auxiliary)

Facilities is paying water & sewer utilities for the residence halls.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - House & Res Life Operating (130002)	Residential Prop - Admin (801100)	Water and Sewer (826002)	Auxiliary Enterprises (900000)	Unspecified (999999)	UD Marycrest Hall - General (10BM00)
AUX - House & Res Life Operating (130002)	Residential Prop - Admin (801100)	Water and Sewer (826002)	Auxiliary Enterprises (900000)	Unspecified (999999)	UD Stuart Hall - General (10BN00)
AUX - House & Res Life Operating (130002)	Residential Prop - Admin (801100)	Water and Sewer (826002)	Auxiliary Enterprises (900000)	Unspecified (999999)	UD Founders Hall - General (10BB00)



Example (Auxiliary)

Athletics is buying concession supplies for the A10 Women's Basketball Tournament.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - Athletics (130004)	Concessions (500250)	Cost of Sale - Beverage/Nonalcoh (805002)	Auxiliary Enterprises (900000)	A10 Tournament (200730)	UD Arena - General (10UA00)

Athletics is selling concessions for the A10 Women's Basketball Tournament.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
AUX - Athletics (130004)	Concessions (500250)	Aux Inc - Athl - Concessions (635102)	Auxiliary Enterprises (900000)	A10 Tournament (200730)	UD Arena - General (10UA00)



Example (Academic)

Faculty members in the School of Business are teaching at an off-campus location in the Fall semester.

Fund	Organization	Account	Program	Activity	Location
How?	Who?	What?	Why?	What?	Where?
General Operating (100000)	Dept of Management & Marketing (209320)	Faculty Salaries - FT Fac - Tenured (700000)	Instruction (100000)	Unspecified (999999)	Off Campus - Lexis Nexis (210004)
General Operating (100000)	Department of Economics & Finance (209310)	Faculty Salaries - FT Fac - Tenured (700000)	Instruction (100000)	Unspecified (999999)	Off Campus - Lexis Nexis (210004)



Next Steps

- Future training sessions in late May/early June focused on:
 - FOAPAL Values
 - Crosswalk tool
 - System changes, i.e. Runway, PAF's/ePAF's, PCard, etc.
 - Reporting
- Request a presentation at staff/departmental meetings

For additional information, go to go.udayton.edu/coa
or email coa@udayton.edu



Questions/Discussion?

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