# Chart of Accounts Overview

## Introduction

The Chart of Accounts (COA) is the "key" to Banner Finance. It defines the accounting distribution used on all transactions processed in the Banner Finance module.

The Chart of Accounts code is a one-character, alpha/numeric field that uniquely identifies a particular chart. Banner Finance will accommodate multiple charts of accounts – each with a different chart code. It consists of seven elements that are defined as follows:

**F  O  A  P  A  L**

## Fund (Where the $$ is coming from: WPI, scholarship, etc.)

This is a one- to six-character code that identifies a self-balancing set of accounts and identifies ownership. Balance sheets and revenue/expense reports can be produced for any fund, which can be restricted (permanently or temporarily) or unrestricted. Fund codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of fund codes include Current Unrestricted Fund, Sponsored Student Loan Fund, and Fuller Architecture Program Endowment Fund.

## Organization (Who can spend the $$: ECE dept, etc.)

This is a one- to six-character code that identifies a unit of budgetary responsibility and/or departments within an institution. It is normally used to define "who" spends the money. Organization codes may be established in a hierarchy of up to eight levels for roll-up and reporting purposes. Examples of organization codes include Dean of Behavioral Sciences, School of Engineering, and Business Office. An institution's organizational chart is a good guideline in setting up these codes.

## Account (What type of $$: expense, asset, etc.)

This is a one- to six-character code that identifies objects, such as the general ledger accounts (assets, liabilities, control, fund balances) and the operating ledger accounts (income, expenditures, transfers). The account is a line item within an institution's financial structure. Account codes may be established in a hierarchy of up to four levels for roll-up and reporting purposes. Examples of account codes include Petty Cash, Accounts Payable, Fund Balance, Tuition, and Regular Full-Time Salaries.

## Program (Why function of $$: research, plant, student svcs)

This is a one- to six-character code that identifies a function and enables the institution to establish a method of classifying transactions across organizations and accounts. Examples of program codes include Instruction, Research, and Plant Operations. Most institutions follow the programs defined by the National Association of College and University Business Offices (NACUBO). Program codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of program codes include Academic Support, Student Services, and Research.

## Activity (Optional)

This is an optional one- to six-character code that is non-hierarchical and can be used to further define an object of expenditure, such as temporary units of work, subsidiary functional classifications, or short duration projects. Activity code examples are: Repair to Student Union Lobby Floor, Bookstore Van, and Computer Lab Printer Cartridge Recycling.

## Location (Optional except for Fixed Assets module)

This is an optional one- to six-character code that identifies physical locations. It is primarily used with, but not limited to, the Fixed Asset module. However, if the Banner Fixed Assets module is used by the institution, then location codes must be defined and are not optional. Location codes may be established in a hierarchy of up to five levels for roll-up and reporting purposes. Examples of location codes are Controller's Office, Athletic Department Offices, and Human Sciences Building.

# Banner Finance System Ledgers

## Introduction

In order to provide maximum flexibility and information capture, the Banner Finance System maintains these ledgers:

- General Ledger

- Operating Ledger

- Encumbrance Ledger

- Grant Ledger.

## General Ledger (GL) (Account Code <= 4999)

The General Ledger maintains information relevant to the organization's "balance sheet." **Required COA elements in the General Ledger are: COA, Fund, and Account codes.** Transaction activity includes the sum of both periodic debits and credits.

The general ledger contains only balance sheet accounts. These accounts include the following:

| | |
|---|---|
| Assets | Expenditure control |
| Liabilities | Transfer control |
| Fund balance | Budget controls |
| Fund additions | Encumbrance control |
| Fund deductions | Revenue control |

General ledger control accounts contain the total debits/credits for their respective expenditure, transfer, budget, encumbrance, and revenue transactions. Detail transaction information for control accounts is maintained in the Banner operating ledger.

- Revenue controls (budget, YTD actual for revenue account range)

- Expenditure controls (budget, YTD actual for expenditure account range)

- Transfer controls (budget, YTD actual for transfer account range)

- Encumbrance controls (OPAL reservations or commitments)

## Operating Ledger (OL) (Account Code > 5000)

The operating ledger contains transaction data for departmental operating accounts. **Required COA elements for OL are fund, organization, account, and program.** Optionally, the transactions may also include activity and/or location codes. Examples of operating ledger transactions include:

- Revenues (tuition, fees, fines)

- Expenditures (labor-related costs, supplies, services)

- Transfers (mandatory and non-mandatory).

Transactional data that is entered or maintained in the operating ledger can include budget, YTD actual, encumbrance and grant activity. Operating ledger transactions are linked to their corresponding GL control accounts.