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Training Objective

• To provide a basic overview of the Fund Accounting System used by JSU

• To learn the definitions and uses of each element of a FOAPAL

• To provide a general overview of Position Control

• Describe how this information can be used in various departments/divisions
Why is accurate and timely accounting at colleges and universities important?

• To provide information that will help:
  – Evaluate the efficiency of current operations
  – Strategically plan for how we operate in the future
  – Effectively allocate and use financial resources
  – Help others evaluate the financial operations of the institution
What is fund accounting?

- Financial Resources come from a variety of sources (Funds)

- Different groups are responsible for different revenues and expenditures (Organizations)

- Each fund may only use its revenues for appropriate expenditures (Accounts)

- Revenue and expenditures must be comparable between Universities (Programs)

- Fund accounting requires unique identification and reporting for each of these categories. This identification system is detailed on the following slides.
What is a FOAP(al)?
(It is an acronym)

The Banner system’s Chart of Accounts classifies Assets, Liabilities, Revenues, Expenses and Transfers using an alpha/numeric system called a FOAPal. The components of a FOAPal are explained below:

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>O</th>
<th>A</th>
<th>P</th>
<th>A</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fund</td>
<td>Organization</td>
<td>Account</td>
<td>Program</td>
<td>Activity</td>
<td>Location</td>
</tr>
<tr>
<td>Where does the money come from?</td>
<td>6 digits</td>
<td>6 digits</td>
<td>6 digits</td>
<td>2 digits</td>
<td>6 digits</td>
<td>Not Used</td>
</tr>
<tr>
<td>Who is responsible for the money?</td>
<td></td>
<td></td>
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<tr>
<td>What kind of transaction is taking place?</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>How does this transaction compare to other universities?</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Used for tracking specific activities (optional)</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Funds = Where does the Money Come From?

- Tuition & Fees
- Gifts
- Sales & Services
- Grants
- Investment Income
Fund Details

- The F, in FOAPAL, stands for “Fund” and identifies the source of the revenue received. (the “Where?”)

- Mandatory and 6 numeric digits

- Funds are used to track revenue and expenses related to a specific source of revenue.

- Funds also track assets and liabilities, such as cash balances and accounts payable.

- Each Fund can be associated with multiple Orgs.
Definition of Major Fund Areas

• **1xxxxx Funds - Unrestricted General Funds** - Major revenue and expenses related to the University’s primary instructional mission and its support functions are recorded in these funds.

• **2xxxxx Restricted Gift and Grant Funds** - Externally funded sponsored projects that support research, instructional or public service activities related to the mission of JSU.

• **3xxxxx Funds – Unrestricted Self Supporting Funds** - Student clubs and other entities that have a funding source from student fees, Dining Services, Residence Halls, and other self-funded areas.
Restricted and Unrestricted Funds

All revenues, whether restricted or unrestricted, may only be expended according to University purchasing, approval, and financial policies and procedures.

- Unrestricted funds - Do not have external stipulations, but the University may designate these funds for specific purposes.

- Restricted Funds - External stipulations are imposed on the use of these funds by granting or contracting agencies or donors.
Organization=Who is Responsible?

• The “O” in FOAPal identifies the Organization (Org) responsible for managing the money (the “Who?”)

• Mandatory and 6 digits

• Follows a structure very similar to the University organizational chart

• One Org can be associated with many different Funds
Account=What is the Transaction For?

- The “A” in FOAPal stands for Account and tells what the transaction is for (the “What?”)
- Mandatory and 6 numeric digits

-----Account Code Categories-----

5xxxxx Revenues: Sales, tuition, student fees, service fees, grant revenue, etc.

6xxxxx -7xxxx Expenses: Salaries, fringe benefits, office supplies, travel, purchased services, etc.
Program=How Do We Compare?

• The P, in FOAPAL, stands for Program and identifies the functional purpose of the transaction using the same categories as other universities. (the “How”?)

• Mandatory and 2 numeric digits

• Program codes follow a standardized system of comparable functional categories that are required by the National Association of College and University Business Officers (NACUBO)
Program = How Do We Compare?

10-Instruction

20-Research

30-Public Service

40-Academic Support

50-Student Service

60-Institutional Support

70-Facilities

80-Scholarships

91 to 95-Auxiliaries (Housing, Stadium Dining)
Activity=Which Specific Project?

- The 2\textsuperscript{nd} “a” in FOAPal, stands for Activity and identifies a specific project or activity that a department/division needs to account for.

- Optional and 6 alpha/numeric digits.

- As Activity codes are optional, they must be very carefully and consistently entered by the Banner user to ensure that transactions are accurately reported.

- A single activity code may used by multiple funds, organizations, accounts, and or programs.
Location is NOT used

• The “l” in FOAPal, is not currently being used to track anything in the Banner system.
Position Control---What and Why?

• A position is simply a box on a departmental or divisional “org chart”

• 2 types of positions
  – Single and Pooled

• Positions are used to manage employees (faculty, staff, and students)

• 6 alpha/numeric digits.
What is a Position Control #?

- A “pc” # is a unique, 6 digit alpha/numeric number assigned to a specific position.

- A “position” is budgeted in a department/division.
  - All positions are budgeted to a FOAP.

- General Numbering Scheme --- Funding / Type of Employee
  - 0xxxxx – E&G funded
  - 1xxxxx – Auxiliary funded
  - 2xxxxx – Grant/Designated Funded
  - 6Rxxxx – Grant (release-time) Funded
  - Sxxxxx – All Student Employees (regardless of funding)
Questions and Answers