Academic Affairs General Finance Guidelines and Restrictions

Academic Resources and Planning
Fiscal Year 2020
October 14, 2020
Version 1.0

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Overview

This document provides guidance for the execution of financial transactions. Though mostly applicable to the operating fund (EB001), the information provided is applicable as best practices for all funds. In addition to the information presented in this document, all policies, procedures, guidelines, and regulations regarding the expenditure of University funds apply. Please note that failure to adhere to these accounting guidelines may result in a loss of funding, partial or full, and/or disciplinary action (in the case of egregious and/or flagrant violations).

Notable Changes Since the Previous Fiscal Year
- This document has been reformatted.
- A section on **Designated Funding** within **Budget** has been included to cover the handling of cash posting orders (CPOs).

Budget

Allocation of operating budget from Academic Affairs is to fund EB001, account 660990 of the lead department. From there, lead departments are expected to allocate 97% of that amount to specific accounts within their branch of the finance tree. Afterwards, only 3% or less of the allocation from Academic Affairs may remain in account 660990 within the entirety of the lead department's finance tree.

For salaries and wages, allocations must be to the following accounts:
- 601 – Regular Salaries and Wages
  - 601100 – Academic Salaries
  - 601101 – Department Chairs
  - 601201 – Management / Supervisory
  - 601300 – Support Staff Salaries
  - 601303 – Student Assistants
  - 601304 – Teaching Associates
  - 601805 – Lecturers
- 602 – Work Study
  - 602001 – Work Study-On Campus

As a general principle, expenditures should stay within a 15% variance of allocated budget by account category aggregated at the level of the lead department.

Projection of budget at mid-year (January) is always required as a part of routine budget and planning operations.

Designated Funding

Funding received via cash posting order (CPO) must be designated using class code EB111. Any funds or expenditures with this class code are considered "designated." The EB111 class code is restricted to this use only.

Restrictions

Expenditures out of account 660990 are never permitted.

Expense transfers represent the primary mechanism for splitting and/or sharing costs across lead departments. Budget transfers are *not* a suitable replacement for expense transfers. To this end the following further restrictions apply:

- Budget transfers from one lead department to another within the Academic Affairs finance tree are not permitted.
- Budget transfers from a lead department (or its departments) to another outside of Academic Affairs are not permitted.
- Budget transfers and expense transfers for 601 and 602 accounts are not permitted. Instead, rerouting of expense via Labor Cost Distribution must be utilized. Rerouting of any labor costs will occur only after the coordination and approval of the Director of Fiscal and Administrative Resources. The Finance Support Unit within the Division of Administration and Finance has been alerted to this.

Program codes, class codes, and project codes are not permitted to be used as secondary identifiers for departments, personnel, or other expenditures that may be clearly classified by account and department ID. In short, expenses are expected to be recorded directly where they are incurred.

Financial Reporting

Guidelines

The *Financial Summary As of Period* report serves as the primary report for tracking all financial activity. Academic Affairs will routinely check the summarized report view with the following columns (presented in order):

- Fund fdescr
- Dept Level 3 fdescr
- Acct Cat Fdescr

Chartfield Strings

The following guidance is provided to help clarify the use of specific chartfields.

Program codes

Program codes are for categorizing expenditures relating to a specific and meaningful set of curricular or programmatic activities. Program codes can be thought of as clarifying the use of multiple department IDs for the same broad operational purpose (though that isn't the only use).

Class codes

Class codes are for meaningfully categorizing expenditures by technical function (e.g. CF999 – Assigned Time). Class codes should be useable across multiple program codes, Dept IDs, and accounts, irrespective of program code or project code. Class codes can be thought of as further clarifying the use of multiple account codes within the same account category, irrespective of program code or project code.

- See **Designated Funding** for the requirement to use class code EB111 with CPOs

Project codes

The use of project codes is limited to categorizing highly-specific and time-limited expenditures. An especially appropriate use of project codes is for earmarked allocations for special projects (e.g. GI 2025 one-time allocations). Project codes can be thought as further clarifying the expenditures of a department or set of expenses grouped by program code.

Questions

Further questions about this document may be posted to the following channel within the Academic Affairs workspace in Slack:

`#oaa-process-fiscal-administration`

Additionally, questions may be individually addressed to:
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