Understanding FOAPal

Finance Training

Suggested Prior Trainings

- Finance Training – Fiscal Responsibility
- Finance Training – Accessing Banner Finance & Basic Navigation

Training Objectives

- Provide a basic overview of the Fund Accounting System used by SUU

- Learn the definitions and uses of each element of a FOAPal

- Describe how this information is applied to your department

What is Fund Accounting?

- Financial Resources come from a variety of sources (Fund codes)

- Different areas are responsible for transactions (Organization codes)

- Each fund may only use its resources for appropriate expenditures (Account codes)

- Revenues and expenses must be comparable between Universities (Program codes)

- Fund accounting requires unique identification and reporting for each of these categories

What is a FOAPal?

INDEX

F	O	A	P	a	l
Fund	**Organization**	**Account**	**Program**	**Activity**	**Location**
Where did the money come from?	Who is responsible for the money?	What was the transaction for?	How do we compare to others?	Tracking activities across fund/orgs (optional)	n/a for department use. Finance only.
(required)	(required)	(required)	(required)		
6 digits numeric	5 digits numeric	4 digits numeric	2 digits numeric	Up to 6 digits Alphanumeric	

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Index – Shortcut to FOAPal

- An 'Index' ties any or all of the FOAPal elements together
  - E.g. CTLR (index) is a shortcut for 000100 (fund)-66000 (org)-60 (program)
- Not required
- Up to 6 alphanumeric digits

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Fund – Where did the money come from?

- The 'F' in FOAPal stands for 'Fund' and identifies the source of revenue received
- Required
- Always 6 numerical digits
- Funds track revenues, expenses, assets, & liabilities
- Funds can be associated with multiple Organizations
- SUU's largest fund is 000100 – State Appropriations

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Major Fund Types

Generally Unrestricted

- 000100 State Appropriations
- 0xxxxx Current Unrestricted
- 7xxxxx Auxiliaries
- 965xxx Agency Funds
- 97xxxx Unrestricted Plant
- 99xxxx Renewal & Replacement

Generally Restricted

- 1xxxxx Federal Grants & Contracts
- 2xxxxx State Grants & Contracts
- 3xxxxx Private Grants & Contracts
- 5xxxxx Private Gifts
- 6xxxxx Endowment Income
- 8xxxxx Loans
- 945xxx Quasi Endowments
- 95xxxx True Endowments
- 98xxxx Restricted Plant

Restricted & Unrestricted Funds

- All funds, whether restricted or unrestricted, may only be expended according to University purchasing, approval, and financial policies and procedures

- Unrestricted funds – Do not have external stipulations but the University may designate these funds for specific purposes

- Restricted Funds – External stipulations are imposed on the use of these funds by granting or contracting agencies or donors

Organization – Who is responsible?

- The 'O' in FOAPal stands for 'Organization'(Org) and shows who is responsible for managing the money

- Required

- Always 5 numerical digits

- Very similar to the University organizational chart

- Orgs only track revenues, expenses, and transfers (profit & loss accounts)

- Orgs do not track cash, accounts receivable, accounts payable, etc. (balance sheet accounts)

- One org can be associated with multiple funds

Account- What was the transaction for?

- The 'A' in FOAPal stands for 'Account' and tells us what the transaction was for

- Required

- Always 4 numerical digits

- Used for revenues, expenses, assets, liabilities, & transfers

- Can be used with different Funds and Orgs

Account Types

- 1xxx Assets – Cash, Investments, Inventory, Accounts Receivable
- 2xxx Liabilities – Accounts Payable, Deposits, Accruals, Deferred Revenue
- 3xxx Equity – Prior year balance for each fund type
- 4xxx Control – Total expenses, revenues, encumbrances, etc.
- 5xxx Revenues – Sales, Tuition, Student Fees, Gifts, Grant Revenue, etc.
- 6xxx Payroll – Salaries & Benefits
- 7xxx Expenses – Supplies, Travel, Equipment, etc.
- 8xxx Transfers – A transfer occurs when
  - Cash is moved from one fund to another fund
  - No exchange of goods or services is provided in exchange for cash
- 9xxx Fund Addition/Deduction – Retire debt, roll funds (finance only)

Programs – How do we compare?

- The 'P' in FOAPal stands for 'Program' and identifies the functional purpose of the transaction using the same categories as other universities

- Required

- Always 2 numerical digits

- Program codes follow a standardized system of comparable functional categories that are required by the National Association of College and University Business Officers (NACUBO)
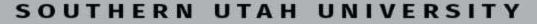
Program Codes

- 10 – Instruction
- 20 – Research
- 30 – Public Service
- 40 – Academic Support
- 42 – Library
- 50 – Student Services
- 52 – Athletics
- 60 – Institutional Support

- 70 – Operation & Maintenance
- 79 – O and M – Depreciation
- 80 – Student Financial Aid
- 90 – Auxiliary Enterprises
- 97 – Service Units
- 98 – Agency
- 99 – General Revenue

Activity – Which project or activity?

- The lowercase 'a' in FOAP<u>a</u>l stands for 'Activity' and identifies a specific project or activity

- Used for departmental reporting needs

- Optional

- Up to 6 alphanumeric digits

- It is very important that activity codes are carefully and consistently used to ensure transactions are accurately reported

- An activity code can be used by multiple funds, orgs and accounts

Location

➡ The 'I' in FOAPA<u>I</u> is used only by Accounting Services to track the location of our fixed assets for auditing and inventory purposes

What is a FOAP Hierarchy?

➤ Banner Funds, Orgs, Accounts, and Programs are organized in hierarchies that allow you to more easily capture and review summarized data within specific Banner inquiry forms.

➤ The lowest hierarchy level is the active Fund, Org, Account, or Program available for data entry

➤ Each Fund, Org, Account, and Program 'rolls-up' to a higher level in order to summarize data

➤ Hierarches are very useful for reporting

➤ Activity and Location codes do not have hierarchies