

Date: October 13, 2020

From: Financial Services, Purchasing and the Budget Office

As a guideline to understanding and using our account codes properly in accounting for expenses, we offer this set of definitions for your use. For all future purchases/expense coding, please use these account definitions to assist in clarifying policy, assuring consistency in reporting and comparative data for future analysis. (See appendix A for definitions of All chart fields.)

The following account definitions are not comprehensive and do not include all account codes, but instead, address frequently used account codes to provide clarification for usage when submitting expenses.

If you have a specific question not discussed below, please contact us for guidance in determining most appropriate. We can be reached via email at [financialservices@chapman.edu](mailto:financialservices@chapman.edu), [accountspayable@chapman.edu](mailto:accountspayable@chapman.edu), [purchasing@chapman.edu](mailto:purchasing@chapman.edu), or [budgetofficestaff@chapman.edu](mailto:budgetofficestaff@chapman.edu).

### **Account Definitions – Effective FY 20-21**

#### **Budget Category 5100 – Professional Services**

- 510005 – Professional Services, Contract Labor and Photography –
  - Only for services rendered to be 1099 and CA Code ABA 5 eligible and all expenses must include the independent contractor checklist on submitted invoices.
  - Contract or professional consultants.
  - Photography – payment for photographers and creative services, not prints.
    - **NOTE:** the following should not be charged to Professional Services, 510005:
      - ✓ Legal services contracts should be charged to 510020.
      - ✓ Installation labor should be charged to fixed assets when purchasing installation of a fixed asset.
      - ✓ Agencies providing tangible goods should be charged to the appropriate account for said goods. Examples include ad design, 525010; flyers, posters, handouts, 517035; catalogs & brochures, 525015.
      - ✓ All photocopies / photographic print materials should post to 517035.
      - ✓ Agency or internal temps replacing an open staff/admin position, discuss with Human Resources.
- 510055 – Designated Prizes. *Closing this account effective June 1; use 510035 – Fellowships/Awards*

## **Budget Category 5170 – Supplies, Printing & Postage**

- 517005 – Supplies
  - Instructional supplies, toner, bindery, testing, books (including instructor desk copies), misc. instructor supplies, etc.
  - Computer related equipment under \$250 per item should be charged here (examples: replacement keyboards, mouse replacement, privacy screens, etc.). See policy / definitions for expendable equipment (fixed assets – under \$1,000), refer to page 4 below.
  - Non-hazardous supplies for sciences – beakers, lab supplies.
    - **NOTE:** For hazardous materials and chemicals - *use 517100.*
  - Chairs should not be expensed to supplies - *use 560010.*
    - **NOTE:** Assets should not be charged here.
- 517020 – Fee supported supplies
  - Student related course materials for which a fee is collected
    - **NOTE:** If program is entirely fee funded, post expense to appropriate accounts (supplies, professional services, etc.). Each department should check their budget by program before coding to 517020.
- 517025 – Software-Licensing-Warranty – *moved to category 5270, see 5270 section for definition.*
- 517075 – Postage and Shipping costs – includes all carriers: USPS, UPS, Fed Ex, etc.
- 517100 – Supplies Hazardous Materials – Hazardous supplies, materials and chemicals.
  - **NOTE:** *if an MSDS fact sheet accompanies any of these expenditures, they should be approved prior to purchase.*
- 517110 – Supplies/Svcs – Clinical Fees – *Closed this account effective June 1; use 517005.*
- 517125 – Supplies – PPE – New this year solely for personal protective equipment for students, staff and faculty.

## **Budget Category 5200 – Travel and Services**

- 520030 – Travel Admin & Other – For use by staff, admin, deans, students and external visitors.
  - For travel for CU business purposes only. This includes alumni meetings, all airfare, hotel, conference registration mileage and per diem, associated outside visitor expense, including search candidates, courtesy appointments and any others coming to campus.
    - **NOTE:** For Faculty Travel – *see 520050 below.*
- 520045 – Meals for Meetings & Training
  - Includes food for meetings and training sessions.
    - **NOTE:** Incidental office supplies – such as water (bottled or Sparkletts), *use 517005.*
  - Campus Dining – This account is to be used for on-campus dining (Sodexo charges), event dining, etc. as well as hosting off campus meetings and events, including faculty retreats.
- 520050 – Faculty travel – For faculty use including Department Chairs
  - For travel to present research papers, conference presentations, including airfare, mileage, hotel & registration fees for conferences (local, national and/or foreign travel).
    - **NOTE:** For Faculty traveling for other admin duties – *see Other Travel - 520030 above.*

- 520080 – Dues & Memberships – For annual dues or fees.
  - Accreditation – Several areas have a unique department or program for accreditation expenses. For those dues where a specific department or program is not in use, use this account in the most appropriate program for which the dues relate.
  - Digital & print subscriptions and association memberships (ex. annual subscriptions to newspapers, magazines like Chronicle for Higher Education, annual membership dues, etc.)
    - **NOTE:** registration fees for conferences, *use 520030 – Travel – Admin and Other*
  - Fees for business related licenses, annuities and other charitable costs
    - **NOTE:** This account is intended for non-building or facility related fees.
- 520085 – Royalties – *Closing this account effective June 1; going forward use 510005*
- 520125 – Research Publication Submissions – use for the fees associated by academics submitting research articles for publication.

### **Budget Category 5250 – Promotion and Advertising**

- 525000 – Promotional Items – All giveaways and materials for outreach, including Chapman branded giveaways: internal, recruitment and other external outreach.
- 525005 – Advertising – Media – marketing lists and materials for the University, academic programs, and school recognition, including social networks.
  - For employment recruiting advertising, *use 520105 – Employee Recruitment Ad & Travel*
- 525010 – Ad Design & Production – Paying a company or consultant to create a design and online advertising, such as agency fees, news distribution services, and media outreach.
- 525015 – Catalog & Collateral Printing – Viewbooks, catalogs and fact guides - output from design, including online formats, first look, posters and those costs in production thereof.
- 525020 – Promotional Items – *Closing this account effective June 1, consolidating with 525000*
- 525025 – Table/Sponsorships –
  - Purchasing of tables for events to promote Chapman University
  - Sponsoring of events to promote Chapman University
  - Requires special approval by senior staff

### **Budget Category 5270 – IT Contracts/Software and Telecom**

- 517025 – Software-Licensing-Warranty – *moved from category 5170*
  - Examples for department reference:
    - ✓ All small software purchases (Visio, Adobe Acrobat full version, etc.)
    - ✓ Annual subscriptions for hosted sites & license agreements, including Amazon Prime.
    - ✓ Electronic subscriptions and databases, other than Library
    - ✓ Computer and software warranties
    - ✓ Electronic storage such as Apple, Google or Dropbox
- 527025 – Telecom Department Charges –
  - All telecom departmental phone charges should be charged to this account including line charges, departmental charges and phone wiring charges.
  - Long distance charges/reimbursements for cell phone usage/roaming charges.
- 527040 – Telecom Networking and Data Plans –
  - For data plans – iPad, iPhone (ex. Verizon/AT&T/Hotspot charges), wifi
  - Networking costs

- 527045 - Telecom Usage Charges – *Closed account effective June 1, for the following use:*
  - 527025 for phone charges
  - 527040 for data plan charges
  - 517025 for data storage such as Apple, Google or Dropbox cloud storage
- 527065 – Hardware Contracts – For IS&T use only - Campus-wide licensing for major hardware.
  - Hardware warranties & maintenance contracts (i.e. servers and copiers).
- 527070 - Svc contracts/annual maintenance – For IS&T use only - Campus-wide licensing for major software
  - Ex. PeopleSoft, Blackboard – LMS, Panther Analytics, Concur, Microsoft licensing agreements

### **Budget Category 5300 – Facilities & Maintenance**

- 530015 – Service Contracts – Facilities & Maintenance (F&M) –
  - Maintenance agreements on facilities and building equipment
    - **NOTE:** the following should not be charged to Service Contracts F&M:
      - ✓ Warranties such as AppleCare and other computer warranties, *use account 517025.*
- 530030 – Utilities –
  - All utilities, including cable and satellite services.
    - **NOTE:** not to include cell phone service, *use 527025* or data plans, *use 527040*
- 530060 – Licenses and Permits -
  - DMV fees, building and other facility permits
- 560020 – Expendable Projects - *moved in reporting structure from category 5600*
  - Small building related project expenses only that are not fixed assets

### **Budget Category 5600 – Equipment and Projects**

- All expenses under \$250 per item should post to supplies, 517005
- 560005 – Machinery & Equipment. *Closed account effective June 1; going forward use 560010.*
- 560010 – Expendable Furniture and Equipment
  - For purchases above \$250 but under \$1,000 of furniture, educational equipment and other office machinery/equipment.
- 560015 – Expendable Computers and Equipment
  - For purchases above \$250 but under \$1,000 for IS&T technology and equipment. This should not include software; for department software, *use 517025.*
- 560020 Expendable Projects – *moved to category 5300, see 5300 section for definition.*

With regards to our Fixed Asset purchasing policy (all purchases over \$1,000), review the following:

With advance approvals, fixed asset purchases may be made with operating budget.

- 560100 – Fixed Asset Transfers
  - Startup costs - new programs should use Capital budgets *and will be announced to those who have them.*
- 560105 – Fixed Asset IS&T transfers - to be used for entering requisitions and purchase orders for all technology purchases. Unless otherwise approved prior to purchase, use the above accounts.

**These transfer accounts should include costs for Labor and installation as part of the fixed asset purchase (tax, freight, installation). These are capitalized costs of purchasing the equipment.**

- **NOTE:** do not include warranty items in this category; *they should post to 517025.*
- **NOTE:** When in doubt of which account to use, contact Financial Services, Fixed Assets group.

### **Budget Category 5800 – Library Acquisitions**

- **Accounts within this category are for Campus Libraries Use only for classifying their materials.**

### **Prepaid Expenses, Insurance and Deposits**

Accounts listed below are also mentioned in the Purchase Requisition and Voucher training materials and can be found on the PeopleSoft Training websites.

<https://www.chapman.edu/campus-services/campus-controller/financial-services/training/index.aspx>

- 140200 – Prepaid Insurance and Taxes – use for policies and tax payments for future months in the current fiscal year.
- 140205 – Prepaid Insurance and Taxes – Future Year – use for policies and tax payments for expense in the future fiscal year.
- 140210 – Future Year Prepaid – use for expenses contracted into the next fiscal year. Expenses in future year or current year less than \$10,000 will not be allocated on a monthly basis but expensed at the time of payment in the year applicable. Cost sharing between department/programs less than \$10,000 in each area for the future fiscal year will be expensed at the first of the year as the future year expense becomes current.
  - Prepaid expenses future year \$1,000 and over will continue to use Future Year Prepaid.
- 140220 – Current Year Prepaid – use for term-based expenses (services contracts, etc.) for all expenses greater than \$10,000 in a single purchase to be expensed over the balance of the year. Expenses in either future year or current year less than \$10,000 will be expensed in the year applicable. Cost sharing between department/programs less than \$10,000 in each area will be expensed in the first month of the term, not over the balance of the year.
- 140300 – Deposits Current Year – use for deposits for events and offsite conferences hosted by Chapman University or other refundable items within the current fiscal year.
- 140310 – Deposits Future Year – use for deposits for events and offsite conferences hosted by Chapman University or other refundable items for expense in a future fiscal year.

## Appendix A

Chartfields represent the organizational structure and definitions for the activities within the university and facilitate reporting them.

- Funds classify the type of activities across campus lines, (ex. Fund 100 – Operations, Fund 160 – Grants, and Fund 180 – Designated/other Gift funds.)
- Departments and their related Programs are the organizational units assigned to division, College or School.
- Programs are organizational units related to Departments. Programs can group revenue and expenses by the type of functional activity.
- Officers, Divisions and Subdivisions are used to consolidate data for financial reporting.
  - Workflow approvers are assigned at the Subdivision level.
- Projects are used for individual research grants or capital projects – long term (over 1 year)
- Operating Units are used for individual endowments with specific donor designations.
- Accounts are the natural classification for the expenditures within the organizational units (ex. supplies, consulting or wages.)

### Budgets

- Budgets in Fund 100 – Operation budgets are tracked at the program level, monthly to allow the greatest flexibility in tracking and reporting. (One Fund 100 department may have multiple programs related to a single budget.) These budgets do NOT rollover.
  - Budgets are checked at the department level for non-compensation expenditures.
- Budgets in Fund 105 – Annual Capital are tracked at the program level annually to allow the greatest flexibility in reporting. These budgets do NOT rollover.
  - Budgets are checked at the department level.
- Budgets in Fund 106 – COVID – 19 – A fund for tracking special expenditures related to the CU Safely Back Task Forces and tracked at program level.
  - Budgets are checked at the department level.
- Budgets in Funds 160 & 560 - Grants, and in Funds 170 & 570 – Capital Projects are tracked at the project level and roll over year to year until funds expended or project is closed.
  - Budgets are checked at the project level.
- Budgets in all other Non-Operating funds are restricted by designation and are tracked at the program level and roll over until funds are expended or program is closed.
  - Budgets are checked at the program level.