

# Chart of Accounts

## ROWAN UNIVERSITY POLICY

**Title:** *Chart of Accounts*

**Subject:** *Accounting Services*

**Policy No:** *FIN: 2016:09*

**Applies:** *University-Wide*

**Issuing Authority:** *President*

**Responsible Officer:** *Senior Vice President for Finance and CFO*

**Adopted:** *08/10/2016*

**Last Revision:** *04/29/2022*

**Last Reviewed:** *04/6/2022*

### I. PURPOSE

The purpose of this policy is to outline how the University's Chart of Accounts (COA) is created to define each class of items for which money or the equivalent is spent or received.

### II. ACCOUNTABILITY

Under the direction of the Senior Vice President for Finance and CFO, the Management of Accounting and Budgeting shall implement and ensure compliance with this policy.

### III. APPLICABILITY

This policy applies to all University divisions, departments and activities.

### IV. POLICY

1. The COA is created by the University to define each class of items for which money or the equivalent is spent or received. It is used to organize the finances of divisions, departments and activities and to segregate expenditures, revenue, assets and liabilities in order to give interested parties a better understanding of the financial health of the University.
2. The COA identifies the general ledger numbers and the subsidiary ledger accounts used by the University. All general ledgers and subsidiary ledgers are grouped by major account groups.
3. All divisions and departments are responsible for ensuring the proper recording and classification of all revenues, expenses, assets, liabilities and fund balances.
4. Organization Code
  - a. Organization codes define the departmental entities or budgetary units within the institution. The organization code structure consists of up to eight user-defined hierarchical levels. The organization codes are currently five digits with a description up to a size of 35 spaces.
  - b. Organization codes are established in Banner to meet the reporting needs of the University. The creation of new organizations is driven by new operations or requirements.
  - c. All requests for new organization codes should be submitted in writing to the University Budget Office. The Budget Office will then determine if the organization is needed and will authorize its creation in the Banner. The Director of Budgeting is responsible for creating new organization codes.
5. Fund

- a. Fund types are established in Banner to meet the reporting needs of the University. The creation of new funds is driven by new operations or requirements. All requests for new funds should be submitted in writing to appropriate office that will then determine if the Fund is needed and will authorize its creation in the Banner.
- b. Fund codes define self-balancing set of accounts in which transactions are recorded and segregated to carry on specific activities or attain certain objectives. The previously established fund types have defined how the individual fund codes will be grouped. Fund codes are user defined and may have up to five hierarchical levels.
- c. The Assistant Vice President of Finance and Controller and the Accounting Services staff is responsible for creating new non-grant funds. Grants Contract and Accounting team is responsible for creating new grant funds.

#### 6. Account Number

- a. Account codes identify assets, liabilities, control accounts, fund balance/net assets, revenue, labor, expenditure, and transfer transactions. They are user defined and may have up to four hierarchical levels. The individual account codes are linked to the level 2 account types previously established by the institution. The Account Codes are currently four digits with a description up to 35 spaces.
- b. All requests by departments to change attributes on accounts or to set up new accounts must be in writing and will be reviewed and approved by the Assistant Vice President for Finance and Controller.
- c. The Assistant Vice President of Finance and Controller will ensure the proper recording and classification by properly maintaining the Chart of Accounts of the General Ledger and overseeing account setup and the assignment of attributes to accounts.

#### 7. Program Codes

- a. The use of a Program code in fund accounting is used to designate a purpose for transactions in an account. This is useful when dealing with system-wide, campus-wide, or interdepartmental purposes. Program codes are essential for tracking sources of funds and are structured as part of a hierarchical system.
- b. Specific Programs have been set up to identify a type of activity taking place within the University. These programs have been set up by Accounting Services and any requests for new program types must be made to the Assistant Vice President of Finance and Controller, who will have the final say in the feasibility of creating the new program code.
- c. When creating journal entries or conducting transactions, it is imperative to assure proper usage of account codes are used. This is necessary to assure all transactions are properly posted and later reports generated will reflect accuracy. Usage of the correct program number also helps with understanding transactions when inquiries are made.
- d. It is the responsibility of departments requesting entries via email or Departmental Charge Authorization to assure the program is used correctly, utilizing resources to assure accuracy. It is also the responsibility of the Budget Office, Bursar's Office, Office of Sponsored Programs, and Accounting Services to assure correct usage of program number upon posting entries.

## V. ATTACHMENTS

### 1. Attachment 1 – Program Numbers

#### ATTACHMENT – 1

#### PROGRAM NUMBERS

Program numbers have been previously established in Banner to accommodate the needs and trends of the University. When journal entries are produced and posted, it is beneficial to select a program that best describes the nature of the transactions. Although not always mandatory for all transactions, it helps better represent transactions being conducted throughout the University. A listing of codes is available below.

| <b><u>Pro<br/>g #</u></b> | <b><u>Program Description</u></b>    | <b><u>Prog<br/>#</u></b> | <b><u>Program Description</u></b>     |
|---------------------------|--------------------------------------|--------------------------|---------------------------------------|
| 1                         | Operating Revenue                    | 37                       | Capital Projects                      |
| 11                        | Instruction                          | 38                       | Core Affiliates                       |
| 12                        | Research                             | 39                       | Rowan Innovation<br>Venture Fund      |
| 13                        | Public Service                       | 40                       | UNISA Loan Program                    |
| 14                        | Academic Support                     | 50                       | Tuition & Fees                        |
| 15                        | Student Services                     | 51                       | Contributions                         |
| 16                        | Institutional Support                | 52                       | Grants                                |
| 17                        | Physical Plant                       | 53                       | Other Operating Income                |
| 18                        | Student Aid                          | 54                       | Auxiliary Enterprises                 |
| 19                        | Auxiliary Enterprises                | 55                       | Self-Funded Programs                  |
| 20                        | Amortization/Depreciation            | 56                       | Fundraising                           |
| 21                        | Central Charges                      | 57                       | Direct Billings                       |
| 22                        | Direct Billings                      | 60                       | State of NJ Appropriations            |
| 23                        | Professional Services &<br>Contracts | 61                       | State of NJ Fringe Benefits           |
| 30                        | Student Government                   | 62                       | Gifts from RU Foundation              |
| 31                        | Foundation                           | 63                       | Investment Income                     |
| 32                        | Alumni                               | 64                       | Contributions/Permanent<br>Endowment  |
| 33                        | Hollybush                            | 65                       | Net Realized/Unrealized<br>Gains/Loss |
| 34                        | S J Tech Park at R U                 | 92                       | Grants & Scholarships                 |
| 35                        | Perkins Loan Program                 | 93                       | Interest on Debt                      |
| 36                        | State College Risk<br>Management     | 94                       | Investment Expenses                   |
|                           |                                      | 95                       | Other Non-Operating<br>Expenses       |