Charting Our New Path
Introduction to the New Chart of Accounts
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 Team

Employees

Change Management Team

COME OVER HERE

HOW?
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

<table>
<thead>
<tr>
<th># of active Chart D values</th>
<th>FUND</th>
<th>ORG</th>
<th>ACCT</th>
<th>PROG</th>
<th>ACTV</th>
<th>LOC</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,930</td>
<td>2,248</td>
<td>1,976</td>
<td>82</td>
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<td>5,593</td>
<td>26,829</td>
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<table>
<thead>
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<th># of Chart F transactable values (as of 4.15)</th>
<th>FUND</th>
<th>ORG</th>
<th>ACCT</th>
<th>PROG</th>
<th>ACTV</th>
<th>LOC</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>3,973</td>
<td>416</td>
<td>644</td>
<td>53</td>
<td>1,696</td>
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</table>
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?
How do you use the Chart of Accounts?
Why Change the Chart of Accounts: University Benefits

**Reporting**
Timely & transparent financial reporting for leadership

**Budgeting**
Analytical review of operational budgets & overall enhanced budgeting abilities

**Growth**
Ability to accommodate growth and adapt to changing business requirements

**Consistency**
Ability to use a consistent financial language across organizations

**ERP**
Optimized functionality and intended use of our ERP which is Banner
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
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

UNRESTRICTED FUNDS

- General Operating
- Recharge Centers
- Auxiliary
- Sponsored Research
- Expendable Endow Earnings
- Unrestricted Gifts & Contributions
- Capital Projects
- Designated
  - Faculty Discretionary
  - Internally Funded Projects
  - Dept Reserves
  - R&R
  - Insurance Reserves
- Unrestricted Loans
- Quasi Endow Principles
- Gifts & Contributions
- Insurance Funds
- Debt Reserves
- Plant Funds
- Net Investment in Plant
### 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.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Designated: Dept Res - Physical Therapy (115099)</td>
<td>Physical Therapy (210510)</td>
<td>Equipment - Laboratory (845102)</td>
<td>Instruction - General (100000)</td>
<td>Lab A (151300)</td>
<td>Fitz Hall (10CH00)</td>
</tr>
</tbody>
</table>
A faculty member renewed a membership fee using money from their PI Discretionary funds.

<table>
<thead>
<tr>
<th>Fund</th>
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<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Designated: Faculty Discretionary - SOE (110000)</td>
<td>Chemical &amp; Materials Engineering (220420)</td>
<td>Other Exp - Membership and Dues (839005)</td>
<td>Instruction - General (100000)</td>
<td>Faculty A (151500)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
Example (Administrative)

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
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<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted, Special Interest:</td>
<td>Stdnt Devel - Admin</td>
<td>Private Gifts &amp;</td>
<td>Fundraising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert &amp; Catherine Redgate Memorial</td>
<td>(700000)</td>
<td>Grants (620000)</td>
<td>(620000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(407000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted, Department Operations:</td>
<td>Counseling Center</td>
<td>Private Gifts &amp;</td>
<td>Fundraising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counseling Center</td>
<td>(700950)</td>
<td>Grants (620000)</td>
<td>(620000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(410080)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Example (Auxiliary)

Parking Services paid for automobile insurance for their vehicles.

<table>
<thead>
<tr>
<th>Fund</th>
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<th>Account</th>
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<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUX - General (130000)</td>
<td>Parking Services (701150)</td>
<td>Insurance - Automobile (835002)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Unspecified (999999)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
The FOAPAL String: Organization

FUND 999999
ORGANIZATION 999999
ACCOUNT 999999
PROGRAM 999999
ACTIVITY 999999
LOCATION 99XX99
The F\textsuperscript{O}APAL 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?
Multiple departments incur costs related to new student orientation.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>President (100000)</td>
<td>Student Programming / Meetings (831003)</td>
<td>Student Services (500000)</td>
<td>Orientation - First-Year (400000)</td>
<td>Unspecified (999999)</td>
</tr>
<tr>
<td>General Operating (100000)</td>
<td>SoE Comm (220030)</td>
<td>Printing for Distribution (838000)</td>
<td>Student Services (500000)</td>
<td>Orientation - First-Year (400000)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
The FOAPAL String: Account

FUND 999999
ORGANIZATION 999999
ACCOUNT 999999
PROGRAM 999999
ACTIVITY 999999
LOCATION 99XX99
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?
Multiple departments incur costs related to new student orientation.

<table>
<thead>
<tr>
<th>Fund</th>
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</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>President</td>
<td>Student Programming / Meetings</td>
<td>Student Services</td>
<td>Orientation - First-Year</td>
<td>Unspecified</td>
</tr>
<tr>
<td>(100000)</td>
<td>(100000)</td>
<td>(831003)</td>
<td>(500000)</td>
<td>(400000)</td>
<td>(999999)</td>
</tr>
<tr>
<td>General Operating</td>
<td>SoE Comm</td>
<td>Printing for Distribution</td>
<td>Student Services</td>
<td>Orientation - First-Year</td>
<td>Unspecified</td>
</tr>
<tr>
<td>(100000)</td>
<td>(220030)</td>
<td>(838000)</td>
<td>(500000)</td>
<td>(400000)</td>
<td>(999999)</td>
</tr>
<tr>
<td>AUX - House &amp; Res Life</td>
<td>Housing &amp; Residence</td>
<td>Other Exp - Advertising</td>
<td>Auxiliary Enterprises</td>
<td>Orientation - First-Year</td>
<td>Unspecified</td>
</tr>
<tr>
<td>Operating (130002)</td>
<td>Life (700550)</td>
<td>(839000)</td>
<td>(900000)</td>
<td>(400000)</td>
<td>(999999)</td>
</tr>
</tbody>
</table>
The FOA PAL String: Program
The FOAPAL String: Program

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
Example (Academic)

You ordered office supplies for your department.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Mechanical &amp; Aerospace Engineering (220430)</td>
<td>Supplies - Office Supplies (820001)</td>
<td>Academic Administration (420000)</td>
<td>Unspecified (999999)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
Example (Administrative)

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

<table>
<thead>
<tr>
<th>Fund</th>
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<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Financial Support Serv (800450)</td>
<td>IT Supplies - Computers (820101)</td>
<td><strong>General Administration (610000)</strong></td>
<td>Unspecified (999999)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
### Example (Auxiliary)

Dining Services ordered office supplies for administrative use.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUX - Dining Operating</td>
<td>Dining Serv Admin (800600)</td>
<td>Supplies - Office Supplies</td>
<td><strong>Auxiliary Enterprises</strong> (900000)</td>
<td>Unspecified (999999)</td>
<td>Unspecified (999999)</td>
</tr>
<tr>
<td>(130001)</td>
<td></td>
<td>(820001)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

University of Dayton
The FOAPAL String: Activity
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).

<table>
<thead>
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<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Chemistry (208110)</td>
<td>Travel - Domestic Lodging/Meals (830101)</td>
<td>Instruction - General (100000)</td>
<td>Conference A (253100)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>

Use **Activity** - Conference B (253101) for another conference.
The department is recruiting for multiple faculty positions.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
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<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Department of Accounting (209300)</td>
<td>Other Exp - Advertising (839000)</td>
<td>Instruction - General (100000)</td>
<td>Recruiting – Faculty Search A (105100)</td>
<td>Unspecified (999999)</td>
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<tr>
<td>General Operating (100000)</td>
<td>Department of Accounting (209300)</td>
<td>Travel - Domestic Airline (830100)</td>
<td>Instruction - General (100000)</td>
<td>Recruiting – Faculty Search A (105100)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Organization</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Campus Ministry (400200)</td>
<td>Travel - Domestic Mileage (830103)</td>
<td>Student Services (500000)</td>
<td>Outreach Activity A (300400)</td>
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</tr>
<tr>
<td>General Operating (100000)</td>
<td>Campus Ministry (400200)</td>
<td>Travel - Domestic Mileage (830103)</td>
<td>Student Services (500000)</td>
<td>Outreach Activity B (300401)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Fund</th>
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</tr>
</thead>
<tbody>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Housing &amp; Residence Life (700550)</td>
<td>Travel - Domestic Airline (830100)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Prof Devel - Staff General (106000)</td>
<td>Unspecified (999999)</td>
</tr>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Housing &amp; Residence Life (700550)</td>
<td>Travel - Domestic Lodging/Meals (830101)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Prof Devel - Staff General (106000)</td>
<td>Unspecified (999999)</td>
</tr>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Housing &amp; Residence Life (700550)</td>
<td>Prof Dev - Conferences (832000)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Prof Devel - Staff General (106000)</td>
<td>Unspecified (999999)</td>
</tr>
</tbody>
</table>
The FOAPAL String: Location

- FUND 999999
- ORGANIZATION 999999
- ACCOUNT 999999
- PROGRAM 999999
- ACTIVITY 999999
- LOCATION 99XX99
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?
Facilities is paying water & sewer utilities for the residence halls.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Residential Prop - Admin (801100)</td>
<td>Water and Sewer (826002)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Unspecified (999999)</td>
<td>UD Marycrest Hall - General (10BM00)</td>
</tr>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Residential Prop - Admin (801100)</td>
<td>Water and Sewer (826002)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Unspecified (999999)</td>
<td>UD Stuart Hall - General (10BN00)</td>
</tr>
<tr>
<td>AUX - House &amp; Res Life Operating (130002)</td>
<td>Residential Prop - Admin (801100)</td>
<td>Water and Sewer (826002)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>Unspecified (999999)</td>
<td>UD Founders Hall - General (10BB00)</td>
</tr>
</tbody>
</table>
Athletics is buying concession supplies for the A10 Women’s Basketball Tournament.

<table>
<thead>
<tr>
<th>Fund</th>
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<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUX - Athletics (130004)</td>
<td>Concessions (500250)</td>
<td>Cost of Sale - Beverage/Nonalcoh (805002)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>A10 Tournament (200730)</td>
<td>UD Arena - General (10UA00)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fund</th>
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<tbody>
<tr>
<td>AUX - Athletics (130004)</td>
<td>Concessions (500250)</td>
<td>Aux Inc - Athl - Concessions (635102)</td>
<td>Auxiliary Enterprises (900000)</td>
<td>A10 Tournament (200730)</td>
<td>UD Arena - General (10UA00)</td>
</tr>
</tbody>
</table>
Faculty members in the School of Business are teaching at an off-campus location in the Fall semester.

<table>
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<tr>
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<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating (100000)</td>
<td>Dept of Management &amp; Marketing (209320)</td>
<td>Faculty Salaries - FT Fac - Tenured (700000)</td>
<td>Instruction (100000)</td>
<td>Unspecified (999999)</td>
<td>Off Campus - Lexis Nexis (210004)</td>
</tr>
<tr>
<td>General Operating (100000)</td>
<td>Department of Economics &amp; Finance (209310)</td>
<td>Faculty Salaries - FT Fac - Tenured (700000)</td>
<td>Instruction (100000)</td>
<td>Unspecified (999999)</td>
<td>Off Campus - Lexis Nexis (210004)</td>
</tr>
</tbody>
</table>
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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