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I. CHAPTER 6 – ACCOUNT CHARTFIELD

Chapter 6 of The Guide introduces the Account ChartField. The chapter explains the different levels and categories of accounts, discusses the debit and credit convention associated with accounts, and outlines a method for determining which account to use for a particular transaction.

II. OVERVIEW

An account is a six-digit number in the Finance System that is used to identify assets, liabilities, fund balance, revenue, expenses, or transfers. All financial transactions must be classified according to one of these categories. Furthermore, in order for the university’s financial reports to be accurate, accounts must be used correctly.

A. Complete Chart of Accounts

A complete list of the accounts in the Finance System can be accessed from the Office of University Controller website. Another option is to use the Cognos m-Fin Account Tree List report (Public Folders > Finance folder > Look Ups folder) which is selected by account type—revenue, expense, etc.

B. Selected Accounts - The Quick Reference Card (QRC)

A list of selected accounts that departmental administrators are required to use—at a minimum—to classify assets, liabilities, revenues, expenses, and cash transfers can be found on the Quick Reference Card (QRC):

- Online http://www.cu.edu/controller/policies/account-quick-reference-card
- In hard-copy format from CCO. To receive a paper cardstock copy of the QRC, submit your request to Accounting@Colorado.EDU. Include your name, how many you want, and the campus box number.

The QRC does not include all accounts. As previously noted, the QRC includes only those accounts that departmental administrators are required to use at a minimum to classify assets, liabilities, revenues, expenses and cash transfers to code departmental business transactions. The QRC does not include accounts that are:

- System maintained (not available for use in departmental transactions)
- Used primarily by staff in central administrative offices such as the CCO, PBA, Bursar, Office of University Controller, Treasurer, Contracts & Grants, etc.
- User option accounts as requested by departments and approved by the Office of University Controller.
ACCOUNT CHARTFIELD

The account groups are listed in the QRC according to frequency of use.

- 400000 – 989999 Expenses
- 990000 – 999999 Cash Transfers
- 200000 – 379999 Revenues
- 380000 – 389999 Service Center IN Revenue
- 390000 – 399999 Other Interdepartmental Sales (and Related Expense Accounts)
- 000100 – 099999 Assets
- 100000 – 199899 Liabilities

All accounts are sorted into logical sub-groupings such as Office Administration, Travel, Accounts Receivable, Inventory, etc. The accounts from each sub-group listed on the QRC represent the minimum level of transaction classification required for financial reporting.

III. LEVELS OF ACCOUNTS

There are three types of accounts within the Finance System:

1. General Budget Account
2. General Account

A. General Budget Account

The general budget account has one use only: to record budget adjustments. The general budget account is used on budget journal entries (BJE) in the Finance System. No actual income or expenditure entries are permitted to be recorded in a general budget account. Examples of general budget accounts include:

- 200100 Appropriation General Budget
- 205000 Tuition General Budget
- 400000 Faculty Full Time Payroll Salary General Budget
- 460000 Operating Expense General Budget
- 700000 Travel General Budget

B. General Account

The general account provides information about the classification of a particular transaction by identifying the general source of revenue (state appropriations, tuition, auxiliary income, etc.), and the general nature of an expense (salaries, operating expense, travel), etc. General accounts are used to record actual balance sheet, income, expense, and transfer transactions. Examples of general accounts include:

- 010000 Accounts Receivable–Federal Non Letter of Credit
- 200201 State of Colorado Appropriation
- 205100 Resident Tuition Graduate
ACCOUNT CHARTFIELD

- 400100 Faculty Regular Full Time Payroll
- 480101 Office Supplies
- 700100 Employee Travel–In State
- 990100 Mandatory Transfer In–Principal

C. User Option Account
The user option account is utilized when a more specific description of a classification is desired than that which is provided by the general account. It is the responsibility of the department to request the new account and proposed description for each of its user option accounts. Care should be taken when assigning descriptions to user option accounts to make sure that the User option not only accommodates the specific needs of the department, but also remains consistent with the account description at the summary level. **Please note that approval of new account codes is discouraged unless there is a compelling business need. Requests undergo a thorough evaluation and are not automatically granted.** The assignment of the user option account must be done **prior to** using the user option account on a transaction.

Requesting a User Option Account
To request a user option account, complete the **ChartField Request: Account** form.

D. Illustration of Account Levels
The following table provides an example of the three levels of account designations—general budget account, general account, and user option account—within the expense classification of travel.

<table>
<thead>
<tr>
<th>General Budget Account: The full range of Accounts is divided into General Budget groups. General Budget Accounts are used ONLY on Budget Journal Entries.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Account</strong> provides additional information about the classification of a transaction by identifying the source of revenue and/or the nature of an expense. At the minimum, a General Account designation must be used when recording actual transactions.</td>
</tr>
<tr>
<td><strong>A User Option Account</strong> is requested by the department (by using the ChartField Workbook) when a more specific Account description is needed.</td>
</tr>
</tbody>
</table>

| 700000 | TRAVEL GENERAL BUDGET |
| 700100 - 701999 | EMPLOYEE TRAVEL |
| 700100 | EMPLOYEE TRAVEL – IN STATE |
| 700107 | TEAM TRAVEL IN STATE |

IV. DEBIT AND CREDIT CONVENTION
The Finance System is a double-entry accounting system. This means that entries of equal and opposite amounts are made to the Finance System for each
transaction. As a matter of accounting convention, these equal and opposite entries are referred to as a debit (Dr) entry and a credit (Cr) entry. For every debit that is recorded, there must be an equal amount (or sum of amounts) entered as a credit. For example, if there are debit entries which total $100, then all credit entries must total ($100).

**Note:** It is not the *number* of debit entries that needs to be the same as the *number* of credit entries. It is the *dollar amount* of the debit entries which must be equal to the *dollar amount* of the credit entries, i.e., there might be two debit entries totaling $100 and three credit entries totaling ($100). By ensuring that the debit amounts always equal the credit amounts, the Finance System remains in balance.

When processing transactions within the Finance System, debits and credits must be entered into the amount field of the task pages. This is done by using the accounting sign that will have the desired impact on the account and on the subsequent financial statements. When working in the Finance System panels, a debit entry requires no special notation. For a credit entry, place a **minus sign**, (−) *in front of* the number in the amount field, for example −$100.00.

The illustration below demonstrates the use of the debit and credit convention for an online journal entry.

The following chart lists common accounting transactions and indicates whether the associated dollar amount should normally be a debit or a credit.
V. SELECTING THE CORRECT ACCOUNT

The account selection process is illustrated in the following ways:

1. A flow chart
2. A narrative description explaining this process
3. An example presented in a case study format.
1. Flow Chart for Selecting the Correct Account

1. Identify the type of transaction. Is it a budget or an actual transaction?

2. For a budget transaction, use a General Budget Account.

3. For an actual transaction, identify the broad category that best fits the category.

4. Is the activity adequately described by a General Account?
   - Yes: Use the General Account.
   - No: Is the activity adequately described by an already-established User Option Account?
     - Yes: Use the User Option Account
     - No: Request a new User Option Account (must be a compelling business reason).

2. Narrative Explanation for Selecting the Correct Account

1. The first step in selecting the proper account for a particular situation is to determine whether the transaction being recorded is a budget transaction or an actual transaction.

2. For a budget transaction, use the general budget account associated with the activity.

3. For an actual transaction, review the classifications listed on the Quick Reference Card or on the Chart of Accounts. Identify the broad balance sheet, revenue, expense, or transfer category into which the activity best fits.
4. Check to see if the activity is identified by a general account.

5. If a more specific designation is required that that which is provided by the general account, review the user option accounts already available. Determine if one of these user option accounts appropriately describes the activity in question. If none is suitable, complete a ChartField Request: Account form to request a new user option.

3. Example of Selecting the Correct Account

A maintenance technician comes to your department to repair a specialized copy machine not under a rental contract and you need to code the expense correctly. Thus, you use the Cognos m-Fin Account Tree List report (filtered to Level 6) and then locate the section pertaining to Operating Expenses.

```
460000 - 699999 -- OPER EXPENSES (EXCLUDING COGS)
460000 - 479999 -- OPERATING EXPENSE GEN BUDGET
480000 - 482499 -- OFFICE ADMINISTRATION
482500 - 484999 -- TELECOMMUNICATIONS
485000 - 487499 -- POSTAL COSTS
487500 - 489999 -- PRINT, PUBLICATIONS&REPRODUCTN
490000 - 492499 -- MICROFORM,PHOTOGR&GRAPHICSUPPL
492500 - 494999 -- GRANTS AND SUBCONTRACTS
495000 - 497499 -- HONOR, FELLWSHP & PART. COSTS
497500 - 499999 -- MOTOR VEHICLE MAINT & SUPPLIES
500000 - 502499 -- INFORMATION TECHNOLOGY
502500 - 504999 -- RENTALS, BUILDING, SPACE, LAND
507500 - 509999 -- ADVERTISING AND PUBLICITY
510000 - 512499 -- DUES AND MEMBERSHIPS
512500 - 514999 -- SUBSCRIPT,BKS,PERIODCLS,SCORS
515000 - 517499 -- PHYSICAL PLANT MAINT & REPAIR
517500 - 519999 -- CUSTODIAL AND LAUNDRY
520000 - 522499 -- HOSPITALIZATION COSTS
522500 - 524999 -- FOOD SUPPLIES AND SERVICES
527500 - 529999 -- INSTRUCTIONAL SUPPLIES & SRVS
530000 - 532499 -- LABORATORY & TECHNICAL SHOP
532500 - 534999 -- FIELD RESEARCH EXPENSES
535000 - 537499 -- MEDICAL SUPPLIES AND SERVICES
537500 - 539999 -- EQUIPMENT - NON-CAPITAL
540000 - 542499 -- FREIGHT, MOVING AND STORAGE
542500 - 544999 -- INTEREST, ROYALTIES & PATENTS
545000 - 545499 -- INSURANCE
547500 - 549999 -- DONATIONS & COMMUNITY SUPPORT
550000 - 552499 -- OFFICIAL FUNCTIONS
552500 - 557499 -- OTHER OPERATING EXPENSES
```
After looking over the various classifications within Operating Expenses, it appears as though the categories labeled **Office Administration** (480000-482499) or **Other Operating Expense** (552500-557499) might contain an account suitable for coding this expense.

You begin by examining **Office Administration** to see if any account within this general budget suits your needs.

- 480000 - 482499 -- OFFICE ADMINISTRATION
- 480000 - 480099 -- OFFICE ADMIN GENERAL BUDGET
- 480000 -- OFFICE ADMIN GENERAL BUDGET
- 480100 - 480199 -- OFFICE SUPPLIES AND SERVICES
- 480101 -- OFFICE SUPPLIES
- 480102 -- OFFICE SERVICES
- 480103 -- OFFICE EQUIPMENT RENTAL
- 480104 -- OFFICE EQUIPMENT MAINTENANCE
- 480105 -- OFFICE CONTRACTUAL SERVICES
- 480106 -- OFFICE CONSULTING
- 480107 -- PREPRINTED FORMS
- 480108 -- BROCHURES AND PAMPHLETS
- 480109 -- BOTTLED WATER
- 480110 -- STATIONERY
- 480111 -- ENVELOPES
- 480112 -- PARKING PERMITS
- 480113 -- SHIPPING SUPPLIES
- 480114 -- STUDIO SUPPLIES
- 480115 -- CONFIDENTIAL SHREDDING
- 480116 -- PAPER
- 480117 -- TONER
- 480118 -- OFFICE SUPPLIES-TECHNICAL
- 480119 -- OFFICE PRINTING
- 480195 -- ID OFFICE SUPPLIES
- 480196 -- ID CME ADMINISTRATIVE FEE
- 480197 -- ID CME PER-PERSON FEE
- 480198 -- ID CME CONFERENCE BALANCE FEE

Although account 480104 – Office Equipment Maintenance might work, you decide to investigate the Chart of Accounts further to see if there is a more suitable account. You examine the possibilities found under General Budget account 552500 – Other Operating Expenses to determine whether any of these accounts better suit departmental needs. (Note that only a partial list under the Other Operating Supplies/Services range of accounts is reproduced below.)
This list of accounts has two additional possibilities:

- 552602 Other Operating Services
- 552604 Other Operating Equipment Maintenance

You determine that 480104 – Office Equipment Maintenance is the best choice because the copier is indeed office equipment while the other two are more general in their description.