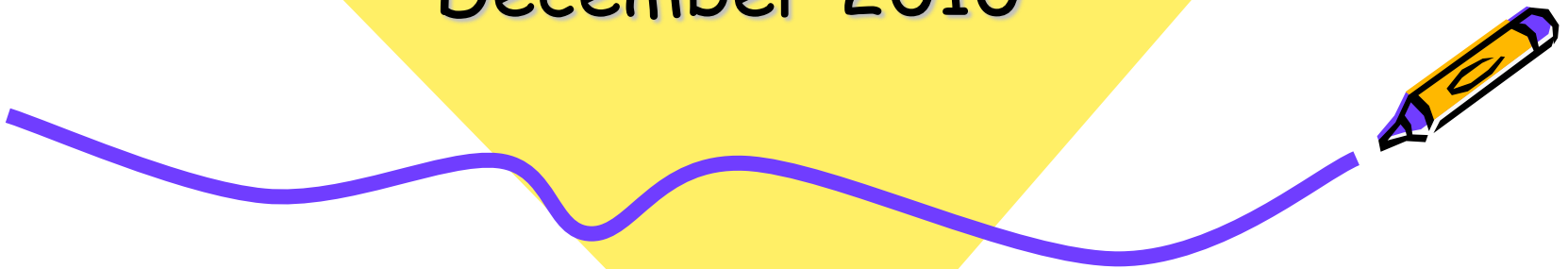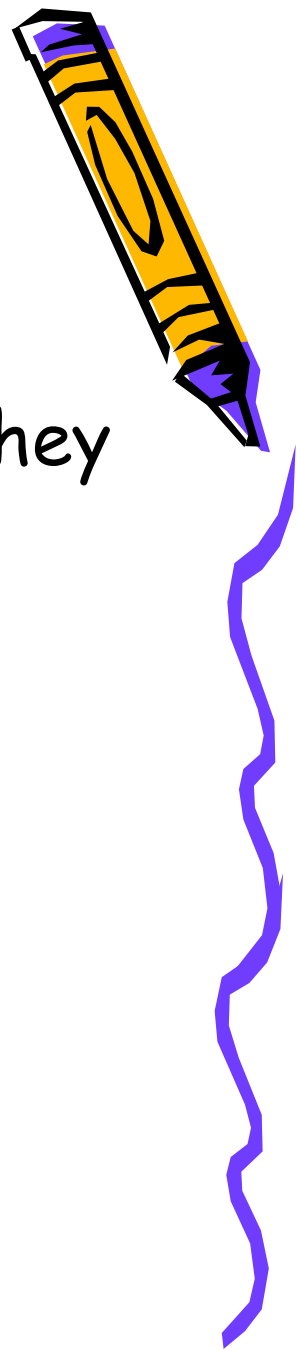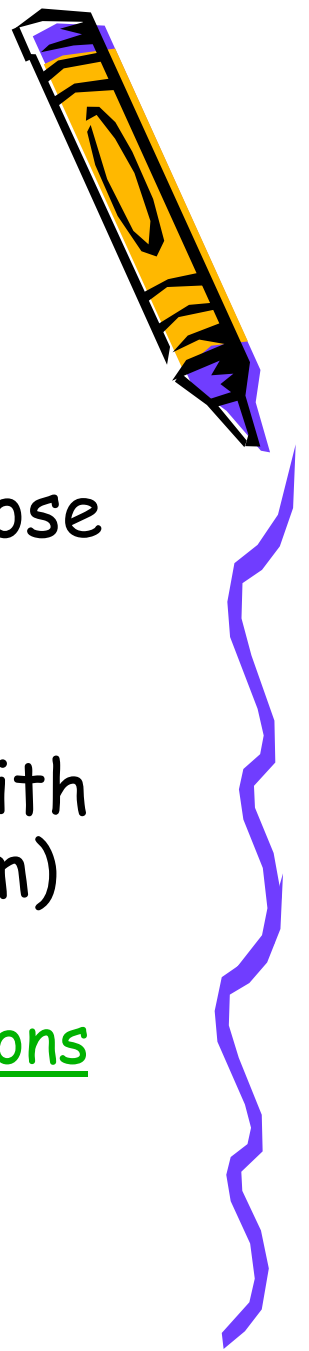# Demystifying Account Codes

December 2010

Today's discussion

- What are Account Codes and why are they important?
- What are the other financial codes?
- Example questions with answers
- What resources are available?

What are Account Codes?

- The element in the financial accounting string that indicates the type and purpose of the revenue or expense.

- Some account codes can only be used with specific other FOP (Fund, ORG, Program) elements.

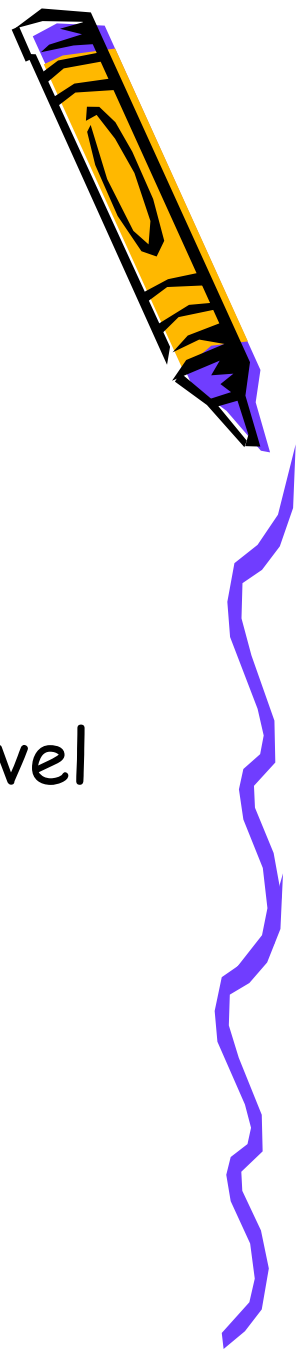 - See FIS-Ex003-13 Account Code Restrictions

FOAPAL Elements

- Fund: Type of Resource

    (budget or revenue)

- ORG: Responsible unit, or organization

- Program: Type of Activity for which the funds are spent

Fund + ORG + Program = Index

FOAPAL Elements (cont.)

- Account: Purpose of the expense or revenue
- Activity: Method to further define revenues or expenditures at the unit level
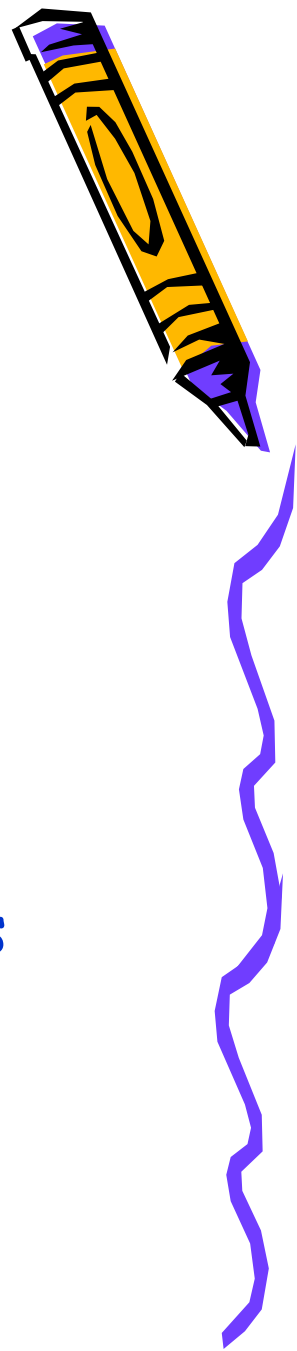- Location: Building number; required on capital construction projects

REVENUE ACCOUNT CODE QUESTIONS

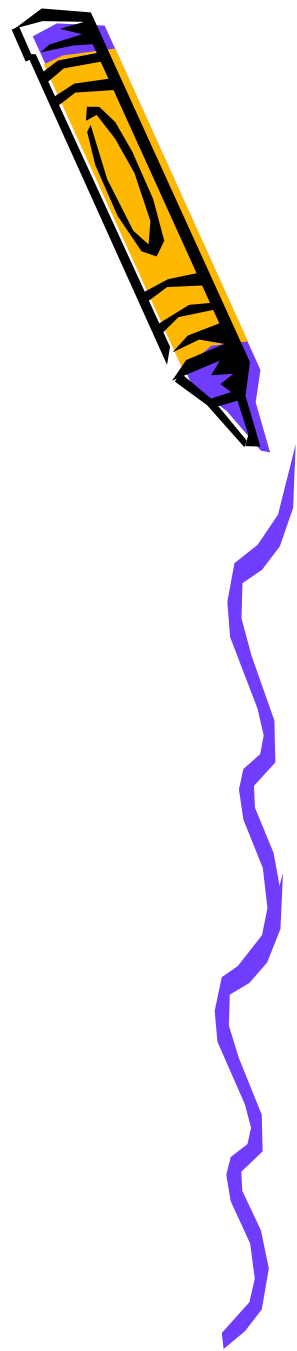- How do I record fees received for non-credit workshops?
  - Use 06403 for Conference income
  - Use 06410 for Workshop income

- 01703 Conference and Short Course Fee
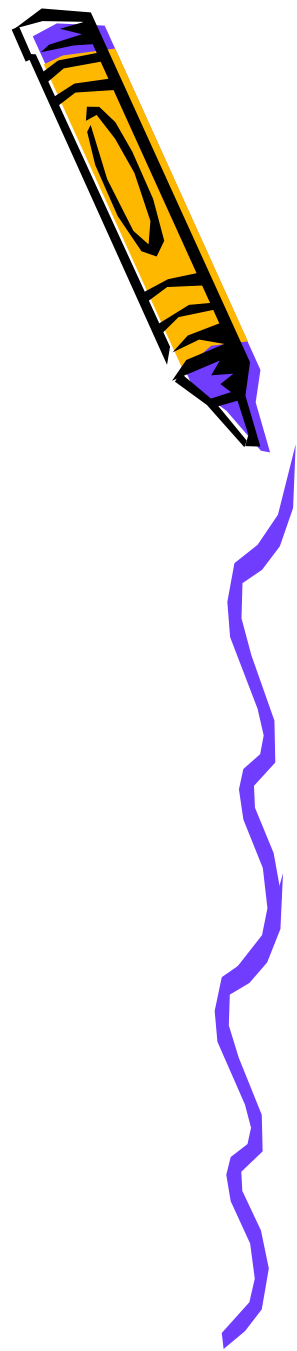 - Should not be used for non-credit workshops or conferences

- Can OSU Foundation or Ag Research Foundation $ be deposited into Ed & General funds?
  - No, deposits from these entities should only go into FS, FE, FA, or 438xxx funds
- Can other funds be deposited into FS, FE, FA or 438xxx funds?
  - No, workshops/testing should be in 05xxxx Designated Operations

- Can other outside gifts be deposited into Ed & General funds?
  - Gifts are a donation.   These should either go directly to OSU Foundation or be sent to Business Affairs/OPAA for deposit into Mxxxxx funds.
 - Donor's letter or other documentation should accompany the check.

Revenue Account Codes

- We have a testing service. How do I record the revenue for external customers?
  - Use 06302 for Testing Fees

- Whenever possible, please avoid using these non-descriptive account codes:
  - 06991 Received on Account
  - 06992 Reimbursement
  - 08001 Miscellaneous
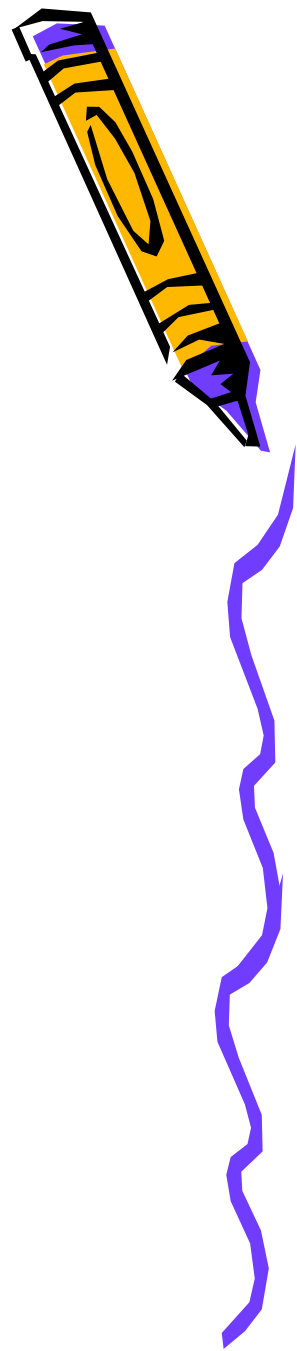
Revenue Account Codes

- Travel reimbursements from an outside source are offset against the original travel 39xxx expense.
  - Be sure to reference the original "I" doc number on the cash receipt so the Cashier's Office will accept.
  - If travel cost was originally on a grant, first move the expense to E&G funds, then apply the offset there.
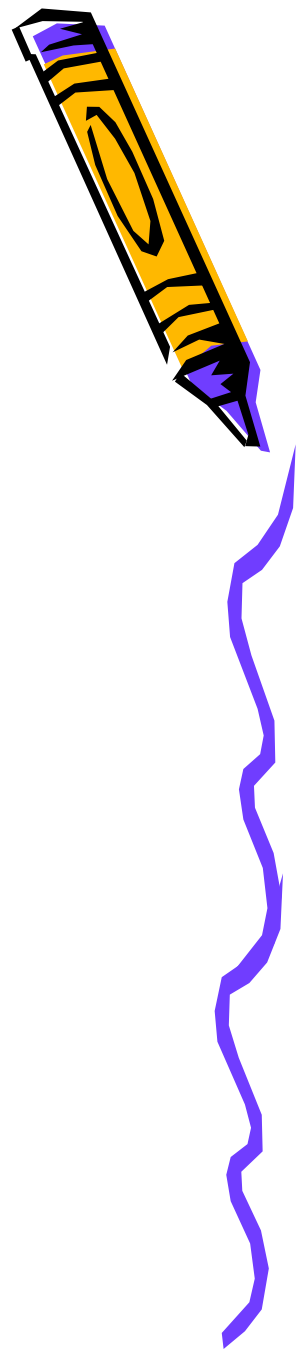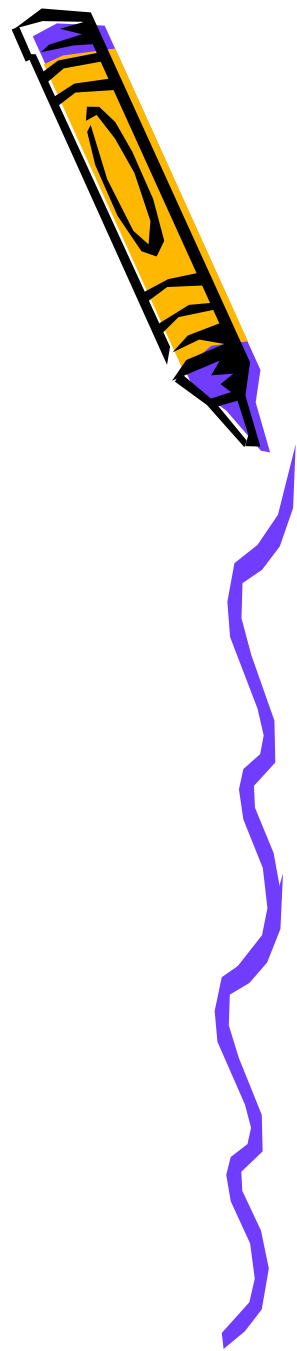
Revenue Account Codes

- I'm doing a Journal Voucher (JV) and don't know what "internal sales" account code to use; 09xxx or 79xxx series.
  - Use the 09xxx series with self-support funds:
    - 05xxxx Designated Operations
    - 09xxxx Service Centers
    - 1xxxxx Auxiliaries
  - Use 79xxx series for
    - 0xxxxx – General Funds
    - 03xxxx – Statewides (Extension, Experiment Stations)
    - 1xxxxx – Auxiliaries when debit is an Auxiliary
  - Use only on JV's (not on cash deposits)

Revenue Account Codes

- I bought 5 widgets, but only need 3 widgets. I want to sell 2 to another unit down the hall. What 79xxx account code do I use?
  - This is a movement of the original expense. Use the expense acct code of the original purchase & that doc # as a reference on the JV.
 - Do not use a 79xxx or 09xxx account code for this purpose

EXPENSE ACCOUNT CODE QUESTIONS

1xxxx Personal Services

- I have an employee who was paid on the wrong index. Can I move these costs and OPE (fringe benefits) by JV?
    - No, all costs originally posted in HRIS payroll system must be moved within the same system. Submit a Labor Distribution Form or use PYAHOUR as appropriate.
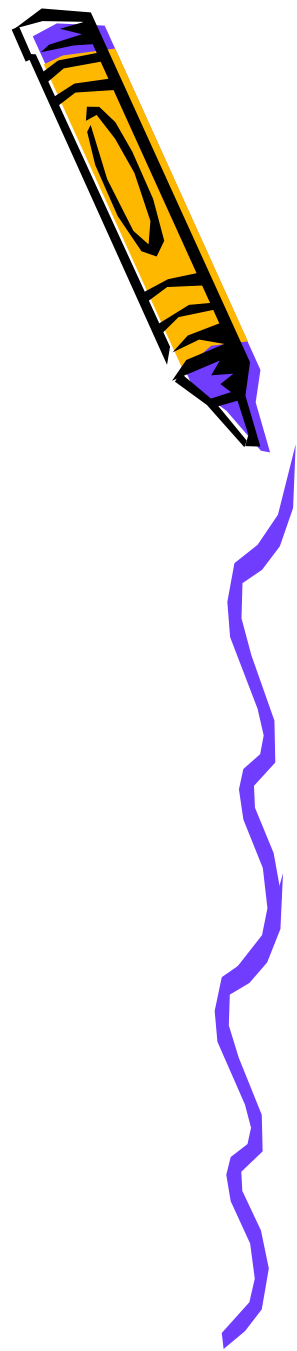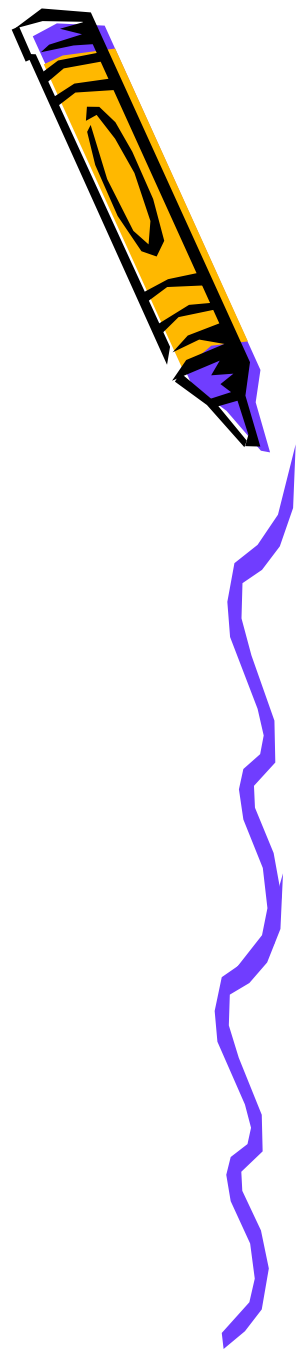
1xxxx Personal Services

- I get confused about what account code to use for GRA/GTA salary.
    - 10630 should be used on non-grant E&G, FS (OSU Foundation) and M2 gift funds.
    - 10630 should be used on grant funds which allow tuition remission costs. Generally, there will be a budget on acct code 10951.
    - 10632 (GRA requiring subsidy) should be used when the grant award does not allow tuition. Use also for "Cost Share", FA (Ag Research Foundation), and federal AES, FRL, Extension funds.
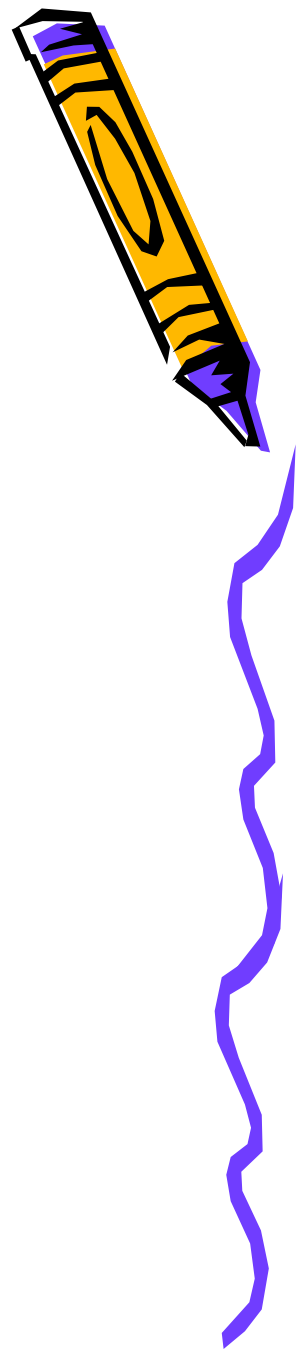
1xxxx Personal Services

- I'm uncertain about the account code to use for Moving Expenses and if these costs are taxable to the employee.
  - See "Relocation and Moving" within the FIS Manual. These can get complicated. IRS policies and $ limits can change! Contact your Business Center with any questions.

EXPENSE ACCOUNT CODE QUESTIONS
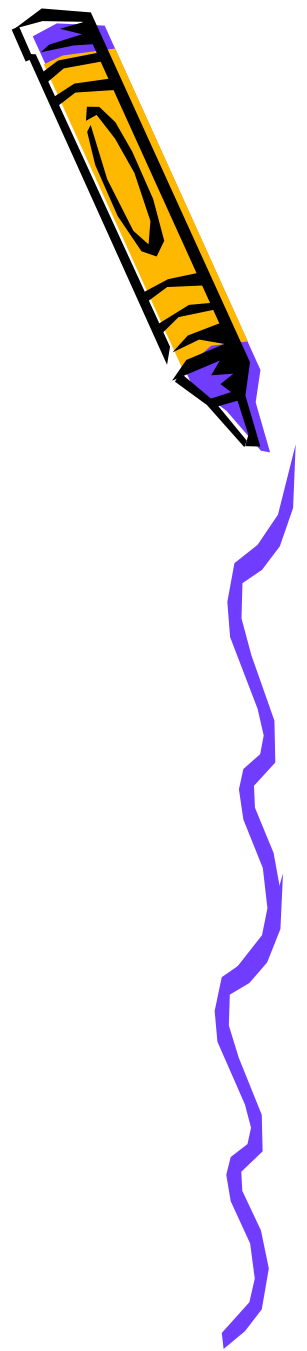
2xxxx-39xxx

Services & Supplies

2xxxx-39xxx Services & Supplies

- How do I know if a payment is for a supply, minor equipment, capital equipment, or maintenance & repair part?
  - Supplies are used up in the course of business
  - Minor equipment is tangible, less than $5K and not used up in the course of business.
  - Capital equipment lasts greater than 1 year, and the individual item (component) is $5K or greater.
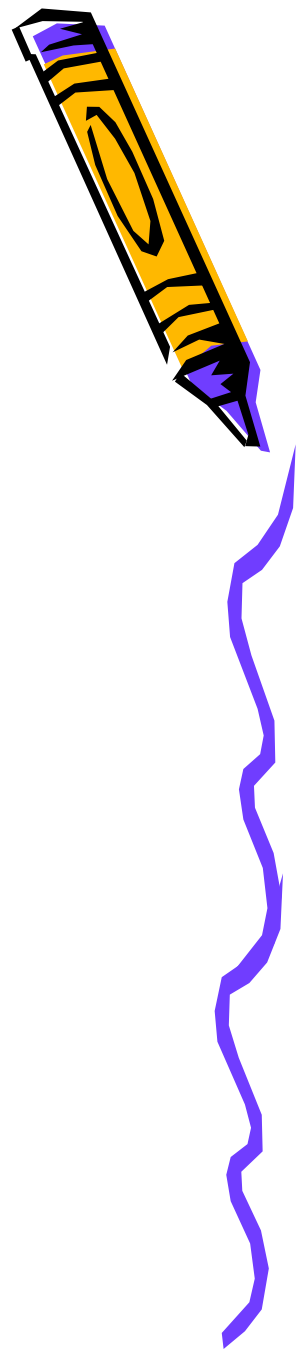 - Repair part is a replacement of the same or similar piece to keep the unit functioning.

- Are awards to employees allowed?
  - Performance awards are limited to $50 per calendar year, per individual from E & G (0xxxxx) funds or SWPS (03xxxx) funds. Any amount over the $50 limit may be from M2xxxx gift, FSxxxx gift, FExxxx, 438xxx, or 1xxxxx auxiliary funds.
  - Service awards may be made from M2xxxx, FSxxxx, FExxxx, 438xxx, or 1xxxxx auxiliary funds.
- See FIS Manual policy 1402-13

- Are awards to students allowed?
  - Yes. Funding comes from OSU Foundation or University funds and is administered through the OSU Office of Financial Aid and Scholarships.
  - See the Business Affairs web page and FIS 507-02 for further information.

- What is the difference between 28901, 28902, and 29005 "Dues and Memberships"?
  - 28901 Professional Organizations which enhance the mission of the university. Unit or university membership is preferred over individual memberships.
  - 28902 Civic & Community organizations (Kiwanis, Chamber of Commerce). These are not allowed on grants.
  - 29005 "training" – membership is used specifically for employee training in their job duties. 29xxx accts can not be used on grant funds.

    Membership in an association devoted primarily to a profession such as law, accounting or medicine is usually personal and cannot be paid by the university.
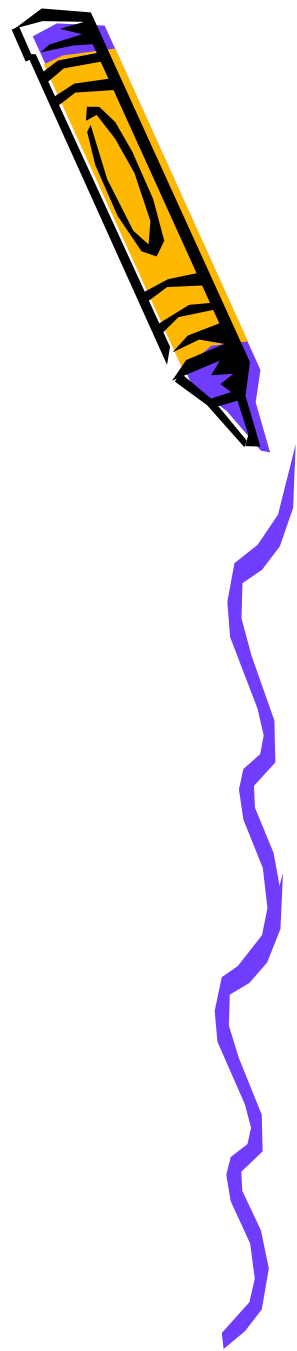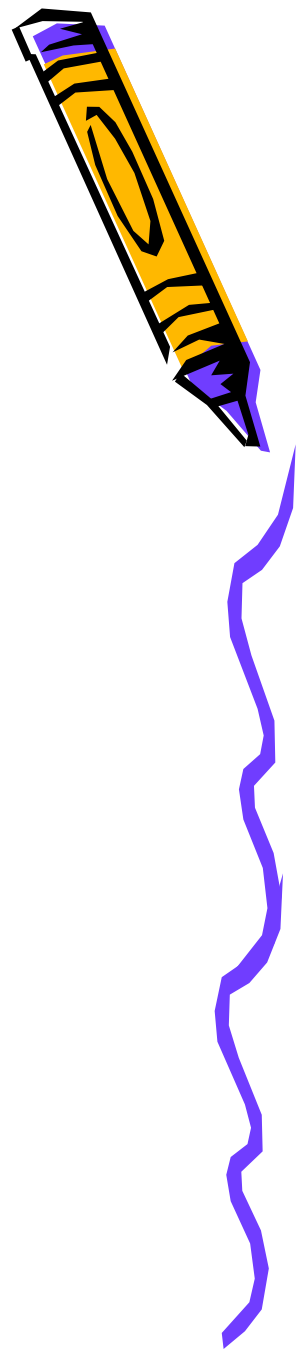
- When do I use 20190 vs. 25140 for payment to a group of individuals?
  - 20190 Testing Group Incentives should be used when the person performs services such as completing a survey.
  - 25140 Research Subjects is in the "medical" section. Examples for use of this acct code are when the person is giving blood or spending time as a research subject (such as bone density research).
    - Use the Departmental Advance option for payments. Gift certificates should be processed ahead of time and not after the fact as a personal reimbursement. See FIS 407-07.
      - Reminder: The name of the research subject should not appear in any financial data.
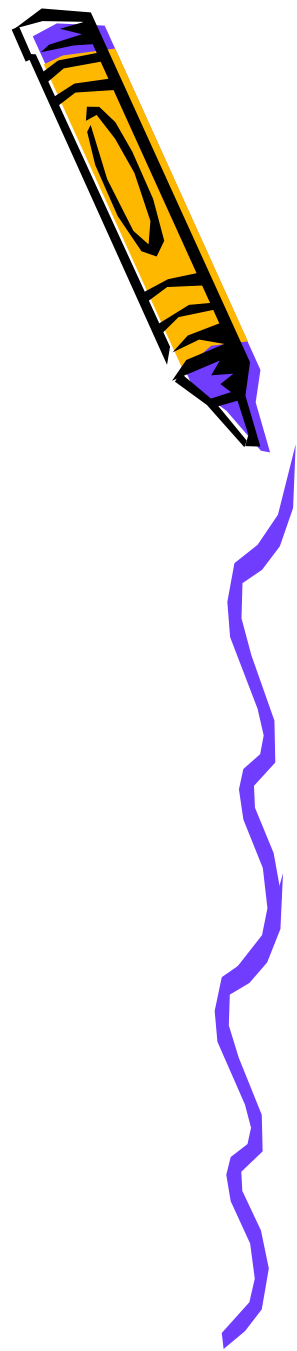
- What are the differences in the Info Tech codes?
  - Supplies:
    - 20105 Data Processing Supplies: supplies only – such as disks and CD's
  - Minor equipment:
    - 20200 minor equipment
    - 20201 computer
    - 20203 printers
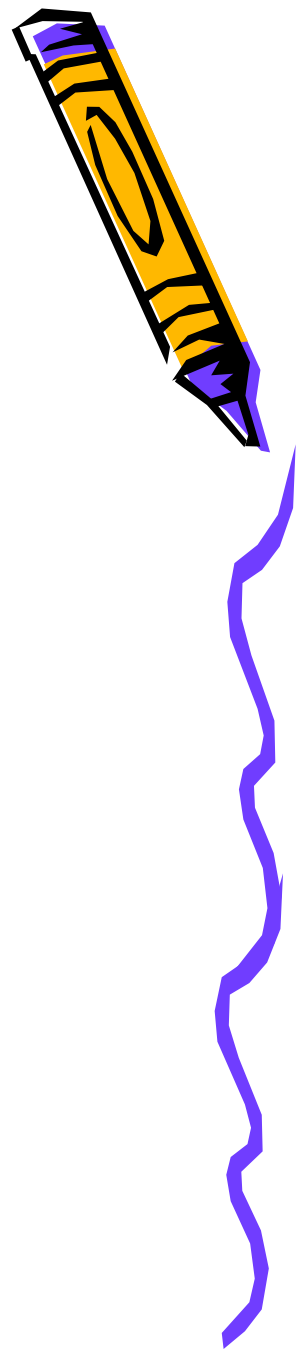   - 20204 Other IT Related Peripherals

- Info Tech codes (cont.)
  - Repairs & Maintenance:
    - 23513 Software mtce (service)
    - 23504 Data Processing Equipment mtce (service)
    - 23514 Info Tech Hardware mtce contracts
    - 23523 Data Processing/Electrical Equip parts
  - Other IT services:
    - 24526 Web Design Services
    - 24527 Info Tech Related Personnel Services Contract (with commercial firm)

- If supplies are included in an invoice for services, do I need to separate out the supplies into a different account code?
  - No, pay the total as a service with a tax reportable account code.
- What about shipping charges?
  - These do not need to be separated out.
  - Shipping should be included in the purchase price.

- I'm paying for the purchase of groceries, but can't decide what account code to use. I know that I don't use the 6xxxx "for-resale" codes.
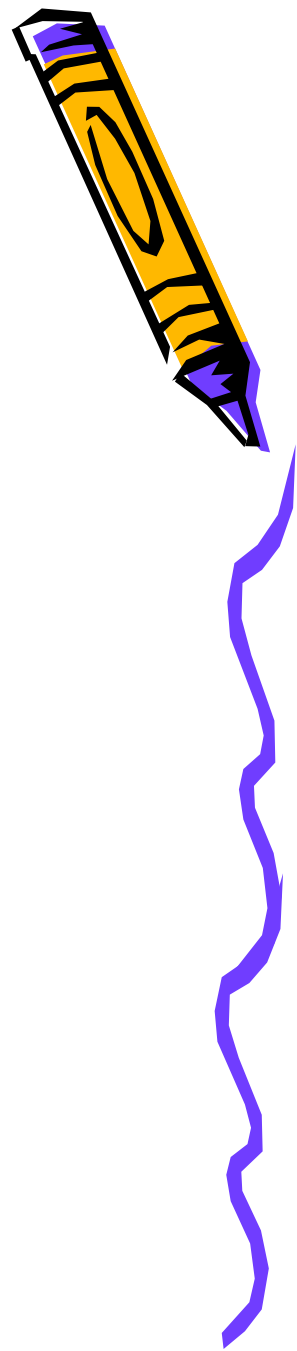
The **use** of the groceries determines the account code.

  – If purchased for a "hosted" event, use 28612 Hosting Groups or 28613 Public Relations.

  – If purchased for a field crew cabin where the individuals will not be getting a travel meal per diem, use 20310 Food-other (kitchens)

  – If purchased for an academic class field trip or athletic team travel, use 39x46 Group Travel.

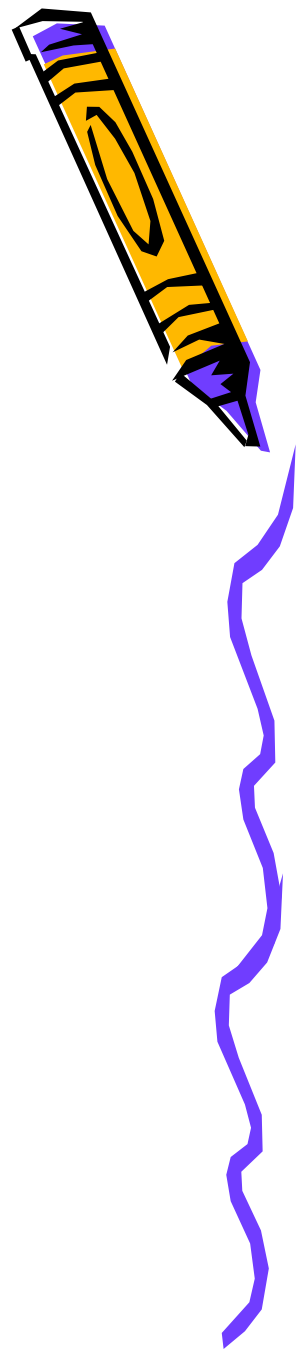 – If purchased for a lab or other program purposes, use 20102 Operating supplies or 20103 Lab supplies.

2xxxx-39xxx Services & Supplies

- I'm confused about 230xx Utilities account codes.
  - Think "buildings", i.e. heating, water
  - These costs should not be on grant $
  - 23002 Pressurized Gas is for heating
    - Use 20103 lab supplies for lab gasses.
  - 23006 Fuel Oil is for heating, not cars!
    - Use 20252 Auto fuels for vehicles
  - 23011 Chilled Water is for drinking
    - Use 28612 or 28613 for individual bottled water used at hosted events.
  - Buildings must be owned by OSU to use these acct codes for payment of utilities.
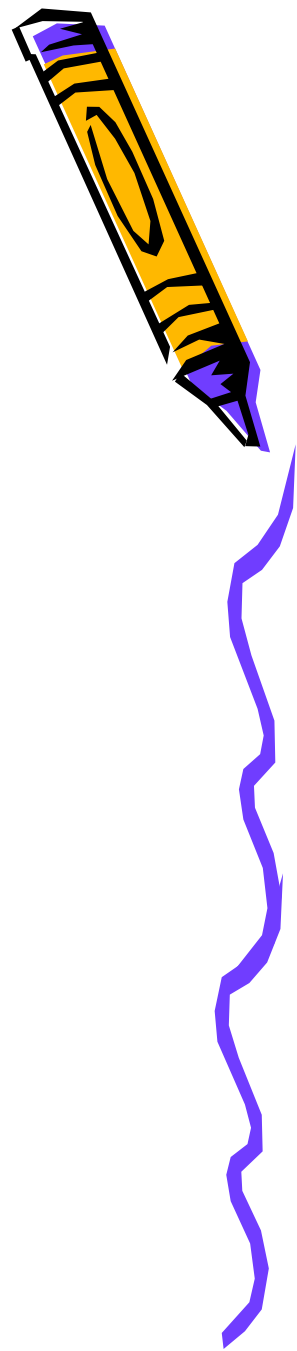 - On non-owned buildings use 23099 Misc Utilities.

- When should I use 235xx Maintenance & Repairs account codes?
  - These account codes are associated with buildings, grounds, & equipment <u>owned by OSU</u>. They should be used whenever there is a cost associated with these assets.
  - The account codes listed below are not allowed on grants because they are part of the indirect cost rate:
    - 23502, 23511 Bldg mtce
    - 23503, 23512 Grounds mtce
    - 23520 Physical plant supplies
    - 23522 Maintenance materials (such as paint)
    - 23530, 23531, 23535 Custodial

- We're holding a conference at a hotel. Do I use 24151 building rental account code?
  - No, for conference facilities use 28606. Any charges for audio visual or other services can be included.
- What about renting a lodge for a unit retreat?
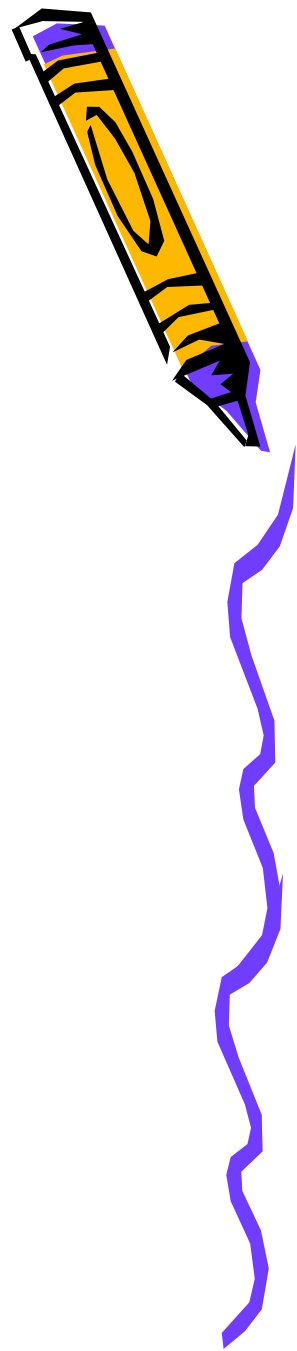 - Use 24151 for this purpose

- Do I need to use 24599 on all Professional Services Contracts (PSC or PSI)?
  - You should use the appropriate account code, not just 24599.
    - There continue to be new requirements to report specific costs to State of Oregon/DAS.
    - Be aware of 24595 Non-Resident Alien Professional Services. These services require special IRS 1042S reporting.
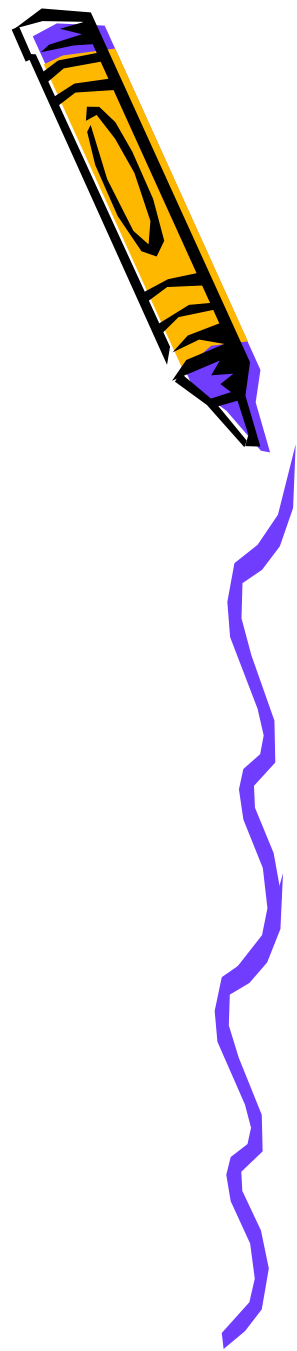
- I need to process a payment to a newspaper for advertising. I see there are two account codes. Which one do I use?
  - 24611 Advertising –Personnel Recruitment: not to be used for recruiting students.
  - 24612 Advertising –Institutional Promotion: this can include costs for displays, not just paper advertising. Includes marketing and public relations.
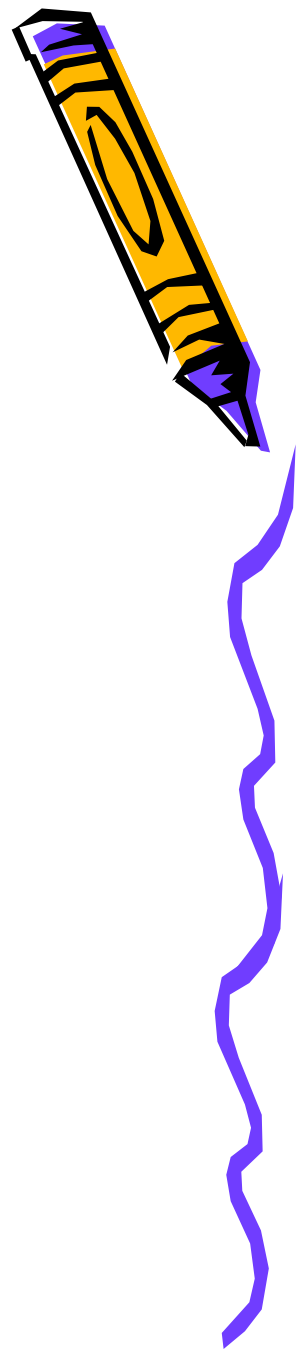
- I need to pay for lab services. Which account code do I use? 24617 or 25101?
  - Normally, you would use 24617 Non-medical Lab Services
  - Use 25101 only for medical labs. This account code is in the 25xxx "medical" series. OUS Fiscal Policy quote: "medical in nature"

- I see 280xx – 284xx Assessments on my index. Where did these come from?
  - These are "done to you".
  - Most come from State of Oregon, OUS or OSU general administration.
    - Exception: 28201 Admin Service Charge (to a sub-unit) is used on 05xxxx Designated Op funds to record administrative costs incurred by the unit for that operation.
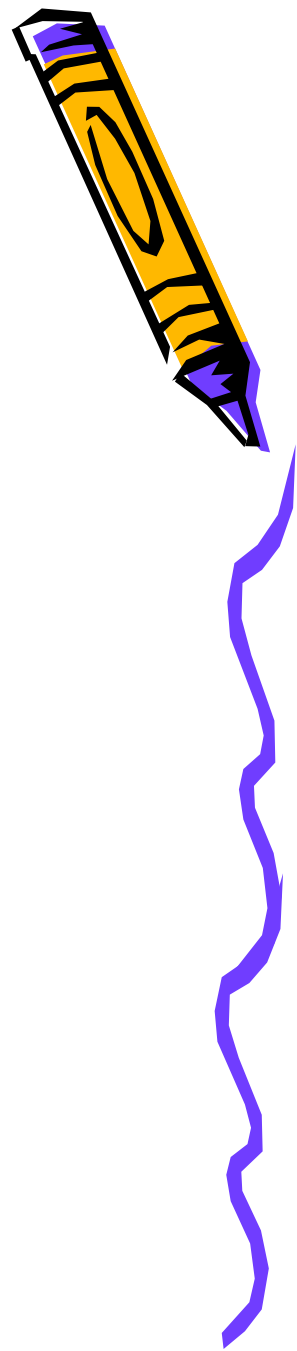
2xxxx-39xxx Services & Supplies

- I am reimbursing an employee who went to a conference. Do I use the 286xx Conference series?
  - Use 28601 Conf Registration Fee for the registration.
  - Use the 394xx-396xx travel series for the other expenses (lodging, meals).
    - 39415 should be used for conference travel
    - 39416 should be used only for travel related to a specific training class. Note: this cannot be used on grants
  - 28602-28606 Conference housing, meals... are for OSU-hosted conference expenses, not for employee reimbursements who have attended a conference.
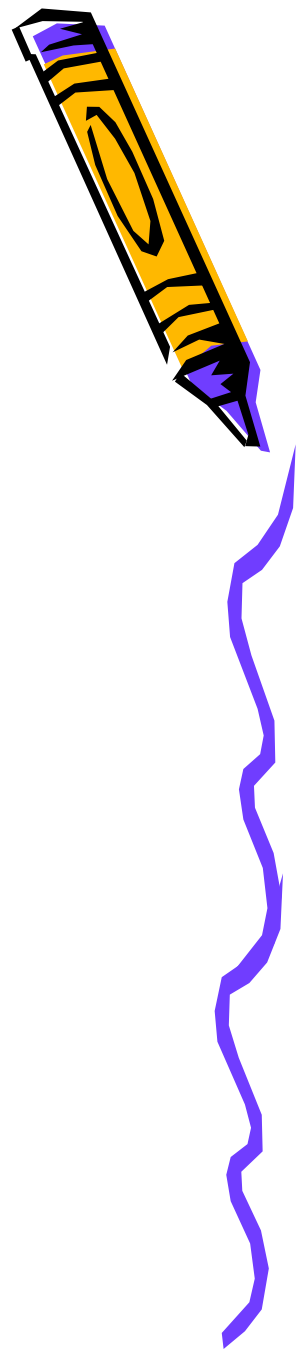
- ## What do I need on hosting payments?
  - The 5 W's and detailed documentation when processing payments:
    - Who, what, when, where, why
      - Need clear business purpose to use 28611 "inter-departmental" or 28612 "hosting".
    - Documentation to attach may include agendas, list of attendees, and flyers.
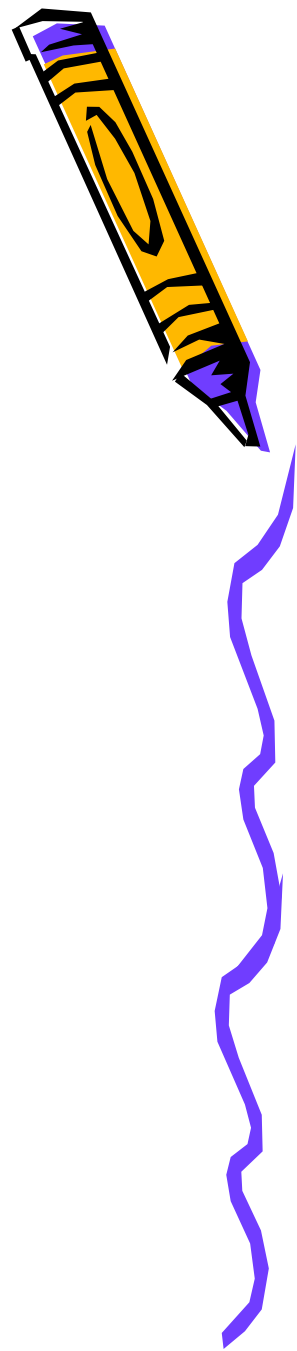 - 28613 Public Relations should be used for student recruiting.

- Can I pay an employee a stipend as a Participant with 2863x account code?
  - Employees can not be classified as "participants". Employee payments are through HRIS/Payroll.
  - Remember when paying for Participants on grant $s, there should be an approved itemized budget in the grant.
   - If not in the grant budget, it is not an allowable expense.

- I have a signed agreement for another university to do some work, but it's not on a grant. What account code do I use for payment?
  - Use a 245xx or 246xx services account code when paying on non-grant funds
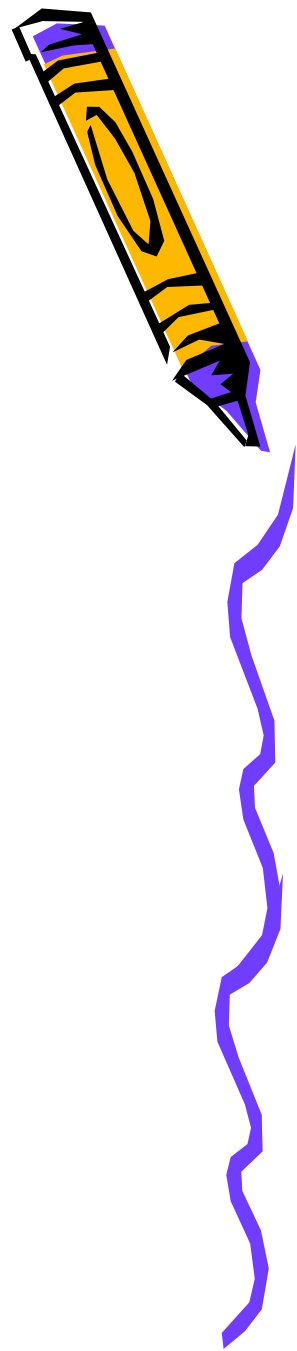 - 399xx subcontracts can only be used on grant or contract $s

- We purchased a computer (monitor, CPU, and keyboard) which is over $5K, but Property Management says it doesn't qualify as 40101 capitalized equipment. Why?
  - The pieces do not have the same "life". Each piece can be replaced separately for less than $5k.
  - If any individual pieces are over $5k, it should be capitalized separately.
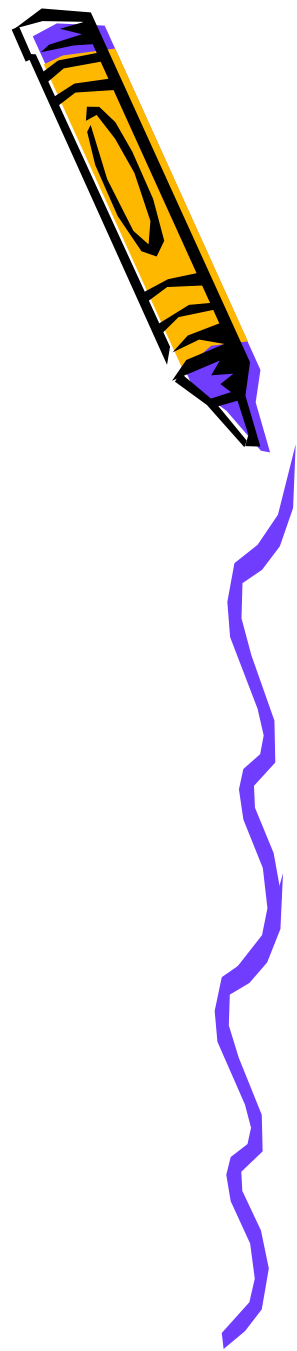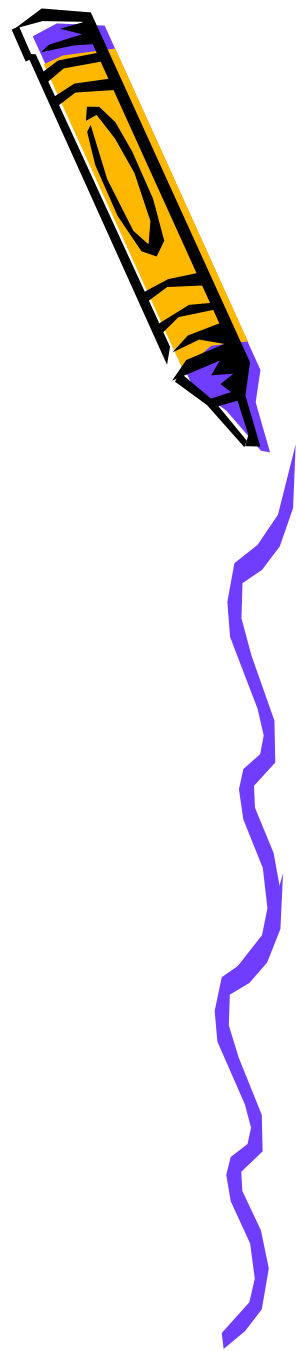
EXPENSE ACCOUNT CODE QUESTIONS

4xxxx Capital Outlay
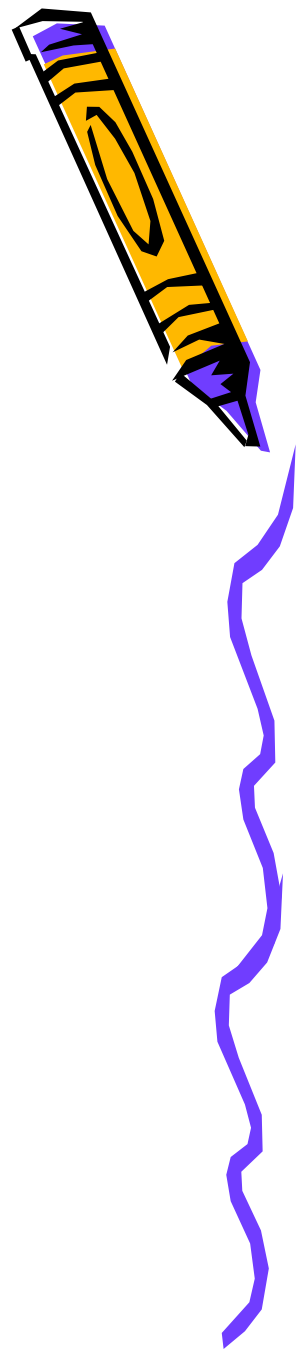
4xxxx Capital Outlay

- What info do I need to process an invoice for equipment (40101 acct code)?
  - Include all needed information for fixed asset capitalization in the text.
  - See OSU Pro-Ex1 Creating an Asset Record from a Banner Invoice

4xxxx Capital Outlay

- I don't know when to use 40199 equipment "under construction".
  - Use for parts to be assembled, installment payments, or purchases with 09xxxx Service Center or 1xxxxx Auxiliary funds.
    - Text should state what the asset will become.
  - After the equipment is assembled, complete a JV to change account code to 40101 or A80xx.
  - 40199 account code must be $0 for entire university at year-end closing.
  - If the asset is not assembled by year-end, do a JV to change account code to 40101 or A80xx to set up fixed asset record.

4xxxx Capital Outlay

- Can I use 403xx – 405xx Real Property, Buildings and Land on any fund?
  - No, these can only be used on 8xxxx Plant funds
    - Cannot use on E&G, AES, FRL, grant, gift or other funds
  - All improvements or new structures which will be capitalized should have a plant fund established.

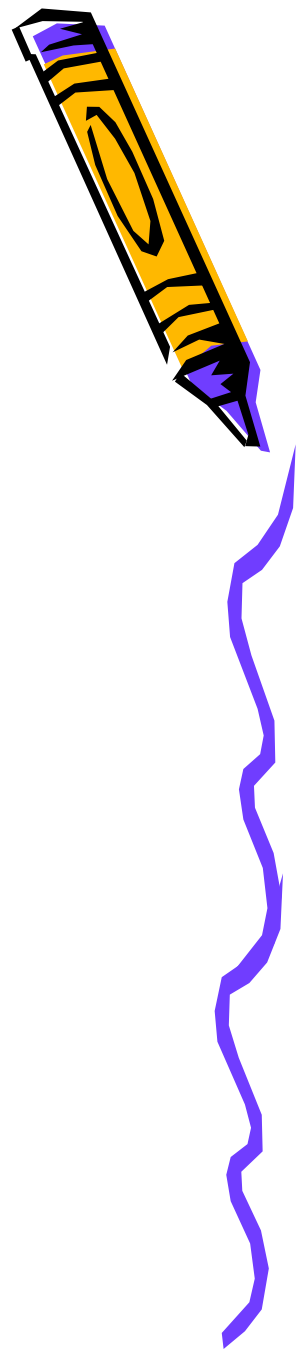 Contact Facilities Services if unsure about your project
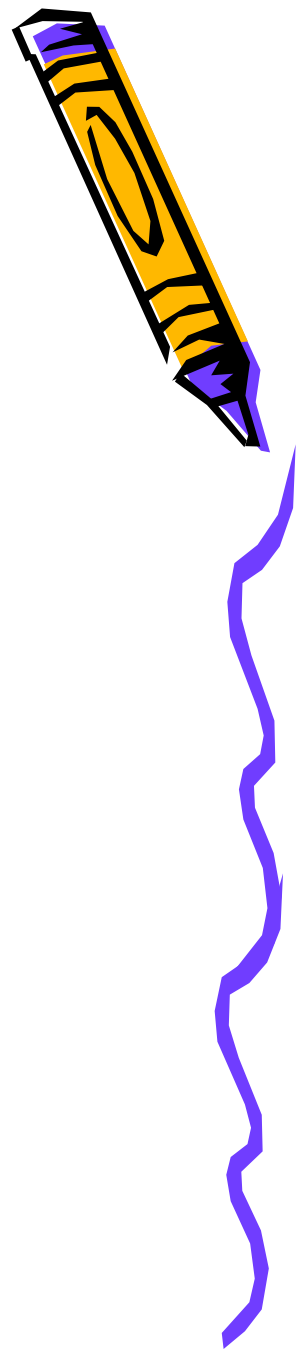
EXPENSE CODE QUESTIONS

Other

Other

- I need to get a scholarship award to a student, but I'm having trouble. Help!
  - Scholarships (51101 account code) is applied to the student's university account by Financial Aid
    - These payments cannot be paid through the accounts payable process
    - Most scholarships & awards are processed through OSU Foundation using their procedures
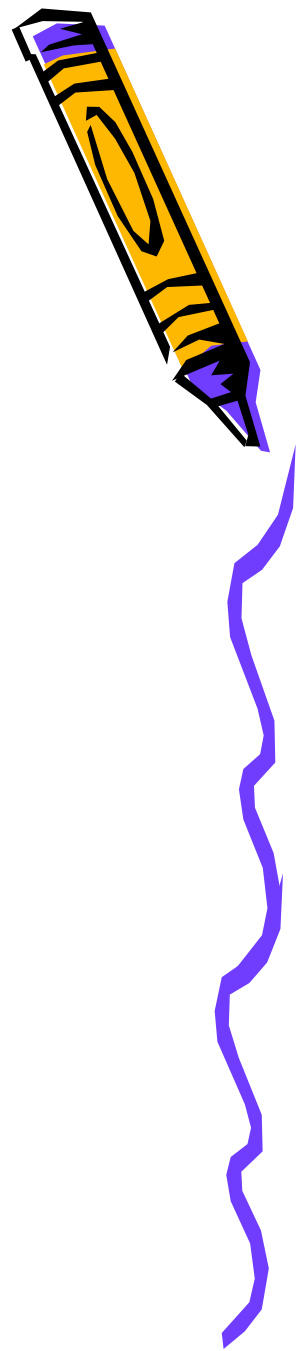
Other

- Can I pay students as 55xxx Participant Support?
  - Coordinate with OPAA
    - These are payments from grant $s which support students in training or research
    - Cost must be budgeted
    - 55xxx are not to be used for Post-docs; they are not registered students (use 2863x)
    - Tuition and/or fees are applied to the student account by OPAA
    - All payments through the accounts payable process must have student name as the vendor [do NOT include SSN].   Check vendor can be different.
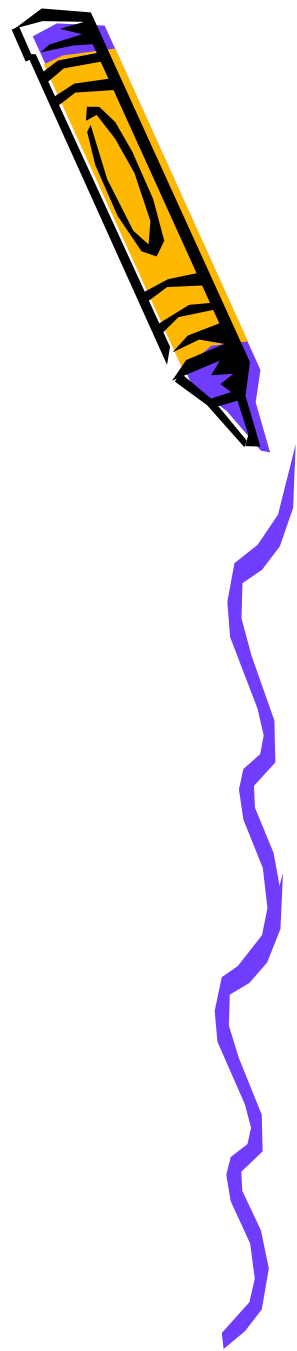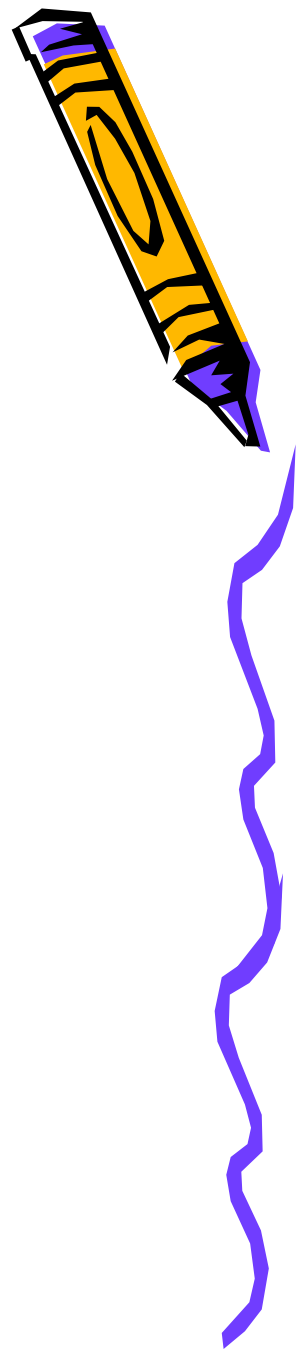
Other

- I don't understand the 70xxx Indirect Cost recovery entries.
  - Banner records these automatically
  - Do NOT use these account codes on invoices or JV's
    - When making a Banner correction on a fund that has an indirect cost charge, ignore the charge. Banner will take care of it

Other

- I think I need to make a 9xxxx Transfer, but have not done one before. What do I need to do?
  - Remember these can only be used on JVs (no invoices or cash receipts)
  - Be careful with these
    - Easy to transpose the debit and credit
    - Both Dr. and Cr. MUST be 9xxxx
    - See FIS-Ex003-21 Transfer Account Code Matrix
    - Contact Business Affairs for help

Resources

OUS Fiscal Policy Manual – Account Code definitions http://www.ous.edu/cont-div/fpm/

- – Account code section definitions
- – Individual account code definitions
- – Tax reportable account codes
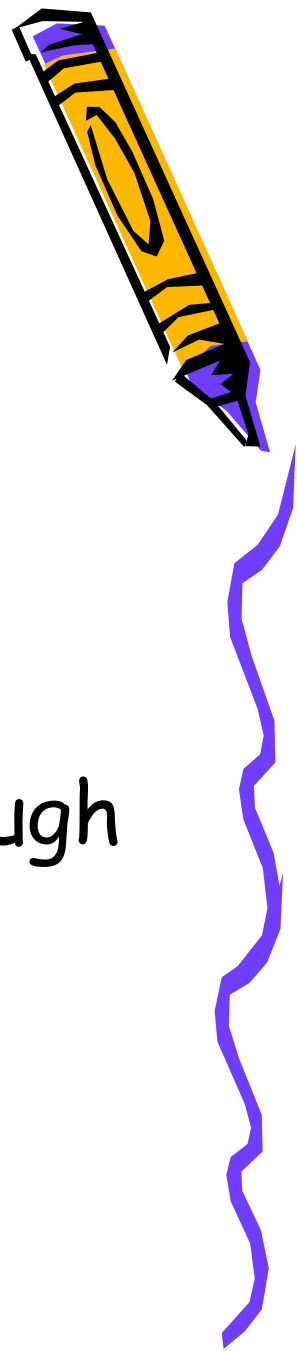
Resources (cont.)

OSU Fiscal Operations Manual

http://oregonstate.edu/dept/budgets/FISManual/FISTOC.htm

OSU Grant, Contract & Gift Accounting Manual
http://oregonstate.edu/dept/budgets/GCGManual/GCGTOC.htm

That's all folks!

- Thanks for listening
- Thanks for all your good work
- Thanks for any suggestions
- The university functions only through our joint efforts

Contacts – Financial Accounting & Analysis

General Questions   737-4262

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Treasure Hunt   737-9370

Diane McGill   737-6047

Stephanie Smith   737-1825

Mark Fryman   737-0624

Fixed Assets
Janna Storm   737-4084

Accounts Payable & Travel
Paul Marinello   737-0637

Autopays
Bezu Abebe   737-0635

Pcards
Rose Hamilton   737-0650

Grants, Gift, and Foundation Funds
OPAA   737-4711