General Ledger Accounting

Policy/Procedure

Transactions are captured in the Banner Finance module through the general ledger. Financial Operations maintains a chart of accounts, which provides for standard account coding across all Dickinson College (the “College”) departments. The Banner chart of accounts structure consists of six segments, commonly referred to as a FOAPAL. FOAPAL elements are described as follows:

- **Fund** – The Fund defines *where* the money is coming from, whether it is part of the annual operating budget, or from an external source such as a federal agency or third-party donor. Each fund is a self-balancing set of accounts which close out to the fund balance. *Example – 110100 (General Operations).*
- **Organization** – The Organization defines *who* is processing transactions. This typically relates to a particular department on campus. The structure of these codings follows the College’s organizational chart. *Example – 901510 (Facilities Management).*
- **Account** – The account defines *what* kind of activity is being reported. This defines the kinds of revenue generated, types of expenditures incurred, or balance sheet accounts affected. *Example – 70061 (Supplies – General).*
- **Program** – The program defines *why* you are collecting or spending the funds, whether to instruct students, provide student services, etc. These numeric codes represent functional classifications in accordance with guidelines established by the National Association of College and University Business Officers (NACUBO), which are used for financial statement reporting. *Example – 700 (Physical Plant).*
- **Activity** – The activity code is an optional field, which can be used to report multiple projects within a single funding source or to track a single project across multiple funding sources. *Example – 1125 (Sustainability).*
- **Location** – The location code is also an optional field, which can be used to keep track of transactions in different on- or off-campus locations. *Example – 1240 (Holland Union Building).*

New Accounts

Additions to the chart of accounts are authorized by the Assistant Controller in consultation with the Controller. Department users are encouraged to use existing accounts when possible, unless the dollar volume or tracking needs warrant the use of a new FOAPAL segment not currently available in the chart of accounts. New account requests should be emailed, or otherwise submitted in writing, to the Assistant Controller.

General Ledger Entries

Entries may be posted to the general ledger from Banner Finance or through feeds from integrated modules outside of Finance. The following are common types of entries found in the general ledger:
• Journal Entries – Specific employees in Financial Operations have been provided with the authority to enter journal entries. Upon entry, Banner assigns a unique journal entry number (starting with ‘J’) which appears in the general ledger.

• Invoices – Staff in Accounts Payable enter invoices into the Banner system with a unique vendor invoice number. Banner then assigns a sequential invoice number (starting with ‘I’) to each invoice entered into the system.

• Fixed Asset Adjustments – Banner automatically capitalizes Fixed Asset purchases over the College’s designated capitalization threshold. The Assistant Controller enters Fixed Asset adjustments directly into the Fixed Assets system, as necessary. These entries are coded in the system with an ‘M’.

• Feeds – Most other entries are fed into the general ledger from other Banner modules. Examples include cash receipts in the Cashier’s Office and College Advancement, Financial Aid transmittals, student billings, and payroll transactions. Feeds are assigned a specific entry number in Banner (starting with ‘F’).

**Maintenance and Distribution of General Ledger**

Departmental budget officers have access to the general ledger through the use of Banner Self Service. In Banner Self Service, users can view account activity (including budget availability) in their designated departmental accounts. Any corrections of errors or transfers of funds must be communicated to Financial Operations. Transactions are typically corrected via a journal entry.

During the budget planning process, budget officers have the ability to allocate their overall budget to individual line items. Budget officers are responsible for monitoring their available funds and use of those funds during the year. Budget allocations during the year must go through the Budget Office. Budget requests for additional funds must go through the *All-College Committee on Planning and Budget*.

Additional budget and financial reports can be generated by Financial Operations using the Cognos reporting tool.

**Fiscal Year-End Closing Procedures**

The College maintains its books on a fiscal year ending June 30. This means that the College’s records of account must show all revenues earned and expenditures incurred during the year ended June 30, and the College’s assets and liabilities must be accurately reflected as of June 30. Specific cutoff instructions are as follows:

• Year-end purchasing – In order for purchases to be recorded in the current fiscal year, goods must be received and/or services must be performed by June 30. In addition, financial managers must ensure vendors submit invoices within a month after year-end. After the end of July, Accounts Payable books will be ‘closed’ and subsequent invoices will be expensed in the following year (unless specifically accrued or prepaid by Financial Operations).
• Gifts and grants – All gifts and grants postmarked by June 30 and received during the first week in July will be recorded (by College Advancement) in the current fiscal year. The first week of July is also used to capture any pledge payments that are intended for the closing fiscal year. All subsequent gifts will be recorded in the next fiscal year.
• Summer Programs – Summer programs include the College’s 5-week summer semester, global programs, and various functions hosted by Conferences and Special Events. Revenues and expenses relating to these programs must be recorded in the appropriate fiscal year(s), as determined by the start and end dates of each program.
• Internal charges/transfers – All internal charges and other transfers relating to the closing fiscal year must be submitted to Financial Operations by the end of July so these charges can be properly posted in the June ledger.
• Physical Inventories – Inventories in Campus Stores and Dining Services must be conducted on an annual basis (at a minimum) and may be conducted more frequently to meet departmental needs. In order to maintain the most accurate inventory on the College’s books, inventory counts must be conducted at or near year-end. Purchasing and receiving should be suspended before the inventory to facilitate the actual count. Inventories of Fixed Assets are conducted on a rotating basis every two years.

Financial Operations will continue to post journal entries in the general ledger during July and August in order to close the books. The Controller is responsible for populating the College’s financial statements and related footnotes. All information is provided to the external auditors for final review in September. Only auditor entries will be allowed after the beginning of year-end fieldwork.

Related Information

Donations, Sponsorships, and Gifts-in-Kind Policy (College-Wide)
Departmental Chairs (Academic)
All-College Committees (Academic)
Global Education (Academic)
Conferences and Special Events (Campus Operations)
Fixed Asset Management
Agency Funds
Auxiliary Enterprises
Procurement of Goods and Services

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