

Using the new Chart of Accounts

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BEFORE WE GET STARTED

- This session will be recorded.
- The chat has been disabled, please use the Q&A function to submit questions.
- At the end of the session, time permitting, we will have a Q&A session.
- As a reminder, this preview session is not training. You will be introduced to new terms and concepts and see system sneak peeks!



SESSION TOPICS

- Full Accounting Unit (FAU) to Chart of Accounts (COA)
- COA Segments Defined & POETAF
- Key Concepts
- COA in Action
- Preparation Activities

Chart of Accounts



Full Accounting Unit (FAU) to Chart of Accounts (COA)

UCR's new COA will be one of the largest changes associated with the new financial system implementation and impacts any individual who uses the current FAU structure to perform their duties.



UCR attempted to retain UCRFS values and/or existing FAU structures where feasible



Full Accounting Unit (FAU) to Chart of Accounts (COA)

Key Concepts

- All accounting entries must be recorded and reported using this structure to comply with the UCOP Common Chart of Accounts (CCOA) mandate by 7/1/2023.
- The structure for the chart of accounts is defined in segments that represent the business operations.
- The new COA has nine COA segments with a required segment order.
- All segments must be populated, using default values when appropriate.
- Each segment in the COA has a distinct definition and purpose. When these segments are combined, the full chart string presents a complete picture of each financial transaction.

Future State - Chart of Accounts (COA)





COA Segment Definitions



Entity	Fund	Activity	Account	Functn	Program	Project	Flex1	Flex2
<ul style="list-style-type: none"> Entity identifies the major operational unit within the University of California system Entity is used to prepare UC's consolidated financial statements 	<ul style="list-style-type: none"> Fund tracks spending restrictions and designations The Fund segment identifies source of funding C&G areas reduced to high-level grouping (details to be tracked in project) 	<ul style="list-style-type: none"> Activity represents the academic unit or operating unit responsible for resources and related financial transactions Structure used to consolidate UCR financial and administrative information into primary Organizations, Divisions, and Department structures (e.g., ORGXX, DIVXXX, DOXXXX, A0XXXX) 	<ul style="list-style-type: none"> Account classifies nature of transaction, e.g., asset, liability, expense, revenue, fund balance Numbering changes to Revenue and Expense posting accounts Minor changes to Expense Account structure (i.e., Summary Level, BC) 	<ul style="list-style-type: none"> Function classifies purpose of the transaction for internal, external, and federal reports 	<ul style="list-style-type: none"> Program represents system-wide or cross-campus formal programs New code to track specific UC initiatives Established by UCOP 	<ul style="list-style-type: none"> Represents a "body of work" that often has a start and end date that spans across fiscal years Specialized module for Project, Projects Portfolio Management (PPM) Use to track Contact & Grant (including Cost Share), Capital Project, and federal student aid allocations PPM utilizes a modified version of the COA called POETAF 	<ul style="list-style-type: none"> Reserved for categories at the department level Elimination of arbitrary two-digit prefix, replaced by owning Department 	<ul style="list-style-type: none"> Reserved for faculty identification for tracking at the department level. Specifically defined to assist with faculty and other academic reporting



POETAF Chartstring

PPM Subledger - POETAF Chartstring

Project

Expenditure
Org

Expenditure
Type

Task

Award

Funding
Source

Key Concepts

Within Oracle Financials the Project Portfolio Management (PPM) subledger is where sponsored contracts and grants and capital projects are managed. This subledger uses inception to date tracking and allows for more detailed reporting features. This requires the use of a specialized chart string referred to as, POETAF.

<u>P</u> roject	Represents a body of work that often has a start and end date- e.g., Contract and Grant (including Cost Share), Capital Project or Federal Student–Aid allocation. Rolls up to the Project segment in the COA.
<u>O</u> rg	Represents the academic unit or operating unit responsible for transaction. Rolls up to the Activity segment in the COA.
<u>E</u> xpenditure Type	Classifies nature of transaction, e.g., asset, liability, expense, revenue, fund balance. Rolls up to the Account segment in the COA.
<u>T</u> ask	Allows for further detail when assigning budgets and costs within a Project. Contracts & Grants will have one task. Capital Projects will have three tasks. (Non-Capital, Capital Expenses, Equipment).
<u>A</u> ward	This value is an umbrella record containing overall financial and demographic information.
<u>F</u> und	Identifies the external sponsor or UCR's internal funding source. The fund for external sponsor transactions is based on award type. The internal funding sources roll up to the Fund segment in the COA.

For all transactions related to sponsored contracts and grants and capital projects that originate within Oracle Financials the POETAF field is required.

When entering a transaction in a Work Order system or Boundary System, for example Concur, the GL chart string will be required. The system configuration will populate the POETAF during data import into Oracle Financials – PPM.

Key Concepts



Cross Validation Rules (CVR)

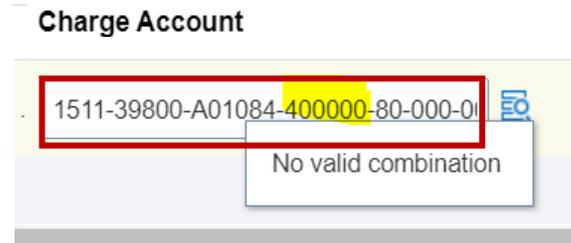
We have this concept today: Valid FAU Combinations

In the future, rules are more detailed as they are checking the validation across nine segments.

- These are pre-configured system rules that enforce what values for a specific COA segment may be used with a set of values for other COA segments.
- The system will STOP a user from entering a COA chart string that includes segments that can NOT be combined.

In this example, a revenue account was entered for an expense related function

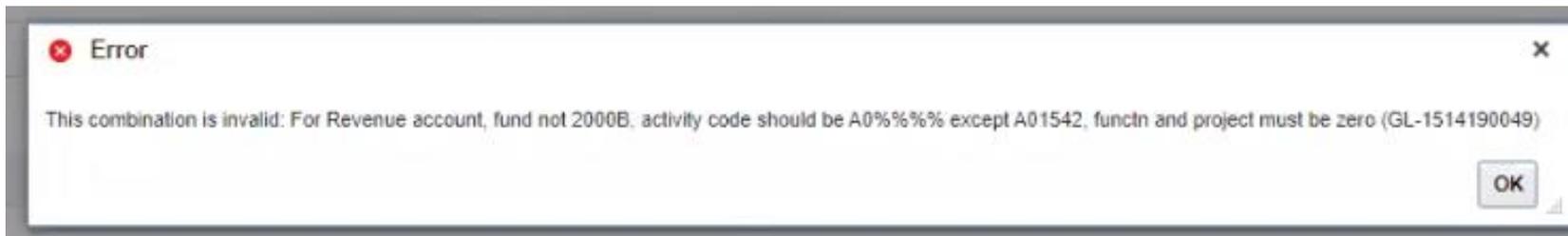
The user received a no valid combination and error pop up box



Additional examples of CVR that would result in an error:

- Using a salary account when transacting in Oracle Procurement
- When using Function 76 the fund segment is restricted to auxiliary funds
- When making a transaction that requires the Project segment, the start and end date must be active

1511-39800-A01084-400000-80-000-0000000000-0000000000-0000000000



You will not be able to continue until the error is corrected



COA Chartstring Combinations

This is a different concept than cross validation rules

A user can enter a COA chartstring that passes the cross-validation rule check but is a miscoded a transaction.

It is **critically important that correct COA segment values** are used for the initial transaction entry

Using an incorrect COA chartstring will:

- Create inaccurate financial reporting and dashboards
- Impact ability for accurate budget planning
- Increase risk for overdraft

Consider this...

- A requisition for goods tied to a faculty member general funds budget is submitted using the default Flex2 values.
 - What are the downstream effects of using a default value for Flex2?
- A transaction is coded using the Activity segment A01511 (Univ Comm Operations) when the transaction should have been charged to A01512 (Creative Design). The user receives a funds check warning and continues the transaction.
 - What are the implications of this incorrect COA string?

We all have fiduciary responsibility for accurate COA data entry, failure to do so will result in disruption to University operations

- Transactions will flow through a pre-approval workflow process BEFORE it can post. Individuals part of this approval process are required to check for accurate COA combinations.

In the future state, correcting data after a transaction has been processed will take significant time and effort.

COA Chartstring Examples



FAU to COA: ORG16

This is showing a FAU chartstring used today and how ORG16 will code these types of transaction in the future. Let's look at the similarities and differences....

Activity, Fund, Function remain the same

FAU		COA	
		Entity	1511
		Fund	19900
		Activity	A01165
Account	780160	Account	540710
Activity	A01165	Functn	60
Fund	19900	Program	000
Function	60	Project	0000000000
Cost Center		Flex1	D01090A008
Project Code	AL008	Flex2	0000000000

All account numbers are changing to align with accounting industry standards

ORG16 is using Flex1 to track Library Staff Professional Development



COA Chartstring: Project

Where would you use chartstring A? And chartstring B?

A

Entity	Fund	Activity	Account	Functn	Program	Project	Flex1	Flex2
1511	18200	A01084	541370	44	000	K012656001	0000000000	0000000000

➤ From this we know that a state award (**18200**) is being used by Entomology (**A01084**) to purchase lab supplies (**541370**)

B

Project	Expenditure Org	Expenditure Type	Task	Award	Funding Source
K012656001	A01084	541370	1	K012650	California Dept of Pesticide Regulation - 6320

➤ From B we glean more details and learn that the funding source is the California Dept of Pesticide Regulation

The Project segment, **K012656001**, connects A and B and the description provides further information points:

21-PMG-R002 - LEE - 06/30/2023 - CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION - EVALUATION OF AN ARTIFICIAL SWEETENER AS POTENTIAL TOXICANT



COA Chartstring Examples

Entity	Fund	Activity	Account	Functn	Program	Project	Flex1	Flex2
1511	66022	A01898	541380	43	000	0000000000	0000000000	F0008175

The above COA will be used for CNAS Glass Shop to purchase Supplies & Materials and associate this transaction with Faculty member James Davies

Entity	Fund	Activity	Account	Functn	Program	Project	Flex1	Flex2
1511	20308	A01002	541000	40	000	0000000000	D01002GPPX	0000000000

The above COA will be used for BCOE Deans Office to purchase Non-Inventorial Furniture with University Extension Fees and associate the transaction with the Grad Prep Program in Engineering

Entity	Fund	Activity	Account	Functn	Program	Project	Flex1	Flex2
1511	19900	A02256	540100	40	000	0000000000	D02000A066	F0012757

Using the Golden Tree Viewer what can you tell us about this chartstring?

COA in Action

System Sneak Peeks



COA in Action: Procurement

This is one view of how COA segments may be entered during the Procurement process.

- ✓ Notice the use of default values to ensure that every segment is populated.
- ✓ Notice how this transaction is not associated with a sponsored contract or grant. How do you know?
- ⊗ This user has chosen to enter the default values for Flex1 and Flex2. *What implications might this have?*

- Please note, the last 3 drop down options are not part of the COA.
- When using Oracle Procurement these fields will use default values. They are available for future use if needed

Charge Account

▲ Hide Segments

Entity	1511	▼	UCR CAMPUS
Fund	19900	▼	GENERAL FUNDS
Activity	A01004	▼	Comp Science
Account	541370	▼	Lab Supplies Other
Functn	43	▼	ACADEMIC SUPPORT
Program	000	▼	DEFAULT PROGRAM
Project	0000000000	▼	DEFAULT PROJECT
Flex1	0000000000	▼	Default Flex1
Flex2	00000000	▼	DEFAULT FLEX2
InterEntity	0000	▼	
Future1	00000000	▼	-
Future2	00000000	▼	-

Search Reset | OK Cancel



COA in Action: Requisition

This is a copy of a submitted requisition that displays the COA chart string.

- What do you notice about this chartstring?

Charge Account

1511-18200-A01084-
 541370-44-000-
 K012656001-
 0000000000-00000000-
 0000-00000000-00000000

ORACLE

Requisition UCRR00000
 110 (803.88 USD)

Report Date 02/13/2023 11:18 PM
 GMT+00:00
 Page 1 of 1

Requisitioning BU UCR BU
 Entered By Colleen Newman
 Status Pending approval
 Description Culture Plate
 Emergency Requisition No

Requisition Amount 803.88 USD
 Approval Amount 874.22 USD
 Procurement Card
 Justification
 Funds Status Reserved

Line	Item	Description	Category Name	Quantity	UOM	Price	Amount (USD)	Status	Funds Status
1		Culture Plate	Lab Supplies Other [541370]	4	Each	200.97 USD	803.88	Pending approval	Reserved

Requester Colleen Newman
 Urgent No
 Requested Delivery Date 02/20/2023
 Deliver-to Location Type Internal
 Deliver-to Location UC Riverside Central Receiving
 Deliver-to Address 3401 Watkins Drive, RIVERSIDE, CA 92521-0123, UNITED STATES
 Destination Type Expense
 Subinventory
 Note to Buyer

Supplier TAKARA BIO USA INC
 New Supplier No
 Supplier Site SAN FRANCISCO_2
 Supplier Contact
 Contact Phone
 Supplier Item 740488.24
 Note to Supplier
 Note to Receiver

Distribution	Charge Account	Budget Date	Percentage	Quantity	Amount (USD)	Funds Status
1	1511-18200-A01084-541370-44-000-K012656001-0000000000-00000000-0000-00000000-00000000	02/13/2023	100	4	803.88	Reserved



COA in Action: PO Encumbrance Report

PURCHASE ORDER ENCUMBRANCE REPORT

Parameters

Business Unit

Activity

Fiscal Year

Accounting Period

Page No.

Run Date

Run Time

PO	PO Date	Supplier ID	Supplier Name	Entity	Fund	Activity	Account	Functn	Program	Project	Flex 1	Flex 2	Encum Balance
11144154	12-08-2022	0000085808	KURT MILLER PHOTOGRAPHY	1511	19900	A02178	542040	40	000	0000000000	0000000000	0000000000	\$4,500.00
													TOTAL PO Encumbrance Balance:
													\$4,500.00
11144165	12-08-2022	2000000130	CAPP INC	1511	19900	A01335	541550	64	000	0000000000	0000000000	0000000000	\$1,484.43
													TOTAL PO Encumbrance Balance:
													\$1,484.43
11144171	12-08-2022	0000099726	WRIGHT'S SUPPLY	1511	19900	A01335	541130	64	000	0000000000	0000000000	0000000000	\$26.00
11144171	12-08-2022	0000099726	WRIGHT'S SUPPLY	1511	19900	A01335	541130	64	000	0000000000	0000000000	0000000000	\$730.80
													TOTAL PO Encumbrance Balance:
													\$756.80
11144179	12-08-2022	2000000800	LENOVO (UNITED STATES) INC	1511	20000	A01424	546040	68	000	0000000000	0000000000	0000000000	\$570.94
11144179	12-08-2022	2000000800	LENOVO (UNITED STATES) INC	1511	20000	A01424	546040	68	000	0000000000	0000000000	0000000000	\$5,144.96
													TOTAL PO Encumbrance Balance:
													\$5,715.90
11144180	12-08-2022	0000083638	DESERT HOSPITAL OUTPATIENT PHARMACY	1511	60110	A02203	541410	42	000	0000000000	0000000000	0000000000	\$7,153.00
													TOTAL PO Encumbrance Balance:
													\$7,153.00
11144223	12-08-2022	0000075633	MARCH FIELD MUSEUM FOUNDATION INC	1511	64070	A01875	540555	68	000	0000000000	0000000000	0000000000	\$130.00
11144223	12-08-2022	0000075633	MARCH FIELD MUSEUM FOUNDATION INC	1511	64070	A01875	540555	68	000	0000000000	0000000000	0000000000	\$1,300.00
													TOTAL PO Encumbrance Balance:
													\$1,430.00
11077892	12-08-2022	0000096445	LILY SUSSKIND	1511	57000	A01675	542070	44	000	0000000000	0000000000	0000000000	\$500.00
													TOTAL PO Encumbrance Balance:
													\$500.00
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$239.23
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$80.25
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$91.88
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$35.55
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$33.85
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$32.61
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$47.73
11144233	12-08-2022	0000099545	ODP BUSINESS SOLUTIONS LLC	1511	20083	A01460	541010	68	000	0000000000	0000000000	0000000000	\$44.34



Microsoft Excel
Worksheet



COA in Action: Invoice

Edit Invoice: INV-128330 ?

Needs revalidation Invoice Actions Save Save and Edit Another Save and Close Cancel

Last Saved 02/27/2023 10:21 I

Invoice Header Show More

Identifying PO UCRP00000157
 Business Unit UCR BU
 Supplier HAMILTON COMPANY
 Supplier Number 2000001208
 Supplier Site RENO_1
 Legal Entity The Regents of the University of Calif
 Invoice Group

* Number INV-128330

90.00

* Date 12/05/2022

* Payment Terms Net 30

* Terms Date 12/05/2022

Requester

Attachments Invoice Image INV-128330 + X

Note

Lines ? Match Invoice Lines

View + Detach Allocate Cancel Line

Distribution Budgetary Control Reference Tax Purchase Order Asset Project

* Number	* Type	* Amount	Distribution Set
1	Item	75.00	
2	Freight	10.00	
3	Miscellaneous	5.00	

Segment	Value	Description
Entity	1511	UCR CAMPUS
Fund	00050	UNIVERSITY CLUB
Activity	A01000	SOE Deans Office
Account	100130	A/R Investment Income P3 CHF Dundee Glasgow A/R Othe
Functn	00	DEFAULT FUNCTION
Program	000	DEFAULT PROGRAM
Project	0000000000	DEFAULT PROJECT
Flex1	0000000000	Default Flex1
Flex2	000000000	DEFAULT FLEX2
InterEntity	0000	-
Future1	00000000	-
Future2	00000000	-

1511-00050-A01000-100130-00-000-0000000000-0000000000-000000000-000000000-000000000

Accounting Date	Prorate Across All Item Lines	* Budget Date	Status	Description	Tax
02/15/2023	—	02/15/2023	Reserved with ...		
02/15/2023	✓	02/15/2023	Reserved with ...		
02/15/2023	✓	02/15/2023	Reserved with ...		

Taxes

Totals

Items	75.00	Freight	10.00	Miscellaneous	5.00	Tax	0.00	Included Prepayments	0.00	Total	90.00
				Retainage	0.00	Withholding	0.00	Applied Prepayments	0.00	Due	90.00

Be Prepared



Be Prepared

1. New Golden Tree viewer

- This tool allows you to search and explore the new COA segments. Understand the hierarchy and valid chartstring combinations.



Take Action: Take your most frequently used chartstrings TODAY and use the new Golden Tree viewer to translate your FAUs to valid COAs.

? Unsure of your most frequently used chartstrings? Connect with your financial manager for guidance

2. Minimize Cost Transfers

- In the future state cost transfers will be burdensome. We must aim for accuracy at the time of transaction entry.

3. Discuss Departmental Processes

- Consider how internal department processes will change with workflow approvals
- COA review
- Ledger review
- Deficit analysis (new environment advisory controls)



Be Prepared: Looking Ahead

In March

- Last day to submit Org/Div/Dept/Activity requests to FP&A for UCRFS update is **Thursday, March 30**
- Last day to submit Sales & Service requests to FP&A for rates requiring new funds is **Thursday, March 30** and the last day for any Sales & Service requests for rates on existing funds is Friday, April 28

In May

- Review and Update Banner Detail Codes with program, Flex 1 and Flex 2
- Department access in Oracle COA Management to request new, or modify, Flex1 fields

In July

- Create budgets in Oracle Budgets with Flex 1 and Flex 2 values
 - Faculty non-C&G fund sources must be budgeted by Flex2 to facilitate reporting
 - Review and Update UCPATH position funding with Flex 1 and Flex 2 values

THANK YOU!

IMPACT23: Modernizing UC Riverside's Financial Systems

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