



Finance Training 1.30

Understanding the Banner FOAPAL
Chart of Accounts System

UNC



Training Level – What you need to know

- This training is a Level 1 course for users who are just beginning to use Banner Finance or who want to know more.
- The following courses should be taken before or in conjunction with this course:
 - 1) Finance Training 1.10 – Financial Responsibilities
 - 2) Finance Training 1.20 -Accessing Banner Finance and Basic Navigation



Training Objective

- To provide a basic overview of the Fund Accounting System used by UNC.
- To learn the definitions and uses of each element of a FOAPAL
- Describe how this information can be applied to your department



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)?

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

F Fund Where did the money come from? 5 or 6 digits	O Organization Who is responsible for the money? 5 digits	A Account What kind of transaction is taking place? 5 or 6 digits	P Program How does this transaction compare to other universities? 4 digits	A Activity Used for tracking specific activities that cross funds/orgs (optional) 5 digits	L Location Not used
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Funds = Where does the Money Come From?



Tuition and
Fees



Gifts

UNC



Sales and
Services

Investment
Income



Grants





Fund Details

- The F, in EOAPAL, stands for “Fund” and identifies the source of the revenue received. (the “**Where?**”)
- Mandatory and 5 numeric digits
- Funds are used to track revenue and expenses related to a specific source of revenues.
- Funds also track assets and liabilities, such as cash balances and accounts payable.
- Each Fund can be associated with multiple Orgs.
- UNC uses over 1400 funds.
- The largest of these funds is the 10000 Unrestricted General Fund. This fund is the primary fund used by most financial managers.



Definition of Major Fund Areas

- 1xxxx Unrestricted General Funds - Major revenue and expenses related to the University's primary instructional mission and its support functions are recorded in these funds.
- 2xxxx Funds – Unrestricted Self Supporting Funds - Student clubs and other entities that have a funding source from student fees, Continuing education programs, Dining Services, Residence Halls, University Center, and Parking Services, and other self-funded areas.
- 3xxxx Restricted Gift and Grant Funds- Externally funded sponsored projects that support research, instructional or public service activities related to the mission of UNC.
- 6xxxx Funds – Capital Projects and Reserve funds. These funds generally are funded by cash transferred from unrestricted funds to be used or saved for specific purposes.
- 8xxxxx Agency Funds- These funds are used to account for non-university cash that belongs to scholarship programs or student groups. These funds do not belong to and are not under the control of UNC. These funds work very much like a checking account provided by a bank.

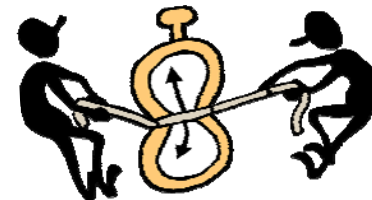


Restricted and Unrestricted Funds

All revenues, whether restricted or unrestricted, may be expended only 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.

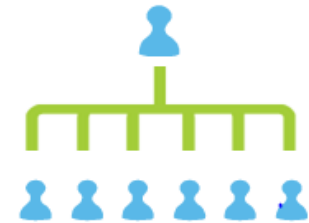
Example: Funds may have external stipulations required by donors, grantors and/or lenders. Restricted grant/gift/loan documents specify how the money can and cannot be used.





Organization = Who is Responsible?

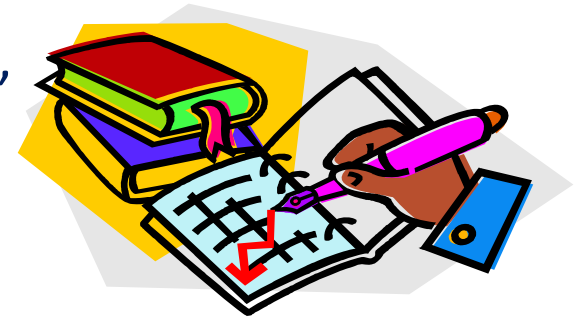
- The “O” in FOAPal identifies the Organization (Org) responsible for managing the money (the “**Who?**”)
- Mandatory and 5 or 6 alpha/numeric characters
- Follows a structure very similar to the organizational chart
- Orgs only track revenue and expenses
- Orgs do not track Cash, Accounts Receivable, Accounts Payable or any other asset or liability.
- 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 5 numeric digits
- Income Statement account codes include:
 - Revenues: Tuition, student fees, housing contract revenue, ticket sales, interest income, etc.
 - Expenses: Personnel costs, supplies, postage, travel, overhead charges, etc.
 - Transfers: Transfers in and Transfers out
- Balance sheet account codes include:
 - Assets: Cash, accounts receivable, Inventory, etc.
 - Liabilities: Accounts payable, accrued liabilities, etc.
 - Net assets: Total of assets minus liabilities, formerly called fund balance.





Account Code Categories

1xxxx Assets: Cash, Investments, Inventory, Accounts Receivable, and Loans Receivable

2xxxx Liabilities: Accounts and Notes Payable, Accruals, and Deferred Revenue

4xxxx Net Assets: Equals assets minus liabilities

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

6xxxx -7xxxx Expenses: Salaries, fringe benefits, office supplies, travel, purchased services, administrative overhead, etc.

9xxxx Transfers: A transfer occurs when cash is moved from one fund to another fund, and no exchange of goods or services is provided in exchange for the cash. Transfer transactions must be carefully reviewed by the Accounting Department.



Internal Purchases Account Codes

- Internal Purchases Account Codes are used when accounting transactions are completed between two UNC departments, generally using an EIO (Electronic Internal Order).
 - Example: The science department is purchasing a computer from Bear Logic
- There are a unique set of account codes used for these types of transactions
- The revenue(sale) account code MUST match the expense account code
- For more information on internal account codes, please visit the Financial Services website at:
<http://www.unco.edu/general-accounting/account-codes>

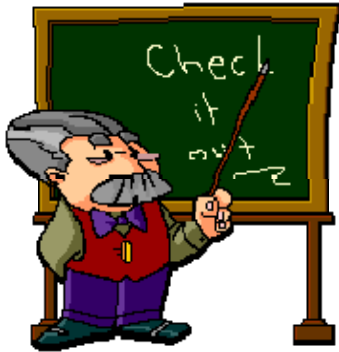


Programs = How Do We Compare?

- The P, in FOAPAL, stands for Program and identifies the functional purpose of the transaction using the same categories as other universities. (the “**How**” do we compare?)
- Mandatory and 4 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)



Programs = How Do We Compare?



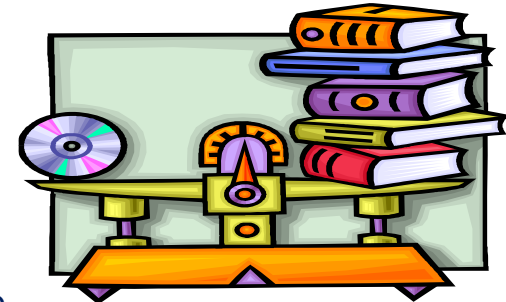
1xxx-Instruction



2xxx-Research



3xxx-Public Service



4xxx-Academic Support



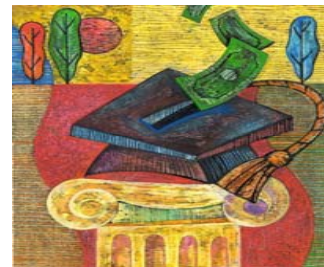
5xxx-Student Services



6xxx-Institutional Support



7xxx-Facilities



8xxx-Scholarships



91xx to 94xx-Auxiliaries
(Primarily Housing and Dining)



Activity = Which Specific Project?

- The 2nd “a” in FOAPal, stands for Activity and identifies a specific project or activity that a department needs to account for.
- Optional and 5 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.



What is a FOAP Hierarchy?

Banner Funds, Orgs, Accounts and Programs are organized in hierarchies that allow you to more easily capture and review summarized data within specific *Banner Inquiry* forms or when using the University's Insight Reporting Process.

- The lowest level of each hierarchy is the active, *data-enterable* Fund, Org, Account, or Program code into which transaction data is recorded.
- Each Data-Entry level Fund, Org, Account or Program “rolls-up” to a higher level from which summarized data can be retrieved.
- Funds, Orgs and Account Hierarchies are useful for reporting.
- Program code hierarchies are not useful at this point.
- Activity codes and Location codes do not have hierarchies within Banner.
- FOAP Hierarchy Reports can also be run directly from the Banner System.



Review a Banner FOAPal Hierarchy Report

Understanding a Banner FOAPal hierarchy reports

- A “Y” in the Data Entry Column means that transaction data can be entered into this Fund, Org, Account, Program or Activity.
- A “N” in the Data Entry field indicates that the Fund is Not Data Enterable – therefore, it is either a “Roll-Up” Fund, Org, Account or Program, or is Inactive and should NOT be used.
- An “A” means in the Status column means the Fund, Org, Account, Program or Activity is Active. An “I” means it is Inactive.
- A Fund, Org, Account, Program or Activity that is NonData enterable and Inactive cannot be used for transaction activity.
- In the example shown on the following page Funds 10100-10115 “roll-up” to fund 10099 Grant MatchFunds Multiyear.
- This means that you can review Fund 10099 and retrieve summarized financial information for funds 10100-10115 added together.



How to View the Hierarchy Reports

Run Insight to view FIN022 and choose a
Fund, Org, Account, Program or Activity report

An example of a Fund Hierarchy Report is provided on the following slide.



How to View the Fund Hierarchy Report

University of Northern Colorado									
Fund Hierarchy as of 5/23/2012									
Fund Type 1	Fund Type 2	Fund Level 1	Fund Level 2	Fund Level 3	Fund Level 4	Fund Name	Data Entry	Active/Inactive	Financial Manager Name
01 UNRESTRICTED GENERAL FUNDS									
10 State General Funds-NonExempt									
01	10	100	.	.	.	Unrestr Nt Asst-General NonExempt	N	A	
			1000	.	.	University General-Qtr Op NonExmpt	N	A	
				10001	.	University General Funds-Limited	N	A	
					10000	State Appropriated General Fund	Y	A	
			1010	.	.	University General Fnds-Multiyear	N	A	
				10099	.	Grant MatchFunds-MultiYr	N	A	
					10100	Match Clearing	Y	A	Castor, Mona L.
					10102	M32049A Archaeological SurveyII SHF	Y	A	Brunswick, Robert
					10103	M35810A SEED GU	Y	A	Edwards, Carolyn W.
					10104	M32318A Math Summer Camp MAA 5/10	Y	A	Soto-Johnson, Hortensia
					10105	M32815 Stryker Match	Y	A	Wacker, Robbyn
					10110	M36099A McNair	Y	A	Smith, Thomas A.
					10112	M36171A LTTR Masters DOED 9/30/11	Y	A	Bezyak, Jill
					10113	M36831A RSVP CNCS 06/30/11	Y	A	Pirera, Deborah J.
					10114	M32292A AIBL Small Grant EAF 7/11	Y	A	Pirera, Deborah J.
					10115	M36048A Four Corners	Y	A	Clinefelter, Joan
					10116	M36402A MRI Acquisition NSF 714	Y	A	Pirera, Deborah J.
					10117	M36208A Middle Ground	Y	A	Clinefelter, Joan
					10120	M36168A Student Supp	Y	A	Smith, Thomas A.
					10123	M36018C Upward Bound	Y	A	Graff, Jane
					10205	M35236 Colo Space Grant	Y	A	Walch, Robert A.
					10214	M36119A Grad prep SEIS DOED 9/09	Y	A	Rude, Harvey A.
					10215	M36229A TACE DOED 909	Y	A	Sabella, Scott A.
					10238	M36618A Forest Canyon Match	Y	A	Brunswick, Robert
					10247	M35472A SBDC Match	Y	A	Pickett, Richard B.
					10260	Match SFA Student JLD	Y	A	Somero, Marvin
					10270	OSP Pooled Match Funds	Y	A	Castor, Mona L.
					10295	Colo School for Public Health Match	Y	A	Wacker, Robbyn



What's Next?

- Finance Training 1.40: Banner Screens Training



Glossary of Terms

- **Account:** In Banner, the 5-digit numeric code that identifies what kind of transaction taking place. Used for Assets, Liabilities, Net Assets, Revenues, Expenses and Transfers. The first “A” and a mandatory element of the FOAPal chart of account system. (the “What?”)
 - Revenues - http://www.unco.edu/general-accounting/pdf/revenue_account_codes.pdf
 - Expenses- http://www.unco.edu/general-accounting/pdf/expense_account_codes.pdf
 - EIO Account codes- http://www.unco.edu/general-accounting/pdf/eio_account_codes.pdf
 - **Activity:** The 5-digit alpha/numeric code used to account for specific revenues and expenditures related to a specific project. The second “a” and a non-mandatory element of the FOAPal chart of account system.
- **Chart of Accounts:** The listing of each element of the FOAPAL - Funds, Orgs, Accounts, Programs and Activity codes - used by the University’s Banner Finance System. Each element has its own chart, which lists the each identifying alpha/numeric code, hierarchy rollup, and whether the element is active and/or data enterable.
- **FOAPAL:** Acronym for the elements of the University’s Banner System Chart of Accounts: Fund, Organization, Account, Program, Activity, Location. (Location is currently not used.)
- **Fund:** In Banner, the 5-digit alpha/numeric code that specifies the source of the money. The “F” and a mandatory element of the FOAPal chart of account system.



Glossary of Terms

- **Fund accounting** - An accounting system that emphasizes accountability rather profitability and is used by non-profit organizations, governments and universities. Within this financial system, a fund is a self-balancing unit, segregated for specific purposes in accordance to revenue source, as well as laws, regulations and/or special restrictions.
- **GAAP:** Generally Accepted Accounting Principles. The accounting concepts, measuring techniques, and standards of presentation used in the University's financial statements.
- **Location:** Not currently used by UNC. The "L" in the FOAPal chart of accounts system.
- **NACUBO (National Association of College & University Business Officers):** National association that provides training, develops resources and acts as a liaison for colleges and universities with regulatory bodies. Liaison activities include federal tax issues, accounting standards, etc.
- **Organization:** In Banner, the 5-digit alpha/numeric code that specifies the unit responsible for managing the money. The "O" and a mandatory element of the FOAPal chart of accounts system. Numeric only codes are data-enterable. Any codes that include an alphabetic digit are not data-enterable.
- **Program:** In Banner, the 4-digit numeric code that identifies the function being supported by the transaction. The "P" and a mandatory element of the FOAPal chart of accounts system. Programs are based on the standardized categories of expenses as defined by NACUBO (See above). Standardized Program categories used to group expenses are: Instruction, Research, Public Service, Academic Support, Student Services, Operation & Maintenance of Plant, Institutional Support, and Scholarships & Fellowships.



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Accounting Services website

<http://www.unco.edu/general-accounting>



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Budget Office website
<http://www.unco.edu/budget/>



Questions regarding any of this information or want to receive this training in person?

Training Contact:

If you would like to schedule a time to receive this training in person for an individual or group, please contact: Lacey Snyder at lacey.snyder@unco.edu or 970-351-1604.

