

General Accounting Structure

The University conforms to the [Governmental Accounting Standards Board \(GASB\)](#) guidelines of generally accepted accounting principles and practices, as well as applicable [Financial Accounting Standards Board \(FASB\)](#) principles and practices. Our financial statements focus on the results of operations and cash flows of the University as a whole. The institutional fiscal year is July 1 to June 30. In mid-July, the institution is required to report our financial outcome (i.e. closing numbers) to the [General Accounting Division \(GAD\)](#), State of Maryland. This submission is the formal external presentation of institutional revenues and expenditures for the fiscal year which has just concluded. Following this submission, the Office of the Comptroller prepares the fiscal year financial statements for review by the USM. These financial statements, under the direction of the USM, are subject to an audit by an external certified public accounting firm. The financial statement audits for all institutions are to the Board of Regents and made available to the institutions.

The University utilizes the principles of fund accounting. Fund accounting is the method of classifying resources into categories to identify the source and use of the funds. Each fund is self-balancing and has separate assets, liabilities and a fund balance. Fund accounting assist in budget control; providing information to allow finance managers to keep expenditures within allocation and demonstrate compliance with funding sources. Currently, the University utilizes current, plant, loan and agency funds.

Current Funds are the revenues and related expenditures for performing the Institution's primary goals and objectives. These will be used for such purposes as general operations and support of instruction (4010), self-support (4020), fee support (4022), auxiliary enterprises (4031) and research and financial aid (43xx). Current funds are classified as being either unrestricted or restricted.

Unrestricted Funds do not have external restrictions with regard to their use, and are for general operations of the institution. Fund balances of unrestricted current funds are classified on a financial statement as unrestricted net assets.

Restricted Funds are from external sources, such as donors or external granting agencies, and are restricted for specific purposes. Fund balances of restricted current funds represent net assets held for specified operating activities that have not yet been used and are classified on the financial statement as temporarily restricted net assets.

Plant Funds

Plant funds are the revenues and related expenditures used to record the institution's investment in property, plant and equipment, and resources to fund capital projects and acquire long-term assets. Plant fund consists of four classifications: unexpended plant funds, funds for renewal and replacement, funds for the retirement of indebtedness and investment in plant. Unexpended plant and renewal and replacement fund balances represent net assets which have not yet been used to acquire, renew, or replace property, plant and equipment. Funds for retirement of indebtedness represent net assets held to service debt related to the acquisition or construction of property, plant

and equipment. Investment in plant fund balances represents equity in property and equipment.

Loan Funds

Loan funds are revenues and related expenses used to manage the accounting for Perkins and Direct Loans. These loans are awarded by the Financial Aid Office based on Federal Financial Aid Guidelines. Fund balances of loan funds represent both net assets available for Perkins Loan lending and Direct Loans applied to student accounts and not yet reimbursed to the institution.

Agency Funds

Agency funds are revenues and related expenses held by the institution for an outside group who has a close relationship with the University. These funds do not belong to the institution and are consolidated as payables on the institutional financial statements.

Chart of Account structure

To accurately track revenues and expenditures; it is necessary to break down where these transactions should be posted to in the General Ledger. PeopleSoft uses a chart of accounts to do this. The chart of accounts comprises the information fields which provide the basic structure to segregate and categorize accounting transactions. Our [chart of accounts](#) is comprised of the account, departments, program, fund and project information fields.

Account - defines the specific category of revenue or expenditure. In PeopleSoft, each account is a unique six-digit numeric string. Operating budget requests are submitted at the account level. Associated accounts may be grouped at a summary level on reports. Accounts may be combined. For example, Pay1 combines all types of regular payroll wages and FB1 combines all fringe benefits for regular pay. The numbering is tied to an alternative account structure used by the GAD. The first digit indicates the type of account:

- 1 is used for Asset accounts (used only by the Office of the Comptroller);
- 2 is used for Liabilities (used only by the Office of the Comptroller);
- 3 is used for Fund Balance accounts (used only by the Office of the Comptroller);
- 4 is used for Revenue;
- 5 is used for Payroll Expenses;
- 6 is used for Non-Payroll Expenses.

Department – defines the institutional department or cost center where the accounting transaction occurs. In PeopleSoft, each department has a unique seven-digit numeric string.

Fund – defines the originating source of the revenue and expenditures; in PeopleSoft, this is a unique four digit numeric string. Fund also allows the proper tracking of cash balances from the inception of a department. All State Support departments are in one fund. The fund allows Self-Support, Auxiliary Enterprises, Plant and Agency departments to track cumulative cash balances. Departments which are not State Support can carry over their remaining funds

or net income (revenue minus expenses) at the end of the fiscal year. Net income or reserve balances are not available for use without the prior approval of the Senior Vice President for Administration and Finance. Request to use reserve balances should be included in a department's budget request.

Program – defines into broader category the function or purpose behind the accounting transaction. These categories as defined by [NACUBO](#) are instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, scholarship/fellowship, depreciation, auxiliary, hospitals and independent operations. Public service, depreciation, hospital and independent operation categories are not currently utilized at UB. In PeopleSoft, this is a unique three-digit numeric string. External budget request require reporting by these categories.

Instruction – includes expenses for all activities which are part of an institution's academic program – faculty salaries, adjunct faculty costs, administrative support for academic departments and operating expenses directly linked to the faculty. .

- 011 – winterim
- 012 – spring
- 013 – summer
- 014 – fall
- 015 – other

Research – includes all expenses for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by a units within the institution.

- 021 – Centers & Institutes
- 022 – Individuals & Projects

Public Sector (not used at UB)

- 031 Community
- 032 Cooperative Education
- 033 Public Broadcast

Academic Support – includes expenses incurred to provide support services for the institution's primary mission – instruction. This includes the retention, preservation and display of educational materials, the provisions of services which directly assist the academic functions of the institution; academic administration and personnel development providing administrative support.

- 041 Libraries
- 042 Academic Computing Support
- 043 Academic Support administration
- 044 Other Academic Support
- 045 USM service center – Academic

Student Services – include expenses incurred for admissions, registrar and other activities with the primary purpose of contributing to students’ emotional and physical well-being, intellectual, cultural and social development outside the content of the formal instruction program.

- 050 Student Services

Institutional Support – include expenses for central executive-level activities concerned with management and long-range planning for the entire institution, planning, programming, legal services, fiscal operations, employee personnel and records, administrative systems, space management, procurement, safety & security and services to faculty and staff that are not operated as auxiliary enterprises and activities concerned with community and alumni relations and fund-raising.

- 061 Institutional Support Administration
- 062 Administrative Computing Support
- 063 USMSC – Academic

Operation/Maintenance of Plant – include expenses for physical plant administration, building maintenance, housekeeping, grounds, major repairs and renovations.

- 070 Operation & Maintenance – Plant

Auxiliary Enterprise – exists to furnish goods or services to students, faculty and staff and charge a fee directly related to, although not necessarily equal to, the cost of the goods and services. The distinguishing characteristic of an auxiliary enterprise is that it is managed as a self-supporting activity.

- 080 Auxiliary – Winterim
- 081 Auxiliary – Spring
- 082 Auxiliary – Summer
- 083 Auxiliary – Fall
- 084 Auxiliary – other

Scholarship/Fellowship – Student awards, made from contributed funds or grant funds, which are under the control of the institution (and where the institution decides who gets the award) and result in allowances in tuition or fees or auxiliary enterprises charges, are treated as reduction from tuition or revenue. Student awards from grant funds which are not made to specific students (and not determined by the institution) are considered agency transactions and do not result in either revenues or expenses.

- 171 Scholarship
- 172 Fellowship

Undistributed Income

- 370 Undistributed income

University of Baltimore
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Loan Funds

- 410 Loan funds

Agency Funds

- 420 Agency funds

Plant Funds

- 440 Plant fund

Project – defines externally funded cost centers assigned to a department for a specific grant, project or sponsored activity. In PeopleSoft, this is a unique seven-digit numeric string.

Each information field is a chartfield; which when combined becomes a chartfield string. The chartfield defines, identifies, categorizes and sorts accounting transactions. The first six-digits of the chartfield string represent the account and the last four-digits are the fund. For grants or sponsored activities, the project numbers are the final seven-digits of the chartfield string.

Unrestricted budgets are at a department, program, fund and account level. Restricted budgets are at department, project, program, fund and account summary level.