

**ACCOUNTING STRING**

**TABLE OF CONTENTS - CHAPTER 5**

Purpose.....1  
Structure.....1  
Accounting String.....1  
Fund .....2  
Organization.....2  
Account.....2  
Program.....4

**ACCOUNTING STRING**

## I. PURPOSE OF CHAPTER 5

The purpose of this chapter of *The Guide* is to provide information about the coding structure that constitutes the Chart of Accounts for the Adams State College as utilized by the Banner Finance System.

## II. STRUCTURE

The financial system coding structure for the Adams State College is made up of four blocks of information. These fields can be joined together in various combinations to tell the Finance System where to record a transaction. The entire structure is as follows:

1. Fund
2. Organization
3. Account
4. Program

### A. ACCOUNTING STRING

The ACCOUNTING STRING, which is made up of Fund, Organization, Account, and Program serves as the central element of the Finance System coding. This combination describes a functional unit that has been established for a specific purpose within the college. Each ACCOUNTING STRING has a designated individual who holds responsibility for overseeing the transaction activity and financial health of the ACCOUNTING STRING.

ACCOUNTING STRINGS are used to maintain the financial records of a unit or activity within the college.

The ACCOUNTING STRING is typically a 15 to 16 digit number that includes a four digit fund code, a three to six digit organization code, a four digit account code, and a four digit program code.

The ACCOUNTING STRING describes either:

- What type of money (Fund) is being **received** by whom (Org) on what type of activity (Program)? *or*,
- What type of money (Fund) is being **spent** by whom (Org) on what type of activity (Program)?

**ACCOUNTING STRING**

***B. Fund: 4 Digits, Required, Input By User***

The Fund contains values that broadly classify types of funding. This identifies the type of money being received or the type of money being spent. Using the Fund within a ACCOUNTING STRING is mandatory.

**1. Fund**

A Fund is a self-balancing set of records that includes assets, liabilities, revenue, expense, and fund balance.

**2. Fund Type**

A Fund Type is a collection of funds that have a common purpose. The Fund Group is used to identify a general classification of resources. ASC uses the following Fund Groups in its Finance System.

- 1100 – Unrestricted – General Fund
- 3xxx – Auxiliary Fund
- 2xxx – Restricted Fund – Sponsored Programs
- 4xxx – Loan Fund
- 91xx – Unexpended Plant Fund – Capital Construction Exempt
- 93xx – Unexpended Plant Fund – Renewal & Replacement Exempt
- 95xx – Retirement of Indebtedness Plant Fund Exempt
- 97xx – Invested in Plant Fund
- 8xxx – Agency Fund
- 3999 – Presentation Fund – GASB 34-35 Reporting

***C. Organization: 3 to 6 Digits, Required, Input by User***

The Organization identifies the entity (campus, school, department, etc.) receiving or spending the funds.

Use of the Organization is mandatory in the Finance System.

The Finance System permits the use of a hierarchy of different levels when working with organizations. For example, some departments may choose to run all of their operations from one organization, while other departments may choose to break down their overall operations into smaller segments that reflect responsibility units within the larger organization.

***D. Account: 4 Digits, Required, Input By User***

The Account describes the activity that is being done by identifying the natural classification of the transaction: Asset, Liability, Fund Balance/Net Assets, Revenue, Expense, or Transfer. All financial transactions must be

**ACCOUNTING STRING**

designated by one of these categories. The use of the Account is mandatory. A list that describes frequently used accounts follows:

**1. Asset**

An Asset is tangible or intangible personal and real property such as cash, investments, inventory, accounts receivable, loans receivable, prepaid expenses, equipment, building, etc. Assets are found on the balance sheet.

**2. Liability**

A Liability is an amount owed to an external entity. Liabilities are found on the balance sheet.

**3. Fund Balance/Net Assets**

Fund Balance/Net Assets equals Assets minus Liabilities or  $A - L = FB$ . Fund Balance/Net Assets is found on the Balance Sheet/Statement of Net Assets.

**4. Revenue**

Revenue results from the sale of goods or the rendering of services. It is measured by the charge made to customers for the goods or services furnished to them. ASC records revenue when it is earned—that is when the goods or services have been furnished—regardless of when the payment is actually received from the customer.

**5. Expenditure**

Expenditure is an accounting entry that recognizes the consumption of assets. Salaries, fringe benefits, office supplies, travel, depreciation, etc. are examples of expenses. CU-Boulder recognizes expense at the time the goods or services have been received, regardless of when the actual payment is made.

**6. Transfer**

A transfer occurs when cash is moved from one ACCOUNTING STRINGS to another ACCOUNTING STRINGS, and no exchange of goods or services is provided in exchange for the cash.

It is critical that both the fund giving away the money as well as the fund receiving the money use a transfer code. Transfers must offset one another. Refer to Chapter 4 of *The Guide* for information about which fund-pairs are permitted to transfer cash and fund balance between one another, and which fund-pairs are prohibited from doing so.

**ACCOUNTING STRING**

***E. Program: 4 Digits, Required, Input by User***

The Program identifies distinct college activities for one or more fund(s) and organization(s). Programs are based on the college's fiscal year. Thus, a program is used to track the financial impact during a budget (fiscal) year of a distinct activity within an organization.

The accuracy of the college's financial reports depends upon correct account usage. Chapters 6 and 9 of *The Guide* discuss accounts.