Collin County Community College District
Business Administrative Services Procedures Manual
Section 4 – General Accounting Procedures

Revision Log:

Sub Section	Revision Date	Summary of Change

4.1   Accounting System Design

A complete chart of accounts is maintained by the District using the Banner Software system. Banner refers to the account structure as the FOAPAL (Fund, Organization, Account, Program, Activity and Location). The District currently does not use the Activity section of the FOAPAL. The Location section is only used with capital equipment. The District will refer to an account number as a FOAP.

The District uses Index Codes to auto populate various components of the FOAPAL making it easier for end users to use the correct fund and program codes.

4.2   Chart of Accounts

The chart of accounts is the identification system for the five sections of the District accounting system, which includes: assets, liabilities, fund balances, revenue and expenditures. These accounts are categorized by fund, and where applicable, organization and function.

The Banner general ledger contains District's assets, liabilities, and fund balances. The coding structure for the Banner general ledger is:

XXXXXX	XXXXXX
Fund	Account

The Banner operating ledger contains the District's revenues, expenditures and encumbrances.

XXXXXX	XXXXXX	XXXXXX	XX
Fund	Organization	Account	Program Code

A chart of accounts is located at the end of this section in the following Exhibits:

- Exhibit 4.1   Chart of Accounts – Fund Type Report
- Exhibit 4.2   Chart of Accounts – Fund Hierarchy Report
- Exhibit 4.3   Chart of Accounts – Location Codes – Organizations
- Exhibit 4.4   Chart of Accounts – Organization Hierarchy Report
- Exhibit 4.5   Chart of Accounts – Organization Listing by Org Number
- Exhibit 4.6   Chart of Accounts – Account Type Report
- Exhibit 4.7   Chart of Accounts – Account Hierarchy Report
- Exhibit 4.8   Chart of Accounts – Expense Account Detail Listing
- Exhibit 4.9   Chart of Accounts – Program Hierarchy Report
- Exhibit 4.10 Chart of Accounts – Index Code Report

4.2.1   Fund

The fund is the initial six digits of the FOAP. The fund is a fiscal and accounting entity with self-balancing set of accounts in which transactions are recorded and segregated.

The District has the following funding reporting structure:

1XXXXX	Unrestricted funds
2XXXXX	Current restricted funds
3XXXXX	Auxiliary funds
4XXXXX	Loan funds
5XXXXX	Quasi-endowment funds
8XXXXX	Agency Funds
9XXXXX	Plant funds
94XXXX	Debt issuance
99XXXX	Bank fund

4.2.2 Fund Types

Fund numbers are sorted in the system by fund type, which are not included in the visible coding structure of the chart of accounts. Fund types are two digits segregating unrestricted, restricted, agency and other funds from each other. The District has the following main fund types:

10	Unrestricted funds
20	Current restricted funds
30	Auxiliary enterprises funds
40	Loan funds
50	Quasi endowment funds
60	Endowment funds
70	Annuity and life income funds
80	Agency funds
90	Plant funds
BK	Bank funds

4.2.3 Organization

The organization (or department) is used to capture and summarize certain related revenue or expense transactions. Revenues have an organization code of "0". All departmental organization codes are six digits. The first digit of the organization code represents the following categories:

2XXXXX	Non Instructional
3XXXXX	Instructional
4XXXXX	Student Loans
7XXXXX	Grants and Contracts
8XXXXX	Auxiliary
9XXXXX	Plant

The sixth digit on departmental organization codes is used to track campus location.

XXXXX0	Central Park Campus
XXXXX2	Spring Creek Campus
XXXXX3	Distance Education Online Courses
XXXXX4	Courtyard Center
XXXXX5	Administrative

XXXXX6	Preston Ridge Campus
XXXXX7	Collin Higher Education Center
XXXXX8	Collin-Rockwall High School
XXXXX9	Collin-Allen High School

4.2.4 Predecessor Organization Code

District organization numbers are sorted by a three digit predecessor organization, which is not visible in the coding structure of the chart. The Predecessor Organization coded structure mimics the District's Organizational Chart.

4.2.5 Account Code

All account codes are six digits. Balance sheet accounts follow a typical structure of assets, liabilities, and fund balance accounts designed to accommodate the appropriate account controls and reporting. The balance sheet account structure is listed below:

1XXXXX	Assets	
	11XXXX	Cash
	12XXXX	Investments
	13XXXX	Accounts Receivables
	15XXXX	Inventory
	16XXXX	Prepaid Expenses
	17XXXX	Capital Assets
2XXXXX	Liabilities	
	21XXXX	Accounts Payable
	24XXXX	Accrued Liabilities
	25XXXX	Deferred Income
	26XXXX	Bonds Payable
	29XXXX	Other Liabilities
3XXXXX	Control Accounts	
4XXXXX	Net Assets	

A six digit account code is also used to signify various revenue and expense categories.

5XXXXX	Revenue	
	50XXXX	State Appropriations
	52XXXX	Contract and Grants
	53XXXX	Tuition and Fees
	54XXXX	Ad Valorem Taxes
	56XXXX	Investment Income
	57XXXX	Sales and Services Educational Activities
	58XXXX	Sales and Services Auxiliary
	59XXXX	Other Revenue

6XXXXX	Salaries and Wages and Benefits

	6111XX	Faculty Salaries
	6112XX	Administrative Salaries
	6113XX	Exempt Support Staff
	6114XX	Non Exempt Support Staff
	6115XX	Student Assistants
	6116XX	Grant Salaries – non payroll
	64XXXX	Benefits
	642XXX	Personnel Benefits
	643XXX	Personnel Benefits – Grants non payroll
7XXXXX	Expenditures	
	71XXXX	Contractual Services
	72XXXX	Participation – TIFs
	73XXXX	Supplies
	74XXXX	Travel
	75XXXX	Operating Expenses
	76XXXX	Utilities
	77XXXX	Capital Outlay
	78XXXX	Non Capital Outlay
	79XXXX	Debt Service
	796XXX	Financial Aid
	798XXX	Depreciation
	81XXXX	Transfers In
	82XXXX	Transfers Out
	83XXXX	Changes in Fund Balance
	90XXXX	Fund Additions
	95XXXX	Fund Deductions

4.2.6 Account Type

Account numbers are sorted in the system by account types, which are not included in the visible coding structure of the chart of accounts. Account types are two digits grouping similar accounts for query and reporting purposes. The District has the following main account types:

10	Assets
20	Liabilities
30	Control Accounts
40	Net Assets
50	Revenue
60	Personnel Costs
70	Expenditures
80	Transfers and Change in Fund Balance
90	Fund Additions
95	Fund Deductions

4.2.7 Program Codes

Program codes are two digit codes categorizing revenue and expenditures according to National Association of College and University Business Officers (NACUBO) guidelines.

00	Revenue
10	Instruction
20	Public Service
25	Academic Support
30	Student Services
35	Institutional Support
40	Operation and Maintenance of Plant
42	Employee Benefits
45	Scholarships
50	Auxiliary Enterprises
60	Depreciation
65	Capitalized Building Expenditures
70	Debt Service
75	Student Loans
80	Mandatory Transfers
85	Non Mandatory Transfers
90	Other Programs

4.2.8 Index Code

Index codes are six digits codes combining various FOAP codes. Index codes help prevent end users from using incorrect fund, organization and program code combinations.

A department's six digit Organization Code is also its six digit index code. The department's index code is set up to default fund, organization and program code. The end user is able to enter the appropriate account code.

Index codes are also used for grants and agency funds. A grant's index code is the grant's fund account with the beginning "2" replaced by a "7". The fund's index code is set up to default the fund, organization (always 700000) and program code. The end user is able to enter the appropriate account code.

An agency fund's index code is the same as its fund code. The agency index code is set up to default the fund and program code. The end user is able to enter the appropriate account code.

4.2.9 New FOAP

Access in Banner to create new FOAPs is restricted to ensure the integrity of the chart structure is maintained. New FOAP's can only be set up by the Associate VP/Controller, Associate VP/Financial Services or the Accounting IS Manager. The Grant Manager has access to set up new grant funds.

4.3   Fund and Organization Security
Banner Finance Security is set at the fund and organization level. Requests to obtain access to Banner Finance are processed by the Accounting IS Manager. A Banner User ID is granted read or write access for specific funds and organizations.   Employees must attend a orientation held by Business Administrative Services prior to access being granted to Banner Finance. Purchasing also requires the employee to attend CougarMart training.

Banner Finance security is reviewed periodically. The review entails looking at the access of each user with their respective department manager and making any necessary modifications to user access.   The Accounting IS Manager also receives notification from Human Resources of terminated employees and deletes their Banner Finance access.

4.4   Approval Queues
Banner approval queues force select completed transactions to filter through specific levels of approvers prior to posting to the ledgers. The District has established approval queues for all journal entries and budget adjustments.

All non-grant budget adjustments are routed through the "BAJ" approval queue. This queue routes all non-grant budget adjustments to the Budget Analyst for approval. The Budget Analyst is able to approve all budget adjustments except those entered by the Budget Analyst and building fund adjustments.   All building fund adjustments are approved by the Vice President of Administration/CFO. Budget adjustments entered by the Budget Analyst are approved by the Associate VP/Financial Services.

All grant budget adjustments and grant journal entries are routed through the "JVG" approval queue. This queue routes all grant budget adjustments and grant journal entries to the Grants Manager for approval. All grant budget adjustments and grant journal entries entered by the Grants Manager are approved in Banner by the Associate VP/Controller or Associate VP/Financial Services.

All non-grant journal entries are routed through the "JV" approval queue. This queue routes all non-grant journal entries to the Associate VP/Controller or Associate VP/Financial Services for approval.

4.5   Journal Entries and Feeds
Journal entries are processed in Banner to record accounting transactions, adjust budgets and encumbrances.   Banner assigns each journal entry a unique document number. Approval queues in Banner and manual procedures have been established to ensure all journal entries are reviewed and approved by someone other than the employee doing the journal entry data entry.   Electronic copies of all journal entries and supporting documentation are maintained in BDMS.

Feeds are entries posted to the Banner general ledger and operating ledger automatically from other banner systems. Current feeds include payroll transactions, student accounts receivable transactions and purchase orders. Various accountants review feed transactions for appropriateness and accuracy.

4.6 Rule Codes

Banner uses rule codes to ensure transactions are posted correctly. Most Banner forms automatically invoke specific rule class codes and the user is not prompted to provide the rule class code to be used. The exceptions to this are the Journal Voucher Entry Form (FGAJVCD), the Journal Voucher Quick Form (FGAJVCQ), the Mass Journal Voucher Form (FGAJVCM), and the Encumbrance/Reservations Maintenance Form (FGAENCB). In each of these forms, the end user must supply the rule class code (Journal Type) to be used.

Banner rule codes are composed of four key elements:

- Balance Rule controls how the journal voucher that employs this rule is to be balanced
- Edits, which control what can be entered in any given field of the journal voucher form
- Process Codes which are the actual posting instructions
- Posting modifiers where banner specifies FOPAL overrides for the posting action of the process codes

Banner comes with over four hundred rule codes provided. Access to rule code maintenance is limited to the Associate VP/Controller and Associate VP/Financial Services. Exhibit 4.11 contains a list of Banner rule codes.

4.7 Account Reconciliations

Each balance sheet account should be reconciled monthly by the Accountants to ensure postings are correct and adjustments have been properly processed. All differences and balances should be investigated and any issues resolved in a timely basis. An account will not be considered reconciled until all material differences and/or items contributing to the account balance are identified. Reconciliations will be completed by the end of the month (after month end closing) and given to the appropriate Associate VP to review and approve.

A master checklist is maintained showing each account and which employee has been assigned to perform and review the account reconciliation.

Some common screens to review banner transactions include the following screens:
- FGIBDST – Organization Budget Status
- FGITBAL – General Ledger Trial Balance
- FOIDOCH – Document History
- FGIENCD – Detail Encumbrance Activity

4.8 Month Close

The current month in Banner is typically closed the fifth to seventh working day of the next month. All financial transaction must be posted before the month is closed. Access in Banner to close a month is limited to the Associate VPs. Following each month end close (10th of each month) Banner reports are distributed electronically to all Organization

Managers for review. Transactions are posted to the month based on the transaction date and cannot be posted to a closed month.

4.9   Year Close

The current year in Banner is typically closed the fifteenth to twentieth day of September. All financial transactions must be posted before the year is closed. Closing the month of August automatically opens up the accrual period (period 14) in Banner. Any additional journal entries or audit adjustments must be made to the accrual period. Once the CAFR has been approved by the Board of Trustees the accrual period is closed in Banner. Banner allows the new year and old year to remain open simultaneously. Transactions dates determine which fiscal year the entry is posted.