



Chart of Accounts Maintenance

Policy # 1.2

Effective Date: 07/01/2012

Responsible Office: Comptroller's Office

Required Approver: Senior VP, CFO and Treasurer

Policy Statement

The Office of the Comptroller has primary responsibility for the University's accounting system and is responsible for the establishment, maintenance, and promulgation of the University's chart of General Ledger accounts. Responsibility for the establishment of SAP cost objects, reflecting the University's organizations, funding sources, programs and activities, is shared by the Office of the Comptroller, Budget and Institutional Research, the Office of Sponsored Programs, Post Award Financial Operations, and Facilities Management and Planning. All responsible offices evaluate requests for additions and changes to the chart of accounts to ensure that the addition or change meets the University's internal and external financial management and reporting requirements.

Reason for Policy

The Chart of Accounts, contained within the University's General Ledger system, is the primary framework for the management and reporting of financial activity, as well as for meeting compliance and regulatory requirements. See the "Definitions" section for more information about the elements of the University's chart of accounts.

Who Should Know This Policy?

Each individual, school, department, center, institute, and program ("University Departments") that generates financial transactions should review and understand this policy.

Definitions

Chart of Accounts -- The University's chart of General Ledger accounts is the listing of the revenue, expense, asset, liability and net asset accounts available for the posting of financial transactions in the University's financial systems.

General Ledger (GL) Account – A GL account is a unique element of master data for each type of asset, liability, net asset, revenue and expense that the University tracks. The University's SAP system contains several modules serving different purposes. GL accounts are defined in the Finance (FI) module within SAP. In the Funds Management (FM) module, the equivalent to a GL account is a Commitment Item. In the Grants module, the master data element "sponsored class" reflects groupings of commitment items.

Cost Object – The fund center, cost center, funded program, grant, or wbs element used for the posting of financial transactions to capture the organizational unit, source of funding and type

of activity. More information about these data elements may be found on the BUworks website; see the “Related Documents” section of this policy below.

Special Situations & Exclusions

N/A

Responsibilities

The University Comptroller has primary responsibility for the University’s accounting system.

Within the Comptroller’s organization, General Accounting is responsible for the maintenance of the chart of General Ledger accounts. The Office of the Comptroller is also responsible for publishing the Chart of General Ledger Accounts, including definitions, guidelines, and procedures for appropriate use and to make this information readily available to users of the financial system. These are located on the Office of the Comptroller website under Resources (as mentioned below in the Related Documents section).

Responsibility for the maintenance of chart of accounts data elements for organizational unit, sources of funding, and type of activity is shared across a number of units, including the Office of the Comptroller, Budget and Institutional Research, the Office of Sponsored Programs, Post Award Financial Operations, and the Office of Facilities.

In the creation and maintenance of GL accounts and cost objects, all responsible offices share the responsibility to ensure that the chart of accounts supports the accurate and consistent recording of accounting transactions in accordance with generally accepted accounting principles (in the US and internationally), donor, sponsor, and other regulatory compliance and reporting requirements and the financial management and financial reporting needs of the University.

Each user of the financial system is responsible for using the appropriate general ledger account and cost object, consistent with the published definitions, guidelines, and procedures established by the Office of the Comptroller.

General Statement of Procedures

Requests: All requests for new non-grant accounts (general ledger accounts, cost centers, internal orders or funds) should be completed on the “GL Master Data Form” in SAP. This form is available to authorized users through the BUworks Portal. Users who need a new account but do not have access to this form should contact General Accounting for general ledger accounts, the Development Office for gift and endowment internal orders, and Budget and Institutional Research for all other cost centers and internal orders. Once initiated, these requests are forwarded through the BUworks system to General Accounting for a final review.

Upon approval by all responsible offices the account is created in SAP and made available for use. Grant accounts are created by Post Award Financial Operations.

Groupings: SAP provides the ability to create hierarchies of general ledger accounts, commitment items, fund centers, cost centers, and other cost objects. Both General Accounting and Budget and Institutional Research are responsible for maintaining hierarchies, depending on how the group or hierarchy is used. General Accounting is responsible for creating and maintaining standard groupings of cost elements used in applying overhead and driving assessments, distributions, settlements, and other central processes, and in developing the University's monthly Treasurer's Reports and its external financial statements. Budget and Institutional research maintains groupings used in management and planning reports.

Related Documents

For link to related information (i.e. GL account descriptions, GL account listings, fund centers and object codes) see Comptroller's Resource Page:

<http://www.bu.edu/cfo/comptroller/resources/>

Additional materials can be found on the BUWorks online help page. Quick reference guides are listed here: <https://prw.buw.bu.edu/gm/folder-1.11.12928>

Related or Affected Policies

Document Retention Policy:

http://www.bu.edu/policies/files/2012/05/Record_Retention_Policy_1-27-10.pdf

Tools & References

N/A

Contacts

Contact Name	Contact Title	Contact Information
Donna Lane	Associate Comptroller, General Accounting	617-353-4266, dblane@bu.edu
Meghan Tracey	Director, Budget and Planning	(617) 353-4330, mtracey@bu.edu
Gretchen Hartigan	Assistant Vice President, Post Award Financial Operations	(617) 358-6361, hartigan@bu.edu
Jennifer LaPierre	Manager of General Accounting	617-353-7776, jhoover@bu.edu
Gillian Emmons	University Comptroller	617-358-5293, gcemmons@bu.edu

