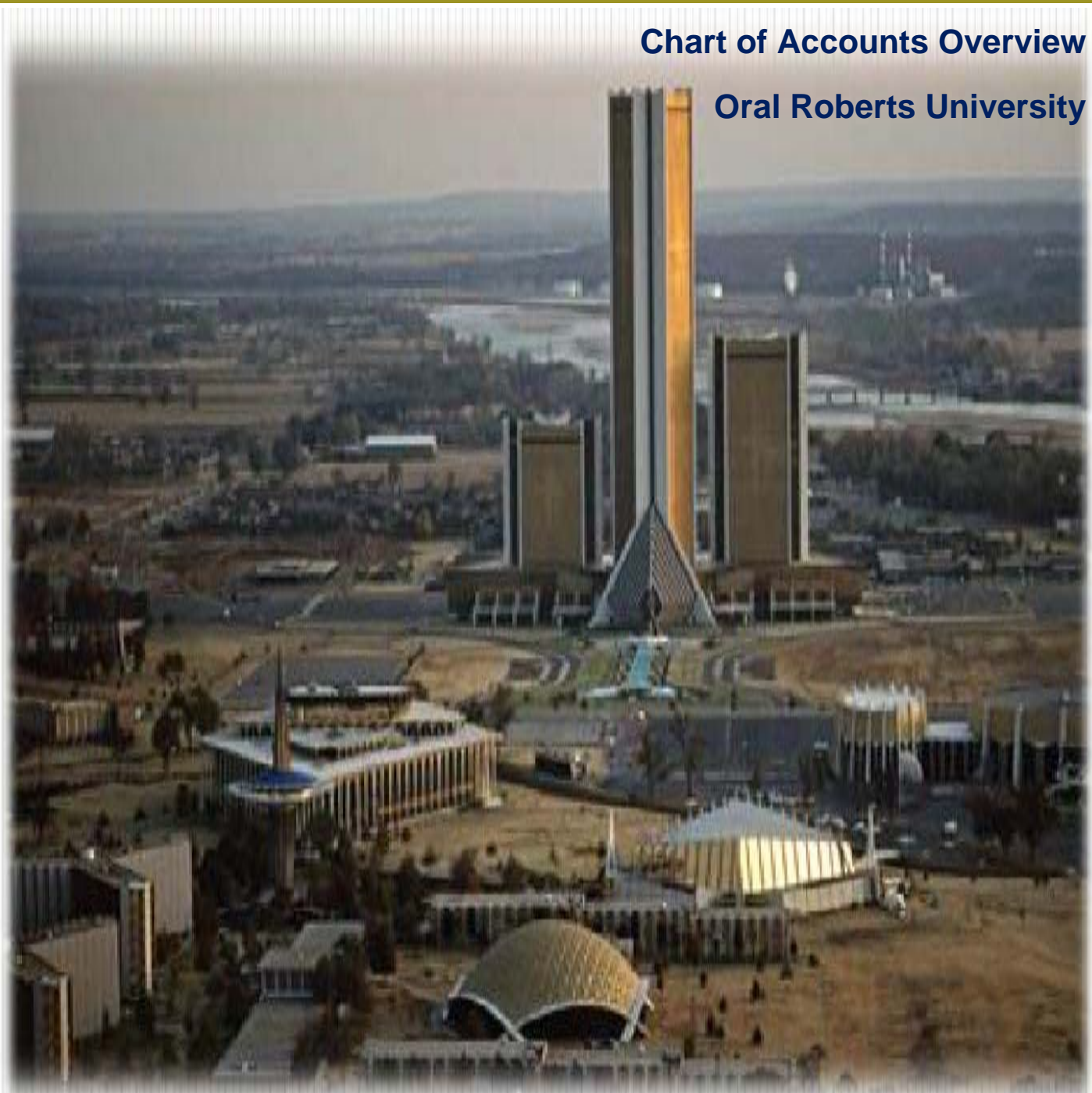# BANNER FINANCE SELF SERVICE

Chart of Accounts Overview

Oral Roberts University

Introduction

The Chart of Accounts (COA) is the "key" to Banner Finance. It defines the accounting distribution used on all transactions processed in the Banner Finance module.

The Chart of Accounts code is a one character, alpha/numeric field that uniquely identifies a particular chart. Banner Finance will accommodate multiple charts of accounts – each with a different chart code. It consists of seven elements that are defined as follows:

F O A P A L

FUND – Self-balancing set of accounts

ORG – Follows organizational chart, determines approval routing, is the "who" or "budget buckets"

ACCOUNT – Traditional idea of an account – "what" is being purchased, etc.

PROGRAM – Functional designation – the "why"

ACTIVITY – optional, currently only used for Mabee Center, athletic events, development or fundraising activities

LOCATION – the "where" – required only for fixed assets

CHART

Chart indicates legal entity level

Chart 1 – ORU

Chart 2 – ORU Alumni Foundation

Chart 3 – University Broadcasting ("for-profit" portion only)

Chart 4 – ORU eAcademy

Cash is pooled at the Chart level – the Banner system is built upon pooled cash – no system provisions to allow separate cash accounts for different departments.

Fund

This is a one-to-six-character code that identifies a self-balancing set of accounts and identifies ownership. Balance sheets and revenue/expense reports can be produced for any fund, which can be restricted (permanently or temporarily) or unrestricted. Fund codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of fund codes include Current Unrestricted Fund, Sponsored Student Loan Fund, and Fuller Architecture Program Endowment Fund.

In Chart 1, FUND is a 6 digit value

1XXXXX = Unrestricted fund

110000 is principal unrestricted operating fund (previously 1410)

13XXXX designates management restricted funds (such as fund raising, special fees or events) – previously 1810

2XXXXX designates temporarily restricted (spendable) funds – there are many, many of these as there is a different fund for each previous restricted "cost center"

3XXXXX designates commercial activities that operate under the ORU legal umbrella (Cityplex, GEB, Mabee Center, etc.)

Each FUND is "balanced" by the system with a "claim on cash" which represents that fund's claim on the pooled cash for the chart.

Organization

This is a one-to-six-character code that identifies a unit of budgetary responsibility and/or departments within an institution. It is normally used to define "who" spends the money. Organization codes may be established in a hierarchy of up to eight levels for roll-up and reporting purposes. Examples of organization codes include Dean of Behavioral Sciences, School of Engineering, and Business Office. An institution's organizational chart is a good guideline in setting up these codes.

Five digit segment

Only allowed when "Account" is a revenue or expense

First digit indicates organizational group as follows:

1XXXX – Board of Trustees

2XXXX – President

3XXXX – Finance

4XXXX – Operations

5XXXX – Instruction

6XXXX – Athletics

7XXXX - Development

Account

This is a one-to-six-character code that identifies objects, such as the general ledger accounts (assets, liabilities, control, fund balances) and the operating ledger accounts (income, expenditures, transfers). The account is a line item within an institution's financial structure. Account codes may be established in a hierarchy of up to four levels for roll-up and reporting purposes. Examples of account codes include Petty Cash, Accounts Payable, Fund Balance, Tuition, and Regular Full Time Salaries.

Accounts are in a five digit segment. Budget lines are "pooled" at the 3 digit (summary) level

Operating accounts:

5XXXX – Revenue (program is always 00)

7XXXX – Operating expenses

9XXXX - Capital acquisition (location code is required)

Program

This is a one-to-six-character code that identifies a function and enables the institution to establish a method of classifying transactions across organizations and accounts. Examples of program codes include Instruction, Research, and Plant Operations. Most institutions follow the programs defined by the National Association of College and University Business Offices (NACUBO). Program codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of program codes include Academic Support, Student Services, and Research.

Activity

This is an optional one-to-six-character code that is non-hierarchical and can be used to further define an object of expenditure, such as, temporary units of work, subsidiary functional classifications, or short duration projects. Activity code examples are: Repair to Student Union Lobby Floor, Bookstore Van, and Computer Lab Printer Cartridge Recycling.

Location

This is an optional one-to-six-character code that identifies physical locations. It is primarily used with, but not limited to, the Fixed Asset module. However, if the Banner Fixed Assets module is used by the institution, then location codes must be defined and are not optional. Location codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of location codes are Controller's Office, Athletic Department Offices, and Human Sciences Building.

Account Index

This code is another optional chart of accounts feature. It is a user-defined value for a set of FOAPAL elements that acts as a shortcut to speed data entry by the user. An example of an account index code might be a code used by the campus bookstore for certain transactions that defaults the Fund, Organization, Account, and Program code in order to represent book sales revenue. The index code may consist of up to six alphabetic/numeric characters and can define any combination of the FOAPAL elements.

Only FOAP (fund, org, account, program) is required for most operating entries. Index Codes have been set up to populate fund, org, and program. So, for the primary unrestricted fund, all that is needed is a chart, index code, and account number to enter most operating transactions

Index codes – use is optional, chart 1 only

3 digit code has been assigned to each "ORG"

Previous Oracle cost center has also been set up as an index code

COMMON ACCOUNT POOLS

702XX – Travel

704XX – Contractual services

705XX – Insurance

706XX – Utilities

710XX – Operating expense

712XX – Library

713XX – Services by affiliates

902XX – Capital asset acquisitions – ORU

903XX – Capital asset acquisitions - commercial

Parts of the preceding overview were provided by the Sungard Higher Education FI-Chart of Accounts 8.4 workbook