CHART OF ACCOUNTS
REDESIGN

January 17 & 18, 2018
AGENDA

1. Introduction
2. Chart of Accounts Overview
3. Chart of Accounts Prototype Structure
4. Proof of Concept Example Transactions
5. Questions/Comments
The CoA serves as the foundation of financial transaction processing and management reporting.

- The structure segments (or dimensions) record the financial effect (balance sheet, profit & loss, etc.) of each transaction.
- Intended to consider financial reporting, providing sufficient flexibility to allow for the development of financial statements for management and external sources.
- Serves as the basis for recording day-to-day financial operations.
WHY CHANGE THE COA?

• Model the UCF CoA to be consistent with modern financial systems, including PeopleSoft

• The new structure will:
  • Provide multi-dimensional reporting capability
  • Facilitate fiscal management and budgeting processes
  • Enable flexibility in tracking fiscal activity and program management across disciplines and units
  • Accommodate growth and adapt to changing business requirements
CHART OF ACCOUNTS
PROTOTYPE STRUCTURE

MATRIX
GUIDING PRINCIPLES FOR REDESIGN

- Each segment has unique definition and purpose
- No duplication across segments
- Detailed information should be captured in a subledger or third party system (should not be duplicated in chart)
- Simple and logical
- Should support university growth and change
CHART OF ACCOUNTS
PROTOTYPE STRUCTURE
Segments
MATRIX COA – SEGMENTS
Definition, Purpose, and Hierarchy

- Segments separate the unique aspects of each transaction to facilitate summarization and reporting
- Each segment has a specific and unique definition and purpose (who, what, why, how, where)
- The combination of these segments brings meaning to the transaction
- The use of multiple segments allows for flexible data accumulation and reporting of the financial aspects of projects, activities, funds, programs, events, etc., that occur across UCF
PROPOSED PROTOTYPE SEGMENTS

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Account</th>
<th>Organization</th>
<th>Fund</th>
<th>Function</th>
<th>Project</th>
<th>Program</th>
<th>Purpose</th>
<th>Site</th>
<th>Budget Reference</th>
</tr>
</thead>
</table>

Based on requirements-gathering interviews and workshops, CoA re-design team identified the prototype segments above.
HIERARCHY via PeopleSoft “Trees”

A “tree” is a visual way to arrange all values in a segment or field into a hierarchical structure.

Each segment will have one or more hierarchies.
Example 1 - Account

- Faculty and Staff Salary
  - Faculty Salary
    - Faculty 9-month
    - Faculty 12-month
    - Faculty clinical
  - Staff Salary
    - Admin & Prof
    - USPS
    - AP Organized Research
  - Benefits
    - Health
    - Retirement
    - Social Security

Gold = Tree Hierarchy
Black = Segment Values

Note: Illustration does not show all possible values.
TREEXEXAMPLES

Example 2 - Organization

Gold = Tree Hierarchy
Black = Segment Values

Note: Illustration does not show all possible values.
TREES ARE USED IN THE DESIGN OF

- Reporting Structures – to aggregate data and produce summarized reports
  - Tree values will be visible in Data Mart and query output
- Combination Edits – to limit data entry errors
- Workflow Rules – to direct approval of transactions
- Budget Tracking – to monitor spending
- Budget Checking Rules – to control spending
• Existing reports and queries will be evaluated and modified to incorporate appropriate tree structure(s)
• New standardized reports and queries will be developed
• Training will be provided
The CoA prototype consists of segments to summarize financial and budgetary transactions.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Business Unit</th>
<th>Account</th>
<th>Organization</th>
<th>Fund</th>
<th>Function</th>
<th>Project</th>
<th>Program</th>
<th>Purpose</th>
<th>Site</th>
<th>Budget Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCF Usage per BU</td>
<td>Unique</td>
<td>Shared</td>
<td>Shared</td>
<td>Shared</td>
<td>Shared/Unique</td>
<td>Shared/Unique</td>
<td>Shared/Unique</td>
<td>Shared/Unique</td>
<td>Shared</td>
<td></td>
</tr>
</tbody>
</table>
BUSINESS UNIT

- Tax ID
- Distinct entity with a balanced set of books
- Standalone or part of a hierarchy

Business Unit Hierarchy

<table>
<thead>
<tr>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCF</td>
</tr>
<tr>
<td>UCF Direct Support Organization</td>
</tr>
<tr>
<td>UCF Research Foundation</td>
</tr>
<tr>
<td>Stadium Corporation</td>
</tr>
</tbody>
</table>
• The Account segment categorizes the nature of the transaction as a specific type of revenue, expense, asset, liability, or fund balance

• Examples of Account may include Salaries and Wages, Travel Expenses, Accounts Payable, Accounts Receivable
## ACCOUNT SEGMENT

### Account Hierarchy

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Account Classification</th>
<th>Transaction “Natural” Class</th>
<th>Transaction Detailed “Natural Class”</th>
</tr>
</thead>
</table>

### Expense

- Compensation and Employee Benefits
- Personal Services
- Faculty Salary
• The Organization segment represents the academic or operating unit “responsible” for, or affected by, the transaction

• Units generally meet the following criteria to be considered a department or organization:
  • Ongoing business purpose and objective within the institution
  • Have an established budget, fiscal oversight, and positioned employees
  • Generally, occupies space

• Example: Accounts Payable section, which rolls up to Finance and Accounting, which rolls up to Administration and Finance
**Organization Hierarchy**

- **Institution**
- **Major Division**
- **Division**
- **School/College/Sub-Division**
- **Department**
- **Sub-Department**

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**UCF**

- **Academic Affairs**
- **College of Medicine**
- **Burnett School of Biomedical Sciences**
  - **Molecular and Micro Biology**
**FUND SEGMENT**

- A balancing set of accounts

- Used to segregate financial information for the purpose of carrying out specific activities and attaining certain objectives in accordance with Governmental Accounting Standards Board (GASB) definitions, restrictions, and limitations

- Used to track spending restrictions and designations and to categorize UCF’s net assets for external reporting

- Used to identify UCF’s revenue earned from educational and operating programs, sponsored projects, contributions from donors, and others

- It serves as the identifier for each “pool” of money, gift, etc., that requires separate budgeting, financial management, and/or reporting
FUND SEGMENT

- Examples of Fund include General State Appropriated, Auxiliary, Federal/ State/ Local Grants & Contracts

<table>
<thead>
<tr>
<th>Fund Hierarchy</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Asset Class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Asset Sub-Class</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unrestricted Operating</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unrestricted Non-Operating</td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restricted-Expendable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restricted-Nonexpendable</td>
<td></td>
</tr>
</tbody>
</table>
The Function segment designates the purpose of the transaction as it applies to federal and other external reporting requirements for both revenue and expense uses.

This segment is essential for compliance with federal cost principles and financial statement notes requirements.

National Association of College and University Business Officers (NACUBO) Program

Examples of Function include Instruction, Research, Public Service, Student Services, Auxiliary Enterprises

FUNCTION SEGMENT

**Function Hierarchy**
- Function Class
- Detailed Function

**Auxiliaries**
- Food Services
- Housing Operations
- Bookstores
- Postal Services
The Project segment is used to support identification of transactions associated with a “project” or “grant” but is not limited to activities associated with sponsored awards.

Supports financial management associated with sponsored grants and contracts, capital projects, other internally funded projects, and faculty discretionary activities.

Typically, a project has the following characteristics:

- Defined begin and end dates
- Designated budget or funding support
- Specific group of participants
- One-time event or initiative
- May cross fiscal years
- May have distinct reporting requirements
PROJECT SEGMENT

- May be used to track UCF “faculty balances,” for example, startup accounts, balance accounts

- Supports multiple sets of business rules for the following:
  - Capital Projects
  - Awards/Grants
  - Operating
PROJECT SEGMENT

Project Hierarchy Types

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Sponsored Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Project</td>
<td>Capital Project</td>
</tr>
<tr>
<td>Project Costing (PC) Business Unit</td>
<td>Operating Project</td>
</tr>
</tbody>
</table>
The Program segment is used to record revenue and expense transactions associated with formal or informal programs including public service activities, academic initiatives, cross disciplinary initiatives, and centers.

Values in this field may include degree and non-degree programs, courses of study, scholarship programs, and student service activities.

Programs may be groups of activities conducted within or across departments or organizations.
PROGRAM SEGMENT

- Examples of Program include the following:
  - Faculty Clusters
  - The Bachelor of Science in Nursing (BSN), Master of Science in Nursing (MSN), PhD, and Doctor of Nursing Practice (DNP) programs under the School of Nursing
  - The General Educational Development (GED) and English as a Second Language (ESL) programs under the Adult Literacy and Language Program
# PROGRAM SEGMENT

## Program Hierarchy

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Instructional Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Program</td>
<td>Adult Literacy and Language Program (ALLP)</td>
</tr>
<tr>
<td>Detailed Sub-Program</td>
<td><strong>ALLP-GED</strong></td>
</tr>
<tr>
<td></td>
<td><strong>ALLP-ESL</strong></td>
</tr>
</tbody>
</table>
• The Purpose segment provides a tracking mechanism for institution-wide purposes and activities occurring within and/or across departments and organizations, programs, and funds.

• Costs associated with Purpose will continue to be identified by their “natural” account (travel, etc.) by use of the account field, but in addition, they can be associated with the purpose of faculty recruiting.

• The field can be used to track both revenues and expenses to a specific purpose or activity.

• Examples of Purpose include graduation, faculty development, seminars, conferences.
PURPOSE SEGMENT

Purpose Hierarchy

Purpose Group

Detailed Activity

Seminars

Seminar A

Seminar B

Faculty Services

Faculty Recruiting

Faculty Development
The Site segment identifies the physical campus for which a transaction is occurring.

Site may be used to identify a campus or site.
The Budget Reference segment identifies the nature of the budget being used to cover E&G expenditures.

**Example:**

E&G-specific:
- Operating
- Carryforward

Capital projects:
- Appropriation year
UCF-SPECIFIC CHARTFIELD EXAMPLES
## TRANSACTIONS EXAMPLES

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Account</th>
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<th>Program</th>
<th>Purpose</th>
<th>Project</th>
<th>Budget Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transaction: Purchase of supplies for residential life event</strong></td>
<td>UCF</td>
<td>Materials and supplies</td>
<td>Housing</td>
<td>Auxiliaries</td>
<td>Housing Operations</td>
<td>Residential Life</td>
<td>Wellness Event</td>
<td></td>
</tr>
<tr>
<td><strong>Transaction: Salaries for faculty in different colleges teaching as part of Global Achievement program</strong></td>
<td>UCF</td>
<td>Salaries - Faculty</td>
<td>Philosophy</td>
<td>Auxiliaries</td>
<td>Instruction</td>
<td>Global Achievement Academy</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>UCF</td>
<td>Salaries - Faculty</td>
<td>Physics</td>
<td>Auxiliaries</td>
<td>Instruction</td>
<td>Global Achievement Academy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UCF</td>
<td>Salaries – A&amp;P</td>
<td>UCF Global</td>
<td>Auxiliaries</td>
<td>Auxiliary Administration</td>
<td>Global Achievement Academy</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transaction: Fees and travel for conference with multiple funding sources including a faculty balance account</strong></td>
<td>UCF</td>
<td>Conference Fee</td>
<td>Mechanical Eng</td>
<td>C&amp;G - Balance</td>
<td>Individual or Project Research</td>
<td>Professional Development</td>
<td>Prof. Knight</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UCF</td>
<td>Travel</td>
<td>Mechanical Eng</td>
<td>E&amp;G - Startup</td>
<td>Individual or Project Research</td>
<td>Professional Development</td>
<td>Prof. Knight</td>
<td>Carryforward</td>
</tr>
<tr>
<td>Dept #</td>
<td>Dept Name</td>
<td>Organization</td>
<td>Fund</td>
<td>Function</td>
<td>Program</td>
<td>Budget Ref</td>
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<td></td>
<td></td>
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<tr>
<td>18450001</td>
<td>SOC WK-OPERATIONS</td>
<td>Social Work</td>
<td>Educational &amp; General</td>
<td>Instruction - Grad Instruction – Ugrad</td>
<td>*TBD</td>
<td>Operating Carry Fwd</td>
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</tr>
<tr>
<td>18450710</td>
<td>SOC WK-CARRY FORWARD</td>
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<td></td>
<td>Separate department no longer exists – operating and carry fwd separated in Budget Ref</td>
<td></td>
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<tr>
<td>18452001</td>
<td>SOC WK-PAYROLL</td>
<td></td>
<td></td>
<td>Separate department no longer exists – payroll budget monitored and controlled in tree</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>18450301</td>
<td>SOC WK-DN OPERATIONS</td>
<td>Social Work</td>
<td>Academic Support</td>
<td>Instruction - Grad Instruction – Ugrad</td>
<td>*TBD</td>
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<tr>
<td>18450601</td>
<td>SOC WK-FCWSP</td>
<td>Social Work</td>
<td>Fed Work Study</td>
<td>Instruction – General</td>
<td>*TBD</td>
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<tr>
<td>18450801</td>
<td>SOC WK UGRD-MAT &amp; SUPPLY FEES</td>
<td>Social Work</td>
<td>Material &amp; Supply Fees</td>
<td>Instruction – Ugrad</td>
<td>*TBD</td>
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<tr>
<td>18450802</td>
<td>SOC WK UGRD-EQUIPMENT FEES</td>
<td>Social Work</td>
<td>Equipment Fees</td>
<td>Instruction – Ugrad</td>
<td>*TBD</td>
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<tr>
<td>18450804</td>
<td>SOC WK GRAD-EQUIPMENT FEES</td>
<td>Social Work</td>
<td>Equipment Fees</td>
<td>Instruction – Grad</td>
<td>*TBD</td>
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</tr>
<tr>
<td>18650001</td>
<td>CJ-OPERATIONS</td>
<td>Criminal Justice</td>
<td>Educational &amp; General</td>
<td>Instruction - Grad Instruction – Ugrad</td>
<td>*TBD</td>
<td>Operating Carry Fwd</td>
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<td></td>
</tr>
<tr>
<td>18650301</td>
<td>CJ-DN OPERATIONS</td>
<td>Criminal Justice</td>
<td>Academic Support</td>
<td>Acad. Dept Sales &amp; Services</td>
<td>*TBD</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>18700001</td>
<td>COM DIS-OPERATIONS</td>
<td>Comm. Disorders</td>
<td>Educational &amp; General</td>
<td>Instruction - Grad Instruction – Ugrad</td>
<td>*TBD</td>
<td>Operating Carry Fwd</td>
<td></td>
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</tr>
<tr>
<td>18700301</td>
<td>COM DIS-CLinic</td>
<td>Comm. Disorders</td>
<td>Academic Support</td>
<td>Acad. Dept Sales &amp; Services</td>
<td>Clinic</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: College/ division will not be entered with the transaction, but will reside in hierarchal tree and be visible in query and DataMart output.
<table>
<thead>
<tr>
<th>Dept #</th>
<th>Dept Name</th>
<th>Organization</th>
<th>Fund</th>
<th>Function</th>
<th>Project</th>
<th>Budget Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>1845xxxx</td>
<td>SOC WK-KNIGHT PROVOST FUNDED STARTUP</td>
<td>Social Work</td>
<td>E&amp;G – Startup</td>
<td>Research</td>
<td>KNIGHT</td>
<td>Carry Fwd</td>
</tr>
<tr>
<td>1845xxxx</td>
<td>SOC WK-KNIGHT DEAN FUNDED STARTUP</td>
<td>Social Work</td>
<td>C&amp;G – Startup</td>
<td>Research</td>
<td>KNIGHT</td>
<td></td>
</tr>
<tr>
<td>1845xxxx</td>
<td>SOC WK-KNIGHT BALANCE ACCT</td>
<td>Social Work</td>
<td>Balance Account</td>
<td>Research</td>
<td>KNIGHT</td>
<td></td>
</tr>
<tr>
<td>1845xxxx</td>
<td>SOC WK-KNIGHT OVERHEAD</td>
<td>Social Work</td>
<td>C&amp;G Overhead (F&amp;A Return)</td>
<td>Research</td>
<td>KNIGHT</td>
<td></td>
</tr>
</tbody>
</table>
THANK YOU FOR ATTENDING