

February 14, 2024

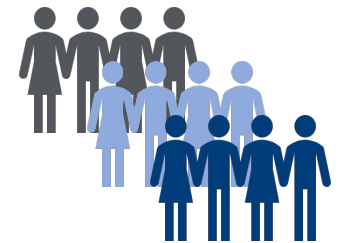
# UCSB Financial Management Modernization

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



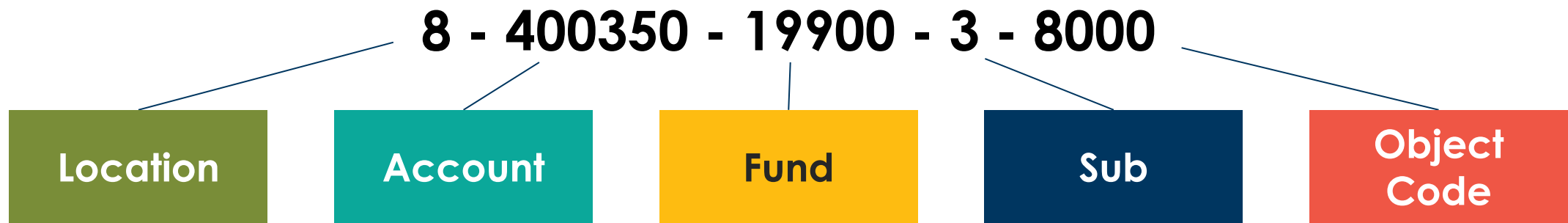
# Agenda

- Current Chart of Accounts
- New Common Chart of Accounts
- Sample Transactions
- Resources & Next Steps

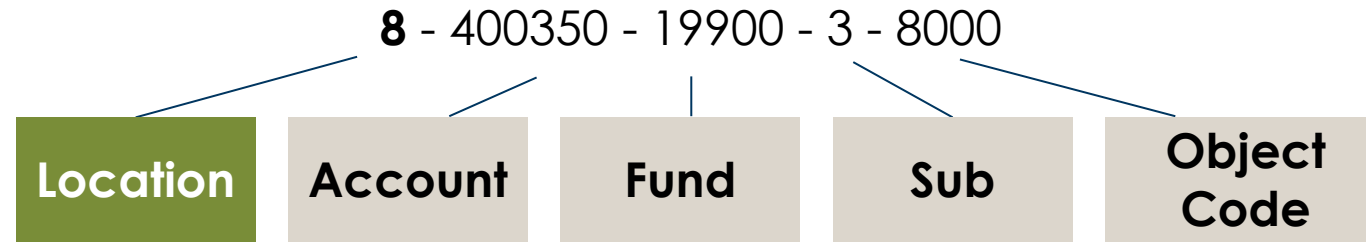
# Current Chart of Accounts

# UCSB Full Accounting Unit (FAU)

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



# UCSB Full Accounting Unit - Location



**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

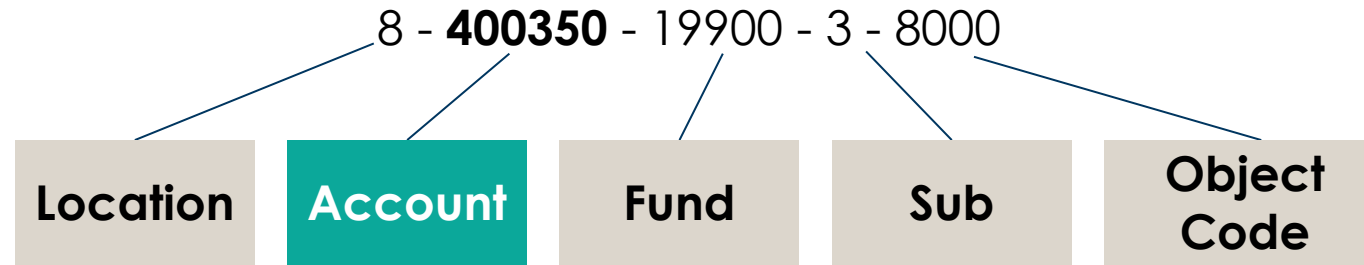
07 = Santa Cruz

**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. **40**0350)

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**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

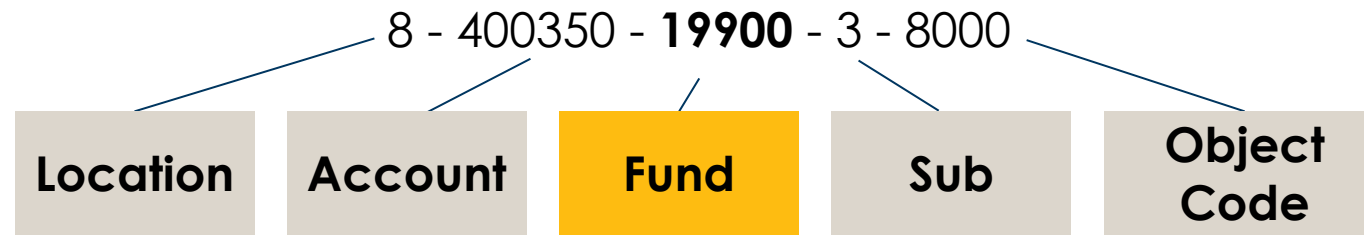
# Function Code - Current Examples at UCSB

<b>40, 61</b>	<b>Instruction</b> <i>(e.g. <u>404004</u>) Art Museum Instruction</i>
<b>43, 60</b>	<b>Academic Support</b>
<b>44-59</b>	<b>Research</b>
<b>62</b>	<b>Public Service</b>
<b>64</b>	<b>Maintenance &amp; Operation of Physical Plant</b>
<b>66, 72</b>	<b>Institutional Support</b> <i>(e.g. <u>661510</u> Bus &amp; Financial Services)</i>

<b>68</b>	<b>Student Services</b> <i>(e.g. <u>681562</u>) Campus Activities Center</i>
<b>76</b>	<b>Auxiliary Enterprises</b>
<b>78</b>	<b>Student Financial Aid</b> <i>(e.g. <u>781200</u>) Misc Student Aid</i>
<b>80</b>	<b>Non-reportable expenditures &amp; budgetary balances</b> <i>(e.g. <u>806810</u>) Assoc Students</i>
<b>90</b>	<b>Plant Funds</b>



# UCSB Full Accounting Unit - Fund



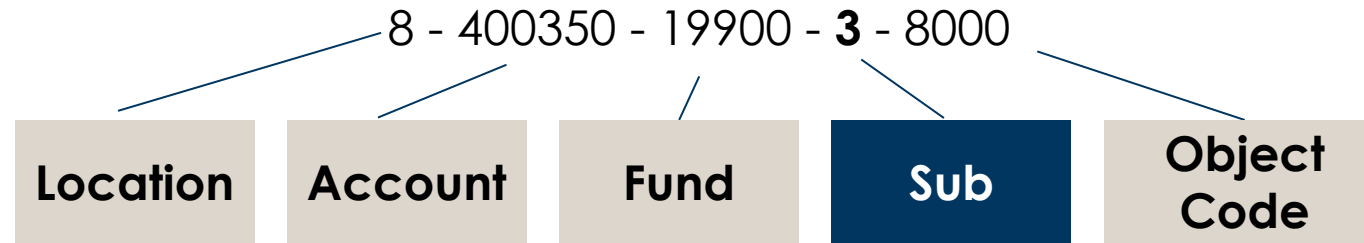
## Fund

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.<sup>1</sup>

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

[Budget Overview and Tracking: Department Perspective, College of Letters & Science, 11/19/19: slide 15](#)

# UCSB Full Accounting Unit - Sub



## Sub

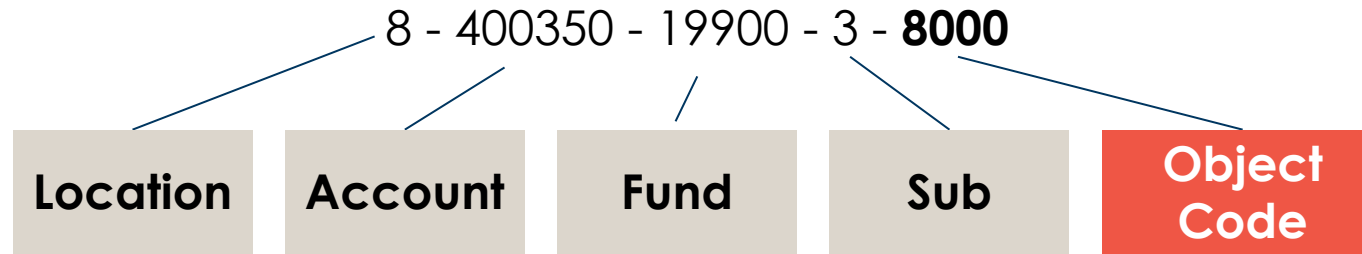
High level category used to identify the major purpose for which the funds are available or have been expended.

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

# UCSB Full Accounting Unit - Object Code

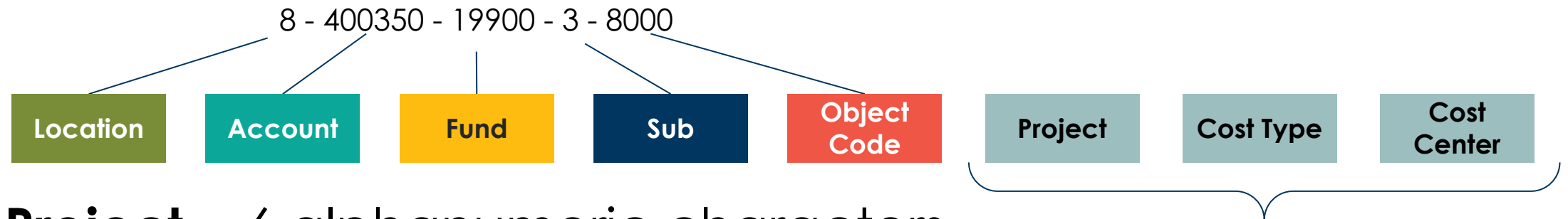


## Object Code

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

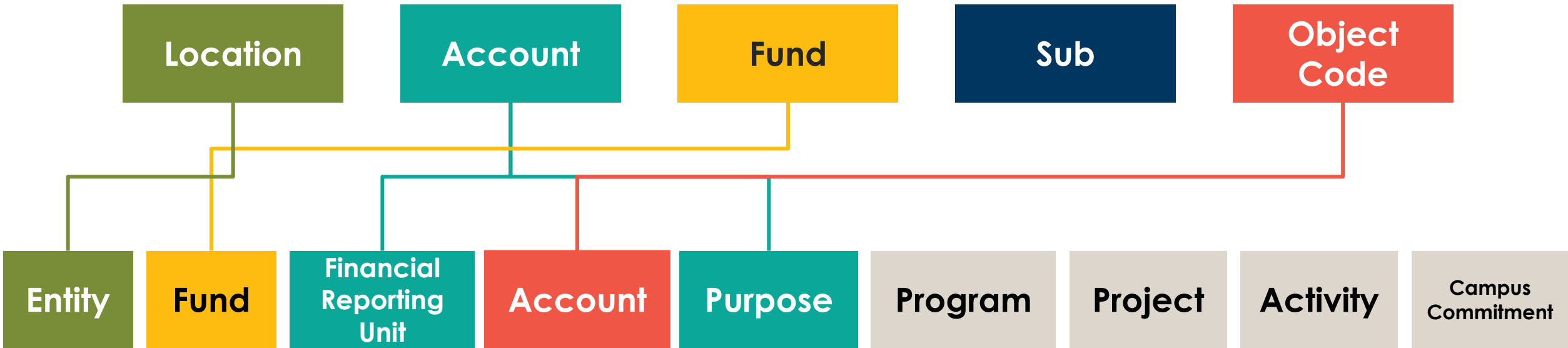
**Sufficiently capture transactional detail** at the project, departmental, college, campus, and institutional levels to support financial and budgetary analysis and management

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



## Common Chart of Accounts

# Old Segment: LOCATION

## New Segment: ENTITY

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

- 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)

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

- 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

- **1130001** - Baseball
- **2901001** - College of Creative Studies
- **2606001** - Electrical & Computer Engineering

# Old Segment: FUND

## New Segment: FUND

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

- 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

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

## 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

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

- **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

# Old Segment: OBJECT CODE

## New Segment: ACCOUNT

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

### 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

- ⊖ 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

# Old Segment: FUNCTION CODE (Part of Account #) New Segment: PURPOSE

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

## 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

# Old Segment: FUNCTION CODE (Part of Account #)

## New Segment: PURPOSE

40	Instruction	64	Operation and Maintenance of Plant
41	Summer Session	65	Depreciation
43	Academic Support	68	Student Services
44	Research	72	Institutional Support & General Administration
60	Libraries	76	Auxiliary Enterprises
61	University Extension	78	Student Financial Aid
62	Public Service		

# Old Segment: NONE

## New Segment: PROGRAM

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

### 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

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

### 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

# Old Segment: PROJECT

## New Segment: PROJECT

### 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

# Old Segment: NONE

## New Segment: ACTIVITY

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

### 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.

# OLD SEGMENT: NONE

## NEW SEGMENT: CAMPUS COMMITMENT

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	2413001	523201	40	New	From PGM	New	New

### 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

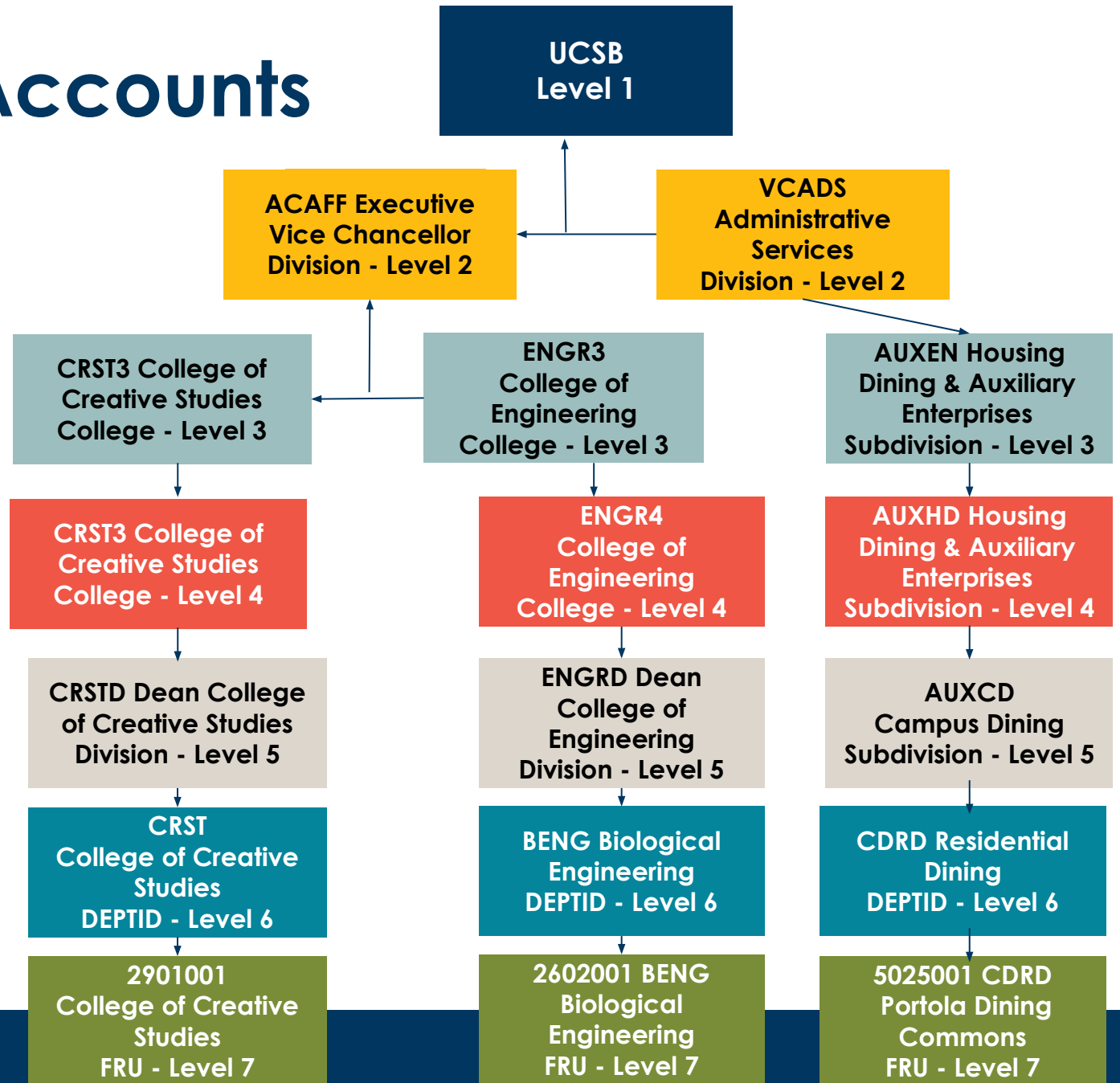
**Level 4** = Sub-division, college, schools

**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:

## Common Chart of Accounts

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	19900	7002008	523209	68				
Always 1811	State General Fund	ADMS - Admissions: Guardian Scholars	Computer Equip & Network <\$5K	Student Services	Not Needed in this transaction			



# 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.

## Common Chart of Accounts

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	62363	2318001	536501	40				
Always 1811	Various Donors	HIST - History	Business Meeting Expense	Instruction	Not Needed in this transaction			

# 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.

## Common Chart of Accounts

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	10201	2605001	536001	40			101001	
Always 1811	Educ. Fund	Computer Science	Travel	Instruction	Not Needed in this transaction		Prog. Activity	Not Needed in this transaction

# 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.

## Common Chart of Accounts

Entity	Fund	Financial Reporting Unit	Account	Purpose	Program	Project	Activity	Campus Commitment
1811	61703	2407001	530111	78				
Always 1811	Brunton Award	ERSC - Earth Science	Student Prizes/Awards	Student Financial Aid	Not Needed in this transaction			

# 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.

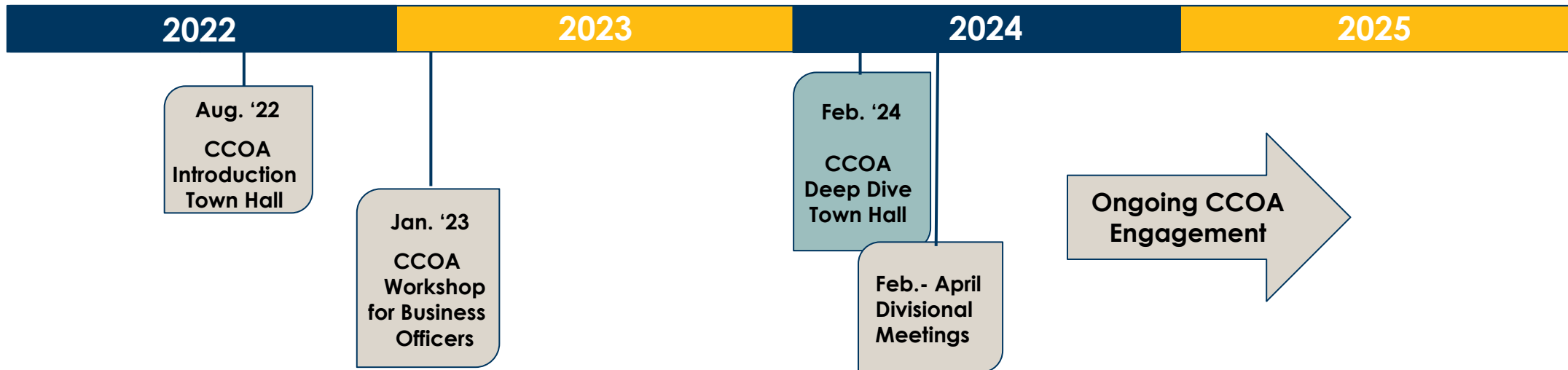
- **Activity**

- 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](https://financemanagement.ucsb.edu)
  - [Common Chart of Accounts page](#)

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# Q&A



Questions?

**UC SANTA BARBARA**