UCSB Financial Management Modernization

Common Chart of Accounts (CCOA) Town Hall
Welcome

Goals for this Session:

• Greater awareness of the Common Chart of Account (CCOA) segments
  • Name, Definition, Use
• Introduce How to Build a Chart String
  • Sample Transactions
Agenda

• Current Chart of Accounts
• New Common Chart of Accounts
• Sample Transactions
• Resources & Next Steps
Current Chart of Accounts
UCSB Full Accounting Unit (FAU)

UCSB currently uses 17 digits to identify the sources and uses of funds:

8 - 400350 - 19900 - 3 - 8000

Location  Account  Fund  Sub  Object Code
Location is two digits, and represents the campus. UCSB uses one digit (at the discretion of the campus).

01 = Berkeley
02 = San Francisco
03 = Davis
04 = Los Angeles
05 = Riverside
06 = San Diego
07 = Santa Cruz
08 = Santa Barbara
09 = Irvine
10 = Merced
UCSB Full Accounting Unit - Account

Account is represented by 6 digits, and indicates specific balance sheet, revenue or expenditure accounts.

Function Codes generally represent the type of activity and are the first 2 digits of the Account number. (Ex. 400350)

Balance Sheet Accounts: Assets, liabilities, and equities
- Start with “1”
- Ex: cash advance accounts

Revenue Accounts:
Cash income received; identifies the funding source
- Start with “2”
- Ex: revenue from sales, tickets, or camp

Expenditure Accounts: Identify the functional classification (e.g. instruction, research, public service); may have a series of accounts to represent different dept areas
- Ex: 680279 = Men’s Soccer, 680288 = Women’s Volleyball
## Function Code - Current Examples at UCSB

<table>
<thead>
<tr>
<th>Code</th>
<th>Category</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>40, 61</td>
<td>Instruction</td>
<td>(e.g. 404004) Art Museum Instruction</td>
</tr>
<tr>
<td>43, 60</td>
<td>Academic Support</td>
<td></td>
</tr>
<tr>
<td>44-59</td>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Public Service</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Maintenance &amp; Operation of Physical Plant</td>
<td></td>
</tr>
<tr>
<td>66, 72</td>
<td>Institutional Support</td>
<td>(e.g. 661510 Bus &amp; Financial Services)</td>
</tr>
<tr>
<td>68</td>
<td>Student Services</td>
<td>(e.g. 681562 Campus Activities Center)</td>
</tr>
<tr>
<td>76</td>
<td>Auxiliary Enterprises</td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>Student Financial Aid</td>
<td>(e.g. 781200 Misc Student Aid)</td>
</tr>
<tr>
<td>80</td>
<td>Non-reportable expenditures &amp; budgetary balances</td>
<td>(e.g. 806810 Assoc Students)</td>
</tr>
<tr>
<td>90</td>
<td>Plant Funds</td>
<td></td>
</tr>
</tbody>
</table>
UCSB Full Accounting Unit - Fund

Fund
A discrete monetary source, allocated for the purpose of meeting certain programmatic or contractual objectives and often has associated regulations, restrictions, or limitations that require separate budgeting and accounting.¹

A five digit number required for all income and expenditure accounts and identify the source of funding.

¹ Source: Budget Overview and Tracking: Department Perspective, College of Letters & Science, 11/19/19; slide 15
Sub
High level category used to identify the major purpose for which the funds are available or have been expended.

Standard Subs are:

- 0 = Academic Salaries
- 1 = Staff Salaries
- 2 = General Assistance
- 3 = Supplies & Expenses
- 4 = Equipment
- 5 = Specific Items (e.g. Travel)
- 6 = Employee Benefits
- 7 = Specific Items, Special Projects
- 8 = Unallocated (money from previous years)
- 9 = Recharge Activity
- Y = Overhead
Object Code
A four digit number which is a further categorization of expenses. The object code is used to accumulate expenditures for the annual financial report. Every financial entry to expenditure accounts must have an object code.

Object Code Listing
Department Fields (optional)

- **Project** = 6 alphanumeric characters
- **Cost Center** = 4 alphanumeric characters
- **Cost Type** = 5 alphanumeric characters

At this time, departments have discretion on how to use these fields. They are established through the Gateway Management Console (GMC).
Common Chart of Accounts
Chart of Accounts Design Principles

Each chart field segment should:

- Have a single use with a clear and consistent definition
- Be simple, intuitive, and able to adapt to growth and change
- Sufficiently capture transactional detail at the project, departmental, college, campus, and institutional levels to support financial and budgetary analysis and management

Enable standardized, accurate, and reliable internal and external reporting at detail and summary levels by:

- Organizational entity
- Fund type
- Account structure
Current vs. Common Chart of Accounts

Current Chart of Accounts

Location -> Account -> Fund -> Sub -> Object Code

Entity -> Fund -> Financial Reporting Unit

Common Chart of Accounts

Financial Reporting Unit -> Account

Purpose -> Program

Project -> Activity

Campus Commitment
Old Segment: LOCATION

New Segment: ENTITY

- Identifies the organizational unit (campus) within the UC System and assigned by UC Office of the President

- UCSB has 3 Entity Codes:
  - **1811** - UC Santa Barbara Campus (Loc = 8)
  - **1831** - UCSB Agricultural and Natural Resources (Loc = 8)
  - **1841** - UCSB-UCOP (Loc = Q)
Old Segment: ACCOUNT
New Segment: FINANCIAL REPORTING UNIT (FRU)

- FRUs are organized in a hierarchy tree rolling up to department, college and division similar to the current control-point hierarchy.
- FRUs represent the business or functional/budgetary unit responsible for or affected by the transaction.
- Organizational departments identified by a current DEPTID (Home Dept) may have one or more FRUs.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1811</td>
<td>19900</td>
<td>2413001</td>
<td>523201</td>
<td>40</td>
<td>New</td>
<td>From PGM</td>
<td>New</td>
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- 1130001 - Baseball
- 2901001 - College of Creative Studies
- 2606001 - Electrical & Computer Engineering
Old Segment: FUND
New Segment: FUND

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- The first digit of the FUND number specifies the type of fund
  - 1 - Unrestricted
  - 2 - Restricted Expendable
  - 3 - Restricted Un-expendable
  - 4 - Capital Assets, Net of Related Debt
  - 5 - Agency

- Sponsored projects will generally use high level fund values that are not specific to each award.

- Gifts will continue to be identified with a unique fund number, unless it is an unrestricted gift with various donors.
Old Segment: SUB
New Segment: NONE

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Sub:
- In the current Chart, Sub is used as a means to roll up object codes and provide a way to categorize expenses.
- In the new CCOA, Account will have a hierarchy that will provide similar information.
**Old Segment: OBJECT CODE**

**New Segment: ACCOUNT**

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- **Account** classifies the expense similar to the current object code and will roll up to specific categories such as “Salaries & Wages”
- The first digit of the Account specifies the whether the Account is an:
  - 4 - Revenue
  - 1 - Asset
  - 3 - Equity
  - 5 - Expense
  - 2 - Liability

**Examples**
- 400001 = Tuition - Undergraduate
- 522205 = General Office Supplies
- 522402 = Lab Instruments and Supplies
## Account Hierarchy:

- **50000A-Salaries and wages**
  - **50000B-Academic salaries and wages**
    - **50000C-Academic salaries and wages**
      - **50000D-Academic salaries and wages**
        - 500001-Academic salaries and wages
        - 500002-Sabbatical Leave-In Residence
        - 500003-Sabbatical Leave-Not In Resid
    - **50100B-Non-academic salaries and wages**

## Old Segment: OBJECT CODE

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## New Segment: ACCOUNT

- **53600D-Travel and transit**
  - 536001-Travel-California
  - 536002-Travel-Participant Support
  - 536003-Travel-Domestic Out Of State
  - 536004-Travel-Foreign

- **53420D-Telecommunications**
  - 534201-Telecommunication Charges
  - 534202-Toll Calls
  - 534203-Other Data Charges
  - 534204-Cellular Telephone Charges
  - 534205-Cable Television
**Purpose:**

- Classifies the institutional purpose of an expenditure; not used on revenue transactions.
- Tells “why” an expense was incurred, rather than “what” was purchased.
- Based on NACUBO Function Numbers
<table>
<thead>
<tr>
<th>Old Segment: FUNCTION CODE (Part of Account #)</th>
<th>New Segment: PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 Instruction</td>
<td>64 Operation and Maintenance of Plant</td>
</tr>
<tr>
<td>41 Summer Session</td>
<td>65 Depreciation</td>
</tr>
<tr>
<td>43 Academic Support</td>
<td>68 Student Services</td>
</tr>
<tr>
<td>44 Research</td>
<td>72 Institutional Support &amp; General Administration</td>
</tr>
<tr>
<td>60 Libraries</td>
<td>76 Auxiliary Enterprises</td>
</tr>
<tr>
<td>61 University Extension</td>
<td>78 Student Financial Aid</td>
</tr>
<tr>
<td>62 Public Service</td>
<td></td>
</tr>
</tbody>
</table>
Old Segment: NONE
New Segment: PROGRAM

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**Program:**

- Enables roll-up reporting of transactions related to a pre-defined, formal UCOP or cross-campus program or initiative.

**Examples**

- 101 - Natural Reserve System (NRS)
- 176 - UC Observatories (UCO)
- A01 - UCSB Campus Commencement
Old Segment: PROJECT
New Segment: PROJECT

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Project Criteria:

- Externally funded by an award notification or other agreement made through the Office of Research (i.e. Sponsored Project, a policy-defined activity)
- Funding allocated to a Senate faculty member that requires dashboard level reporting and recurring transactional approval from PMs and PIs
- One of the following:
  A) Capitalizable
  B) Construction project
  C) Feasibility study managed by FM or D&CS
Project Criteria continued:

Body of work defined for a period of time during which there will be a significant number of transactions, plus one of the following:

A) Multi-fiscal year Inception-to-Date reporting required

B) Internal reporting needs are not met by referencing another CCOA segment value
Activity:

- Classifies transactions of a recurring nature, such as recurring program-related activities, recurring conferences, recharge service lines, course and material service fees, and other recurring fees.

- Departments may use generic ACTIVITY values in combination with their FRU or they may request a specific ACTIVITY value.
Campus Commitment:

- Generated by the Enterprise Performance Management (EPM) budget and planning module.
- Used by the Chancellor, EVC, Vice Chancellor areas, Divisions, Deans or multi-units to tag funds for a particular funding commitment to a different campus unit.
- Enables associated expenditures to also be made with that same value to enable reporting of unspent funds.
Putting it all Together
Common Chart of Accounts - FRU Hierarchy

The organization tree has 7 levels; may also be referred to as ‘organizational node’

Level 1 = UCSB

Level 2 = Division

Level 3 = Sub-division, college, schools

Level 4 = Sub-division, college, schools

Level 5 = Sub-division, college, schools

Level 6 = DEPT ID - Will be used as UC Path Home Dept

Level 7 = Financial Reporting Unit (FRU)
Common Chart of Accounts
FRU Hierarchy
**Scenario #1**

An employee in the Admissions department needs to purchase a new laptop; funding provided by State General Funds for their departmental operating funds:

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>1811</td>
<td>19900</td>
<td>7002008</td>
<td>523209</td>
<td>68</td>
<td>Student Services</td>
<td></td>
<td></td>
<td>Not Needed in this transaction</td>
</tr>
<tr>
<td>Always 1811</td>
<td>State General Fund</td>
<td>ADMS - Admissions: Guardian Scholars</td>
<td>Computer Equip &amp; Network &lt;$5K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Finance & Resource Management
Scenario #2

An employee in the History department needs to be reimbursed for providing snacks at a two-day faculty retreat (one-time) to discuss curriculum changes; funding provided by discretionary departmental gift funds.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Always 1811</td>
<td>62363</td>
<td>2318001</td>
<td>536501</td>
<td>Instruction</td>
<td>40</td>
<td></td>
<td></td>
<td>Not Needed in this transaction</td>
</tr>
</tbody>
</table>
Scenario #3

The Computer Science department will pay transportation, lodging, and meals for invited prospective graduate students to visit campus. Because this is an ongoing activity the department wishes to track across multiple years, an Activity Code is used when recording the expenses.

<table>
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<tbody>
<tr>
<td>Always 1811</td>
<td>10201</td>
<td>2605001</td>
<td>536001</td>
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<td></td>
<td>101001</td>
<td></td>
</tr>
<tr>
<td>Educ. Fund</td>
<td></td>
<td>Computer Science</td>
<td>Travel</td>
<td>Instruction</td>
<td>Not Needed in this transaction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prog. Activity</th>
<th>Not Needed in this transaction</th>
</tr>
</thead>
</table>

Finance & Resource Management
Scenario #4

The Earth Science Department administers the Robert Norris Brunton Award to the best students in the introductory field class. Due to the specific nature of the fund, an activity code is not needed in this case.

<table>
<thead>
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<th>Project</th>
<th>Activity</th>
<th>Campus Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1811</td>
<td>61703</td>
<td>2407001</td>
<td>530111</td>
<td>78</td>
<td>Student Financial Aid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always</td>
<td>Brunton Award</td>
<td>ERSC - Earth Science</td>
<td>Student Prizes/Awards</td>
<td>Not Needed in this transaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Summary of Changes
CCOA Structure: Summary

- **FRU Hierarchy**
  - Departments may have many DEPTIDs (home dept codes)
  - Each DEPTID may have one or more FRU’s

- **Purpose**
  - New segment, which identifies the why an expenses was incurred, rather than what was purchased.

- **Sub**
  - Will not be a segment in the Common Chart of Accounts.

- **CCOA Account**
  - Replaces the Object Code and will allow for a hierarchy of reporting with summarized categories.
CCOA Structure: Summary

• **Project**
  - Projects will be assigned by the Project and Grant Management (PGM) module if they meet specific criteria.

• **Program** and **Campus Commitment**
  - Values are used for tracking budgetary and transactional activity for consolidated reporting. Systemwide programs will be established centrally by UCOP.

• **Activity**
  - Used to track recurring activities; departments may request new Activity codes.
Next Steps & Resources
Next Steps

- Town Hall  
- Divisional Meetings (February - April)
  - Review CCOA Hierarchy and Segments
  - Focus on Department Specific Questions
- Department Review Tool
- Office Hours
- Additional Trainings (FY 2024-25)
Resources

• Previous CCOA Presentations
  • Town Hall (August 2022)
  • Workshop for Assistant Deans & Business Officers (January 2023)

• FMM Program Website: financemanagement.ucsb.edu
  • Common Chart of Accounts page

Questions: ga@bfs.ucsb.edu
Questions?