LOYOLA UNIVERSITY MARYLAND

— 1852 —

General Ledger Conversion Overview Session

April 8, 2010

April 9, 2010

Agenda

- Introductions

- GL structure overview

- Timeline

- Budget comments

- Questions

New General Ledger Structure

XX – XXXXXXXXX – XXXXXXX

(2)   (9)   (7)

FUND   -   MAJOR   -   SUBCLASS

Fund

X   X

Restriction   Fund

Restriction	
1	Unrestricted
2	Temporarily restricted
3	Permanently restricted

Fund	
1	Operating
2	Restricted
3	Plant
4	Endowment
5	Loan
6	Agency

Major Code vs Subclass

Major

- "Who" incurs the revenue / cost?

Examples
- Biology
- Graduate Admissions

Subclass

- "What" is the cost?

Examples
- Faculty Salary
- Supplies Expense

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Major Code

- Nine digits
- Defines the type of revenue or expense, according to functional classification ("who")
- First two digits determine its functional category

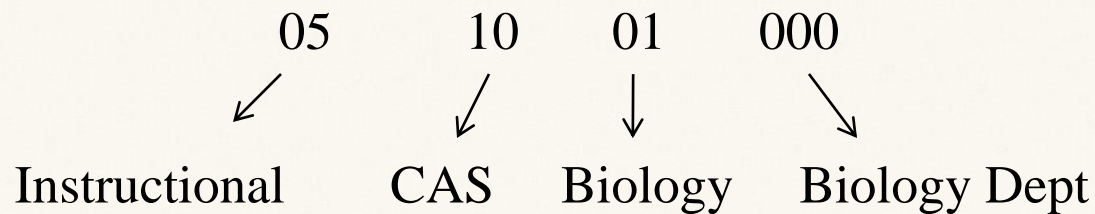| First Two Digits of Major Code	
00xxxxxxx – General	40xxxxxxx – Physical plant
05xxxxxxx - Instruction	45xxxxxxx – Student aid
10xxxxxxx – Academic support	50xxxxxxx – Auxiliary enterprises
15xxxxxxx - Research	55xxxxxxx - Endowments
20xxxxxxx – Public Service	60xxxxxxx – Capital projects
25xxxxxxx - Library	65xxxxxxx - Fundraising
30xxxxxxx – Student services	70xxxxxxx – Agency funds
35xxxxxxx – Institutional support	

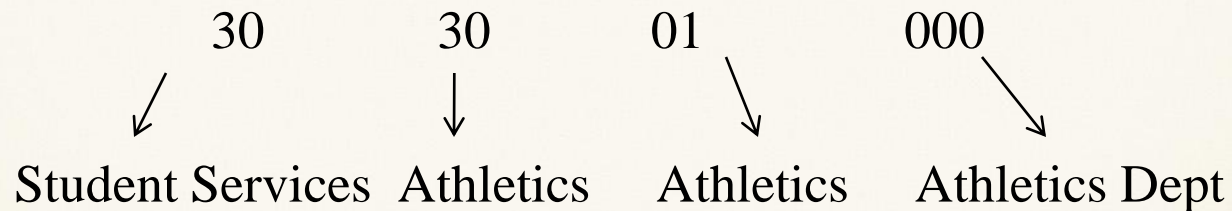- Last digits are organized according to school, department, programs, etc

Major Code (cont'd)

Example

1. Biology

    05   10   01   000

    Instructional   CAS   Biology   Biology Dept

2. Athletic Dept

    30   30   01   000

    Student Services Athletics   Athletics   Athletics Dept

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Subclass

- Seven digits
- Defines the type of revenue or expense ("what")
- First digits determines asset, liability, equity, revenue, expense

First Digit of Subclass	
1xxxxxx = Assets	4xxxxxx = Revenue
2xxxxxx = Liabilities	5xxxxxx = Expense
3xxxxxx = Equity	9xxxxxx= Transfer

Subclass- Expenses

- All expenses start with a "5"
- Next two digits determine the IRS category of expenses

500 xxxx– Salaries	535 xxxx– Occupancy
505xxxx– Taxes / benefits	540xxxx – Travel
510xxxx– Fees for service	545xxxx – Conferences, meetings
515xxxx– Advertising	550 xxxx– Insurance
520 xxxx– Office expense	555 xxxx– Other
525 xxxx– Information technology	565 xxxx– Financial aid expense
530xxxx – Royalties	575xxxx – Agency expenses

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Subclass- Expenses (cont'd)

Examples
1.   Printing

	5	15	10	05
	Expense	Advertising	Publications	Printing

2.   Central supplies

	5	20	05	02
	Expense	Office exp	Admin supplies	Central supplies

New Changes

- Program expenses

- Restricted funds

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"Program" Expenses

- Individual activities within a specific department that have multiple types of costs (ie salaries, supplies, stipends, etc)
- Previously utilized a single object number

<u>Example</u>: Fall Orientation, Parents Weekend, Special Projects

- In new system, will become a major code
  - Still a single unique number
  - Will be numbered consistently so that all budgets can been viewed on single screen in MyBudget
  - Allows for creation of a detailed budget later, if deemed necessary

"Program" Expenses (cont'd)

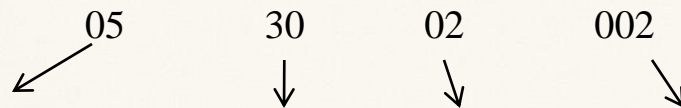Examples

1. Orientation has a program called Fall Orientation
   - Orientation (department): 30 00 00 000
   - Fall Orientation: 30 00 00 001

         30   00   00   001

   Student Services Student Programs Orientation   Fall Orientation

2. Economics has a program called Special Projects
   - Economics (department): 05 30 02 000
   - Special Projects: 05 30 02 002

         05   30   02   002

   Instructional   School of Business Economics   Special Projects
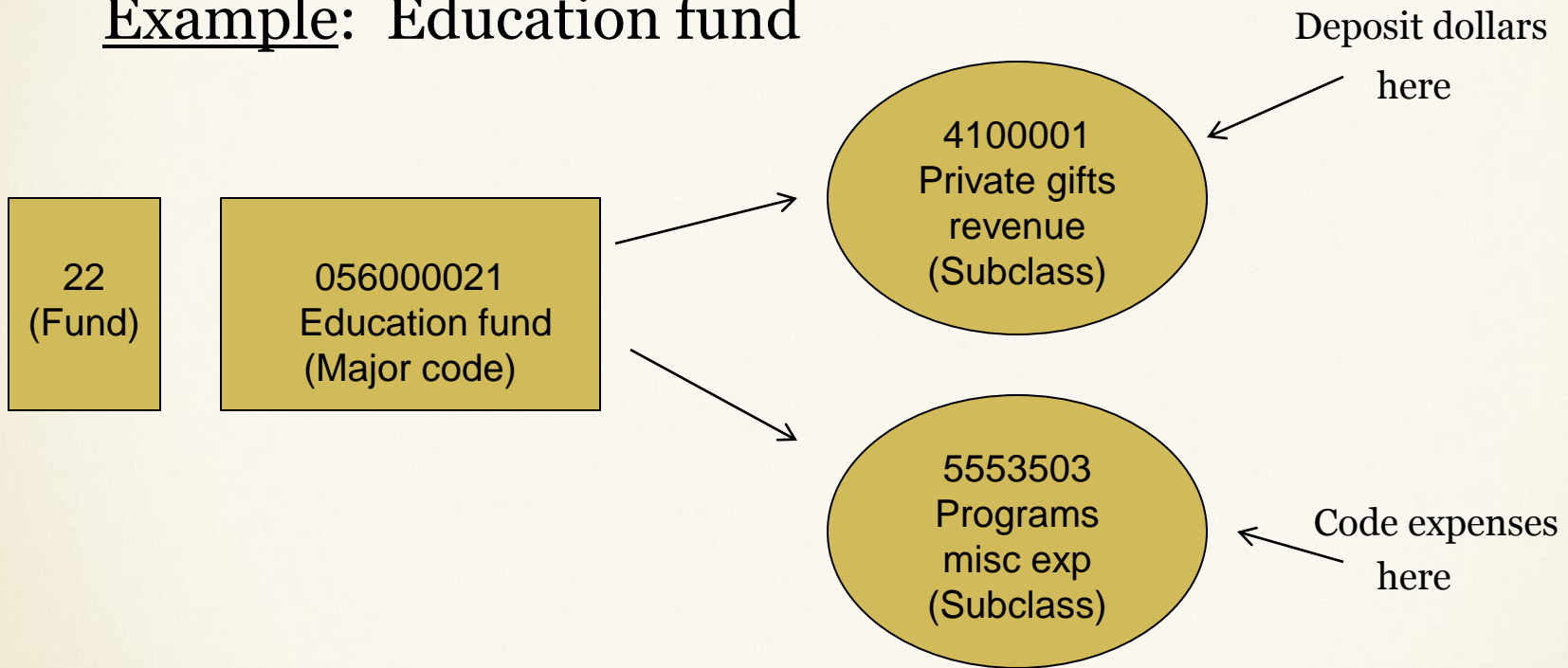
Restricted funds

- Donations to Loyola with specific restrictions on the use of the proceeds

- Previously, all revenue and expense were recorded in a single general ledger account

- In the new system, there will be a separate account to record revenue and a separate account to incur expenses, linked by a common major code
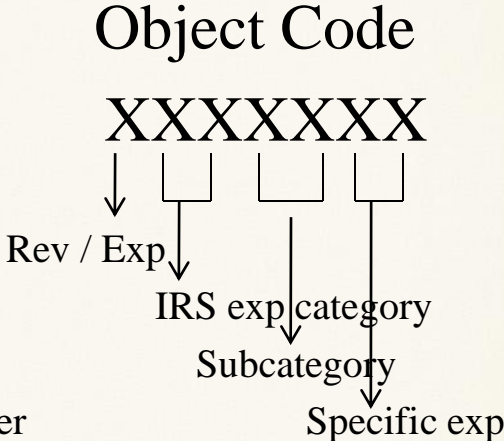
Restricted funds (cont'd)

<u>Example</u>: Education fund

Deposit dollars here →

22 (Fund)	056000021 Education fund (Major code)	→ 4100001 Private gifts revenue (Subclass)
		→ 5553503 Programs misc exp (Subclass)

← Code expenses here

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Summary of New General Ledger Structure

Fund

XX

Restricted / Fund Type

Major Code

XXXXXXXX

Functional

School / Program

Department

Specific Cost Center

Object Code

XXXXXXX

Rev / Exp

IRS exp category

Subcategory

Specific exp
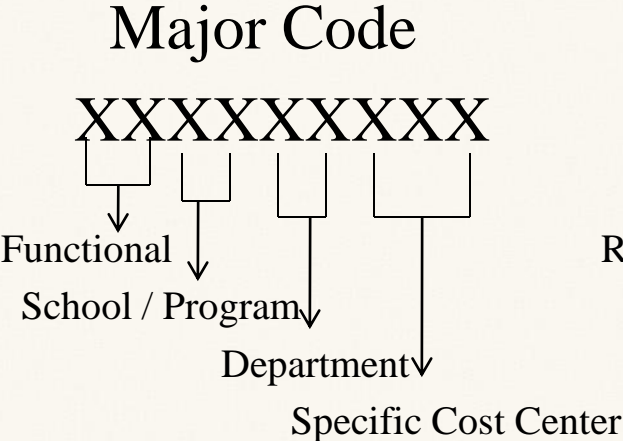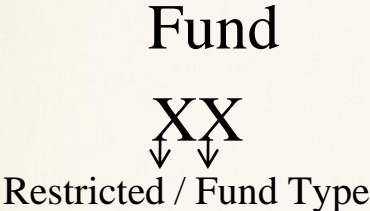
Timeline

- April / May / June 2010: Testing of new general ledger structure
- June 30, 2010: Go / no-go decision
- July 1, 2010: Crosswalk will be available to end-users, posted on Controller and Resource Management websites (www.loyola.edu/financialservices)
- July 2-6, 2010: Conversion in production (all systems must be idle)
- July 7, 2010: New general ledger is live in Colleague
- July / August / September: Training for budget officers

* Note: FY11 budget will be created in "old" general ledger numbers and converted to new numbers through the conversion process

** The audit for FY10 will be conducted using the "old" general ledger numbers

Crosswalk Example

OLD G/L				NEW G/L		
Fund	Major	Subclass	Description	Fund	Major	Subclass
1	9513	62111	SUPLS-OFFICE	11	350000005	5200501
1	9513	62121	SUP-CENTRAL SUPPLIES	11	350000005	5200502
1	9513	62322	KITCHEN SUPPLIES	11	350000005	5201510
1	9513	70312	BOOKS & PERIODICALS	11	350000005	5200505
1	9513	70511	CONFERENCE/SEMINARS	11	350000005	5450000
1	9513	70811	DUES & MEMBERSHIPS	11	350000005	5205005
1	9513	71111	ENTERTAIN-GENERAL	11	350000005	5554009
1	9513	71911	CHGBK-POSTAGE	11	350000005	5203503
1	9513	72011	CHGBK-PRINTING/TYPESETTING	11	350000005	5151508

Frequently Asked Questions

1. Why are the number of digits increasing?

   ⟹ So that the general ledger can be more useful for reporting and analysis and allow for additional budgeting, where deemed necessary

   ⟹ The new number of total digits (18) is more in line with other higher ed institutions (Stevenson has 17, other universities have more)

2. Will I be given a list of new accounts?

   ⟹ Yes. All budget officers will be provided with a crosswalk which shows the original number and the corresponding new number

3. How can I learn more?

   ⟹ Additional training will be available in July / August / September

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Questions?

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