

Chart of Accounts and Financial Reports Manual



Accounting Services
Business and Financial Affairs

Help Desk: x3568

<https://wp.wvu.edu/acctsrvc/>

Introduction

The purpose of the Chart of Accounts and Financial Reports Manual is to assist employees in understanding the basics of the financial accounting system at Western Washington University (WWU) and the options for viewing this information and generating a variety of reports. The Manual is intended to be used by administrative staff who need to monitor financial activity (revenue, expenses, & transfers) within their department or other administrative unit. As stewards of the funds entrusted to us, it is our obligation to the students of WWU and the taxpayers of the state of Washington to ensure that funding is used wisely and in accordance with University policy and State regulations.

Banner Finance is the system of record for all accounting transactions at WWU. Departmental staff throughout the university can access detailed accounting transaction information in a variety of ways. Reports can be generated from:

- Banner
- Millennium FAST-Finance

Understanding the Chart of Accounts (COA) is the key to interpreting all financial transactions at Western, regardless of which reporting format you choose to use. Banner also encompasses Human Resources and Student modules, but this guide will only provide information regarding the Chart of Accounts and its function in Banner Finance.

What is a Chart of Accounts?

The Banner Finance **Chart of Accounts** (COA) defines the organizational structure of Western's accounting system through the use of a collection of codes that when grouped together allow the collection and reporting of the University's accounting activity.

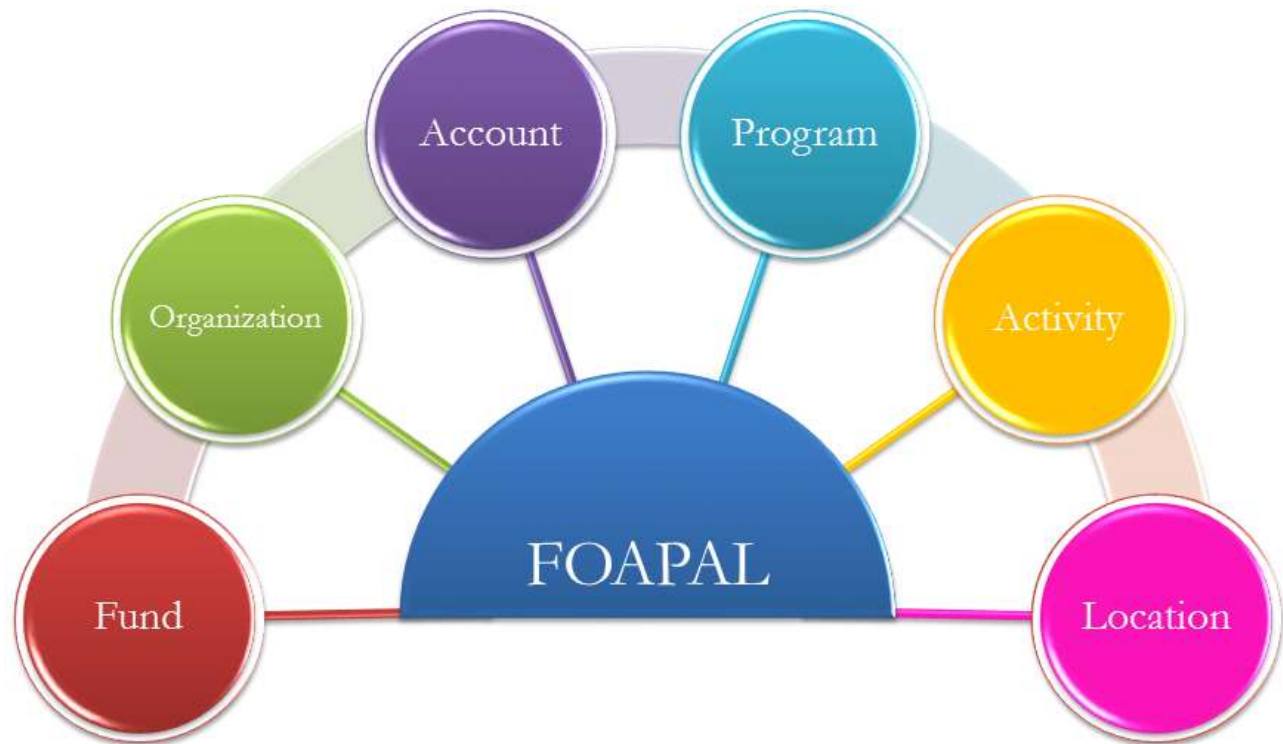
There are three common Chart of Accounts for the University:

- Chart 1 – Western Washington University
- Chart 2 – Western Foundation
- Chart 3 – Alumni Association.

Each of these Charts contains the same basic elements, referred to as FOAPAL elements, and the combination of codes is often referred to as an “accounting string” or “budget code.”

What is a FOAPAL?

FOAPAL is an acronym for **Fund, Organization, Account, Program, Activity, and Location**, and the combination of these elements are used to describe where revenue posts or where dollars are to be budgeted or expended. Every revenue and expense transaction at Western is required to have at least a Fund, Organization, Account, and Program code associated with it.



FOAPAL codes are established in a hierarchical configuration, meaning values within lower level codes can be summarized at a higher level, using the upper-level codes to facilitate reporting. For example, an academic department would have a lower-level code structured under the college's upper-level code (roll-up code), and all colleges codes are structured under the Academic Affairs division code.

University (Level 1)

 Academic Affairs (Level 2)

 CHSS (Level 3)

 Anthropology Department (Level 4)

 Communication Studies Department (Level 4)

 English (Level 4)

 English Department (Level 5)

 CBE (Level 3)

 Accounting Department (Level 4)

 Economics Department (Level 4)

 Management Department (Level 4)

Top level roll-up codes will generally determine type of sublevels and will not be data enterable. Lower level codes will contain detail of which data is enterable.

This structure helps with the following:

 Allows easy grouping and summarizing for processing and reporting.

 Allow various reports to be rolled up at all levels.

 Reflect relationships between the levels of responsibility.

Fund (Where the money is coming from.)

A Fund is a mandatory part of the FOAPAL and is used to describe the source of the revenue or where the funds originated. Fund types designate the nature of restrictions placed on the revenues and expenditures in the funds, and they are distinguished through the use of different length codes (e.g. Chart 1 funds have five digit codes and Chart 2 funds have six digit codes). Examples of the types of Chart 1 funds at Western are:

Chart 1 – Fund Codes	Fund Series
State Salaries and Operations	10000
Self-sustaining (Dedicated Local)	20000
Internal Service	30000
Auxiliaries	40000
Grants and Contracts	50000
Loan Funds	60000
Plant Funds	70000
Agency Funds	80000
Capital Appropriations	90000

State Salaries and Operations (10000) fund represents both state appropriated dollars and tuition operating dollars and is to be used for expenses related to the university's primary mission such as salaries, goods and services, travel, and equipment. The operating fund is only used to record expenses and not revenue from other sources.

Self-sustaining (20000) funds are established to fulfill specific objectives where fees can be charged to cover the costs of the program. Fees are approved by the President based upon recommendations from the Fee and Rate Committee and published annually in a rate and fee book. Fee revenue in a self-sustaining fund should only be used for the purpose the fund was established.

Internal service (30000) funds are established to charge departments of the university their portion of shared expenses such as telephone, data services, utilities, and computing expenses.

Auxiliary (40000) funds are for business-type entities which serve the university community and whose main source of revenue is not tied to the university's primary mission. Examples of auxiliary units are Campus Recreation Center, Housing and Dining, Parking, and the Bookstore.

Grants and contracts (50000) funds are established to track the activity relating to each grant and contract. These include research grants from Federal, State, and Local governments, financial aid money, and other contracts where an outside entity has some oversight or expectation of how the funds are spent.

Loan funds (60000), plant funds (70000), agency funds (80000), and capital appropriations (90000) are managed centrally and are not generally used by departments.

Each fund has its own revenues, expenditures, transfers, assets, liabilities, and fund balance. Western, like federal and state governmental agencies, uses fund accounting that emphasizes accountability rather than profitability. The principle behind fund accounting is to properly account for all resources received and used in accordance with laws and regulations or special restrictions.

Organization (Who is responsible for the money.)

Organization is required for all revenue and expense transactions. Organization (abbreviated Orgn or Org) is a four digit code that represents who is responsible for managing the resources such as a college or department within a college. Organization codes are used to establish budget responsibility, system security, and to facilitate generation of financial reports. There is a financial manager assigned to each organization code.

In the chart of accounts, Orgns are grouped by the area to which they belong. For example, within the College of Business & Economics all departments are grouped under the roll-up code 4000. This roll-up code gives you the flexibility to run financial reports either for the entire college or each department individually.

The following is a small example of the organization code structure:

Unit	Orgn	Data Entry
College of Business & Economics (CBE)	4000	No
Business & Economics Gen & Admin	4010	Yes
CBE - Kaiser Chair	4011	Yes
CBE - Ross Chair	4012	Yes
Masters Program	4015	Yes
Accounting Department	4020	Yes
Economics Department	4030	Yes
Economics and Business Research Cen	4040	Yes
Ctr for Excellence in Mgmt Educ	4041	Yes
Center for International Business	4042	Yes
Finance Marketing Decision Sciences	4060	Yes
Decision Sciences	4061	Yes
Finance and Marketing	4062	Yes
Management Department	4070	Yes

Account (What the money is used for.)

The account segment of the FOAPAL is mandatory and represents what the transaction is for and how it is recorded. The alpha prefix represents the classification of the transaction. Account (abbreviated Acct) codes consist of one letter followed by three numeric characters. For example E115 is the expense account code used for lab supply purchases.

The following are the account code categories:

Account Code Prefix	Description
E	General Expense
F	Salaries, Wages, and Benefits Expense
G	Revenue from outside the University
H	Internal Revenue (within the University)
K	Transfers

L	Liabilities
S	Assets
W	Control Accounts (Accounting use only)
X	Fund Balances (Accounting use only)
Y	Fund Additions (Accounting use only)
Z	Fund Deductions (Accounting use only)

Selection of proper account code is extremely important as it affects our financial statements, reports to the State, and other external reporting requirements. Please refer to the [Annotated Chart of Accounts](#) for additional information and detailed descriptions.

Program (Why the money is being used.)

Program (abbreviated Prog) codes are mandatory and define why the money is being spent or collected. Program codes consist of three numeric characters followed by three alpha characters. The numbers in program codes represent classifications used in reporting to the State of Washington (e.g. codes beginning with 011 are used for instruction related transactions only). The last three characters of the Prog code are flexible and can be used to distinguish programs within the University.

This chart represents just a few examples of Program Codes and how they can be used to track on-going functions within the various administrative units of the University (Institution, Divisions, or Departments). A full list of Program Codes with the roll-up hierarchy can be obtained by running the FWRCLST report in Banner or in Millennium FAST-Finance by selecting Additional Reports>FOAPAL codes.

Examples of COA 1 Program Code Classifications (for State reporting)	Examples of COA 1 Program Codes
010 – Instruction 011 – General Instruction 013 – Summer Session	011C2C Compass 2 Campus Program 013LDS Summer Session – Leadership Studies
060 – Student Services 061 – Basic Student Services 063 – Other Special Programs & Services	061TCS Tutoring Center Services 063INT Special Programs – International Program
100 – Grants & Contracts – Restricted 110 – GC Non-research Restricted 120 – GC Research - Restricted	111LED GC Non-research Library Science Ed 120GEO GC Research Geology
850 – Other programs for State Reporting 850 – Auxiliary Enterprises	850BKS Bookstore 850DRA Dept. Related Activities Committee (DRAC)
Examples of COA 2 Program Code Classifications (NO State reporting)	Examples of COA 2 Program Codes
No State reporting number classifications SCHFEL – Scholarships & Fellowships SPTWES – Support to WWU	SCHOLR Scholarships SPTINS Instruction

Activity (Optional for additional detail and tracking.)

The use of activity codes in an accounting string is optional, but they can be very useful for internal tracking of transactions associated with specific projects or activities. Activity codes (“Actv”) can be any combination of six digit alpha-numeric characters that is not already in use.

Example Activity Codes	Description
ASB685	Psychology Club
NTTCOM	Communication Studies NTT Salaries
MCLSPA	Spanish Club

For example, if a department wanted to track recruiting expenses they would add the activity code to the rest of the accounting string for all transactions. After the recruitment period they would have the ability to generate a report of all expenses with the activity code to summarize recruitment expenses. This can be very helpful, but the activity code must be consistently used to be effective. Activity codes can be used to track institutional activity across departments.

Location (Where items are located.)

Use of location codes are optional and can be used to represent a physical location. It is primarily used with, but not limited to, the Fixed Asset module. Location (“Locn”) codes can be established with up to five levels of hierarchy; for example, OM would refer to all locations in Old Main and the next three numbers would represent the room number within the building. Some areas that use location codes include Facilities Management, Accounting Services, Extended Education, and University Residences.

Location code examples:

Location Code	Description
BT	Buchanan Towers
HH253	Haggard Hall 253
OM230	Old Main 230
XSP	Off-campus location

Fast Index (recommended – where it all comes together!)

A Fast Index is a data entry shortcut code that represents a Fund-Organization-Program combination to facilitate accuracy. A Fast Index code should be used for any combination of required elements codes that will be used on a regular basis.

Account codes must be selected for each and every transaction and are not included in a Fast Index.

Fast Index Codes are three to six character alpha codes (e.g. FIR or FSYWOM). The first character is always **F**, which stands for Fast Index.

The following Fast Index conventions have been established for WWU, the Foundation and Alumni:

1 st Char	2 nd or 3 rd Char*	Description	Fund Convention (x is variable)
Chart 1 - WWU			
F	B	State Operating Fund	Fund is 1xxxx
F	G	Agency Fund	Fund is 8xxxx
F	I	Internal Fund	Fund is 3xxxx
F	S	Self-Supporting	Fund is 2xxxx
F	X	Auxiliary	Fund is 4yxxx (y = 3,4,5)
F	XX	Associated Students	Fund is 41xxx
Chart 2 & 3			
F	F	Foundation (Chart 2)	<u>6-digit fund code:</u> 1xxxxx, 2xxxxx or 3xxxxx
F	A	Alumni (Chart 3)	<u>2-digit fund code:</u> 1x, 2x or 3x

*There are other discontinued 2nd and 3rd characters not listed here that exist for historical purposes.

The following Fast Index conventions have been established for Academic Affairs only:

1 st Char	2 nd Char	Description	Fund Convention (x is variable)
Chart 1 - WWU			
F	A	Academic Affairs TA salary	Fund is 12947
F	B	State Operating Fund	Fund is 12xxx
F	K	Academic Affairs Classified Staff Salary	Fund is 129xx
F	N	Academic Affairs N'TT Faculty Salary	Fund is 129xx
F	T	Academic Affairs Permanent Faculty Salary	Fund is 129xx
F	Z	Academic Affairs Exempt Staff	Fund is 129xx
F	Q	Academic Affairs One-Time Pay	Fund is 12xxx