Chart of Accounts - Introduction

Office of the Controller – General Accounting
Course Goals:

• Familiarize you with the Banner Chart of Accounts
• Explain what your ‘account’ is
• Explain what goes into creating your ‘account’
• Explain how budgets and revenue affect your spending authority
• Determine which reports are needed for your specific purposes
What is a FOAP?

• FOAP is the acronym used for the Chart of Accounts structure in Banner Finance and represents the following:

  • F- Fund
  • O- Organization (Org)
  • A- Account Code
  • P- Program

  This is your ‘account’

• Every FOAP has a ‘unique’ identifier (either Fund or Org)
• INDEX Codes are short-cuts for your fund/org combination, more on them later.
The Fund is the source of money. In other words, it is where the money comes from.

- We classify Funds as either Cash Funded or Budget Funded:
  - **Cash Funded accounts** bring in revenue to pay for expenses. Money left at the end of the year rolls forward and is available for spending in future years.
    - Athletics is an example of a fund balance account – they sell tickets to bring in revenue, so cash comes in directly to their accounts.
• **Budget** Balance accounts derive spending authority from a budget established by the Budget and Planning Office, Foundation, or third-party sponsor.

• For operating accounts, (Fund 1001) unused budget amounts do not roll forward to future years.

• For grants (funds starting with ‘4’) and Foundation funds (funds starting with ‘6’), unused budget amounts do roll forward to future years.
Every department is assigned one or more Organization Codes. These org codes are common for a department, although departments can have multiple org codes. This is how we identify the operating activity of a specific department, lab, or separately identified activity.

The Account code categorizes the type of Revenue or Expenditure the department is recording.

Account codes 1100 through 2900 are used by the General Accounting team, do not use unless directed otherwise by our office.

Account codes 3100-3900 are system only account codes – DO NOT USE.

Account codes 4100 to 4999 are for incoming revenue. Revenue is money made by providing goods or services, receiving grants and donations, or through financing efforts.

Account codes 5100 to 5299 are for Payroll payments and should be used only by the Payroll Office.

Account codes 5300 to 5999 are for operating expenditures. Expenditures are money paid by Mines for goods and services.
Program Codes are predefined codes set up by the National Association of College and University Business Officers (NACUBO).

Most Fund-Org combinations have one default Program code:

- You will be notified of your default program code upon the establishment of your Fund.
- If you encounter a Fund-Org that does not have a default program code, please contact co-accounting@mines.edu for assistance.

- Academic Departments use 1100 (Instruction).
- Research - use 1200
- Grants providing public services would use 1300 (Not commonly used at Mines)
- Academic Support Departments use 1400.
- Student Services Departments use 1500.
- Institutional Support Departments use 1600.
- Program Code 1700 is used for Operation and Maintenance of Plant. Departments should use this when paying for repairs done by Facilities Management and outside contractors.
- Scholarships and other Financial Aid use 1800.
- Only Auxiliary Funds (starting with 3) should use 1900.
- Capital additions to plant use 3200.
Index Codes

• An ‘Index’ groups together your Fund, Org, and sometimes Program codes.
• Use your Index with the appropriate account code to allocate revenue and expenses
• Account codes are determined by the revenue activity or expense type.

INDEX / ACCOUNT

= (FUND / ORG / ACCOUNT / PROGRAM)
Revenue vs. Negative Expense

• **Revenue** is money earned by or given to Mines. It is not a reimbursement of costs we have incurred. Examples would be money received as payment to Mines for work done in a lab for an external entity.

• **Negative expenses** are refunds for prior payments. Examples of negative expenses would be a same year refund from a vendor or reimbursements for a trip from a third party.