WASHBURN UNIVERSITY
Accounting Office

Introduction to Washburn University Accounting Office

Fund Accounting

The University's Accounting Office performs most accounting functions for campus, though a certain level of accountability is extended to each department in regards to their financial data. It is important for each department to understand the management of their funds, and the basic policies and procedures they will come into contact with relating to their funds and financial activities. Rules and regulations governing financial activity play a very important role in the development of our own Accounting procedures. It is important to follow them closely, as many mandates and regulations are set by State and Federal bodies.

What is Fund Accounting? Fund Accounting is an accounting system often used by nonprofit organizations and by the public/governmental sector. Separate Funds are maintained to ensure observance of limitations and restrictions placed on resources. The nature of our business makes for a special kind of reporting – reporting that shows more detail of how our money is spent versus how much profit was made.

What is a Fund? A fund is an accounting entity with a self-balancing set of accounts consisting of both a balance sheet and an operating statement.

If you think about the University as one big city, and there are many smaller "business units" that make it up, then it makes a little more sense. Each fund could generate its own set of complete financial statements independent of all other funds.

Accounting Periods

The Fiscal Year -Washburn University operates on a fiscal year beginning July 1 and ending each following June 30.

Accounting Period – an accounting period is a standard period of time by which financial results are measured. Accounting periods are usually measured by calendar month. Because Washburn is on the July-June Fiscal Year, our accounting periods are as follows:

Period	Month	Period	Month
01	July	07	January
02	August	08	February
03	September	09	March
04	October	10	April
05	November	11	May
06	December	12	June
		14	Accruals

You will notice a period 14 (fourteen) listed in the chart above. The reason for this extra period is that during the regular fiscal year, Washburn primarily operates on the Cash basis of accounting. In period 14, we convert the year's activity and detail to an Accrual basis of accounting for financial reporting purposes.

Financial Statements

The Balance Sheet

- o The balance sheet is a group of accounts including Assets, Liabilities, and Fund Balances.
- o Assets include cash, receivables, buildings, equipment, etc.
- o Liabilities include notes payable, accounts payable to vendors, accrued payroll, etc.
- o Balance Sheet Accounts are continuous and do not roll up into fund balance at the end of each Fiscal Year.
- o Referred to as the "General Ledger"
- o The balance sheet and its data are not as widely used for fund management purposes unlike the Operating Statement covered below.

The Operating Statement

- o The operating statement is a group of accounts including Expenditures and Revenues.
- o This statement is the one you're most likely to use in your day to day business activities because it contains your budgets!
- o Expenditures include monies paid for supplies, equipment, salaries, research, etc.
- o Revenues include monies brought in through tuition payment, fees, fines, and services
  - ▪ The University is a not-for-profit entity, therefore only a small number of funds actually record any revenues in their ledgers.
  - ▪ Most General Funds do not receive or record revenues

Our Financial System

The financial system used by Washburn is the Banner Finance System.

- o All Accounting Data is entered into Banner Finance either directly or from one of our subsystems (Marketplace, TouchNet, etc)
- o Runs accounting Processes
- o Posts transactions to ledgers
- o Allows access to Accounting data for departments and managers
- o Employees must have specific access to view and process
- o Using Banner as it relates to viewing chart of accounts detail is discussed in a later section

Reporting Systems

Banner Production

Banner Finance Admin (formerly known as "Internet Native Banner" (INB)) is used by University administrators to manage financial data, human resources data, student data, and so on. Access is strictly limited and provides us real-time activity and balances within the system. Currently, INB is used for both query and maintenance throughout campus by banner superusers and the accounting office. Most departments will not use "Native Banner" but will use "Self Service" for their department queries and requisition request.

Self Service

Banner 9 Self Service will provide a modern interface with updated functionality and easily compatible mobile friendly interface which will be used for all your budget and expense queries, requisition request, submitting payroll timesheets, and more. Easy to use instructions are listed later in the "additional information about your funds" section.

Argo's Reporting

Argo's is a reporting tool we utilize which allows us to design and execute more detailed financial reports, or specific data you want pulled from banner. If your department needs special reports that you can't obtain from the INB or self service system you can make a request to ITS for a special report to be created in Argo's that you can run at any time. Argo's pulls data directly from banner so your special reports will match what is currently posted in banner.

Accounting definitions that might be helpful:

FOAPAL – The accounting string attached to each Banner Transaction. Refer to the Basic FOAPAL Definitions handout and more information below.

Encumbrances – Funds reserved to acquire goods or services under the terms of a university purchase order, contract, or miscellaneous obligation for services.

Fiscal Year – A fiscal year is a one-year period of time that the University uses for accounting purposes and preparation if its financial statements.

General Funds – Funds containing budgeted appropriations for the current year. General funds do not roll over from year to year.

Foundation Funds – Washburn University Foundation has special funds that some departments have access to for program support and scholarships. Each department will be aware if they have these additional funds and only the fund administrator (usually the Chair or Dean) is the only person approved to sign when using those funds.

Other Funds – Some departments have other special funds that are used specifically for conferences, special events, and or special projects.

Grant Funds – If departments want to apply for a grant (outside agency grant) the department must work with the Sponsored Projects office for approval to apply for the grant. If a department is awarded a grant then a special fund must be opened for that grant revenue/expenses to be tracked and monitored separately from all other funds.

Capital Projects Funds – Each year departments can request special capital projects funds for unique one time projects that their general fund can't support. These may include special software, new equipment, or repairs updates to buildings and rooms. Your department chairs and deans will be notified when it is time to submit those requests.

The Chart of Accounts

A **Chart of Accounts** is a list of all funds, accounts and attributes tracked by an accounting system. It is designed to capture financial information which can ultimately be used for reporting, analysis, and decision making.

The Chart of Accounts consists of assets, liabilities, fund balances, revenues, and expenditures. In other words, all account groups making up the General and Operating Ledgers.

The Chart of Accounts is made up of several different "Chart Fields", not just account numbers.

A **Chart Field** is a data element that defines a portion of a transaction. Chart fields are needed to segregate data for various types of financial reporting.

Washburn Operates with TWO active charts:

W – Chart used for Washburn University
K – Chart used for by Washburn Tech

After you have decided what Chart should be used, you also need a FOAPAL to define how the revenue or expense needs to be coded. A brief description of a FOAPAL is below. Please refer to the Accounting office's training materials for the "Basic FOAPAL Definitions" for a more detailed explanation of the FOAPAL. Most transactions will not need an Activity or Location. Please refer to the Basic FOAPAL Definitions for further explanation.

- Fund
- Organization
- Account
- Program
- Activity
- Location

FUND (Fund) – **REQUIRED** - A numeric designation for a fiscal and accounting entity. A fund represents the type of money being spent. A Banner Fund has its own set of accounts. Activity is recorded separately in these specific funds in order to carry on specific activities or attain certain objectives in accordance with prevailing regulations, restrictions, or limitations.

Organization (Org) - The Organization represents the Division, School, and Department. In short, it's whose money you're spending.

Account (Acct) – **REQUIRED** – A six (6) digit numeric designation for an individual asset, liability, equity, revenue, and expenditure classification. Accounts are one of the most important parts in classifying and reporting on specific activities. It is important to code your expenditures correctly so that activity is reported accurately and can be correctly interpreted in reports.

Program – The Program is a five (5) digit numeric designation for group activities, operations or other units directed to attaining specific purposes or objectives. These are defined by the National Association of Colleges and University Business Officers (NACUBO) standards.

Additional information about your Funds

You can find more detail about your fund using BANNER query screens.

Using the <mark>Banner Self Service Finance Dashboard</mark> is the best and easiest place to start. On the dashboard you can perform budget queries, submit requisitions, approve documents (if you are a department approver), and view documents. You first must be given access to be a banner finance user by your direct supervisor. Your supervisor should have requested this access prior to you starting in your position. If you find you do not have access please speak to your supervisor or give us a call to walk through the process with you.

From the MyWashburn finance tab (shown below) you can also find links to "<mark>How to Perform a Budget Query</mark>" and "<mark>How to Create a Requisition</mark>" that will walk you through the steps easily.
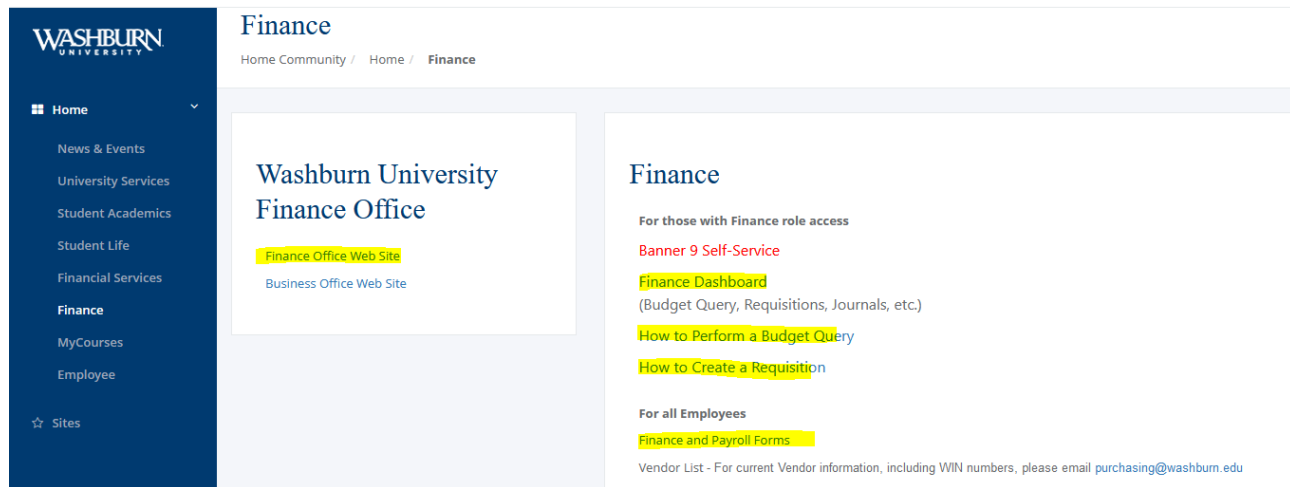
From the MyWashburn finance tab you can also find links to the "<mark>Finance and Payroll Forms</mark>" and to the "<mark>Accounting Office Web Site</mark>".

Accounting Office Web Site:
Shows all our different areas, and contact information if you have any questions.

   We also have several helpful training items on the accounting webpage:
- Budget Query instructions
- Basic FOAPAL Definitions
- Expense Account Numbers list
- Payment Voucher Instructions for Dynamic Forms
- Payment Voucher Approver instructions
- Honorarium Payment Guide

Finance and Payroll Forms:
Like many organizations to satisfy our audit trail we probably have a form for what you are needing. This link will direct you to the list of forms for each area: Fiscal Year-End, Accounts payable, General Accounting, Payroll, Business office, Tax Matters, Banner Finance Setup, and Miscellaneous forms for Student Agency Accounts.

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Financial Data Integrity

It may often seem as though our accounting office has an excessive number of rules and regulations governing every transaction, process, request, etc. Our often-strict policies and procedures are that way for a reason. Regulations and restrictions on funds, money, processes, etc., are set forth by Washburn officials, State guidelines, and Federal regulations. It is important that we follow the regulations and requirements set forth from our governing bodies and government agencies so we don't lose future funding.

The accuracy of our financial data is of utmost importance. Employees, departmental managers, Senior Management, and state agencies rely on our detailed and combined financial data for many analyses and decision-making purposes. Budgets are often determined based on spending trends as well as decisions about future employment opportunities and future projects.

The "backup" data our business offices often require may seem a little excessive at times and may not seem quite relevant to everyone. However, the audit trail this documentation generates is very important to the accuracy of our transactions, decisions and research. We should always be able to trace a single transaction all the way to its source document. It is always critical that you include all requested documentation with any transaction or request you make. If you submit incomplete data, there is a chance your transaction or request may be delayed.

Additional Information

Forms, policies and procedures, contact lists and more can all be accessed through the Washburn website. Please be aware before committing to any purchase, approving any travel expenses, or arranging for special speakers, we probably have special rules and forms so please ask before you commit to expenses that we can not reimburse you or your department for.

One rule of thumb is to always check the WUPRPM (Washburn University Policies and Procedures), Purchasing's website for specific purchasing rules and levels, and the accounting office website for any updated information. Washburn University also has a SharePoint site that also might have additional training information that would be helpful.

Washburn Policies and procedures: https://www.washburn.edu/faculty-staff/human-resources/wuprpm/index.html

Accounting Office Website: https://www.washburn.edu/faculty-staff/finance-office/accounting.html

Finance Office Forms: https://www.washburn.edu/faculty-staff/finance-office/forms.html

Purchasing Office Website: https://www.washburn.edu/faculty-staff/purchasing/index.html

Washburn University SharePoint Site: https://washburnmail.sharepoint.com/_layouts/15/sharepoint.aspx

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