**FINANCIAL MANAGEMENT**

Preparing Administrators for Financial Accountability

*Before class, please write down at least 1 FOP you will be working with.*

<table>
<thead>
<tr>
<th>Chart</th>
<th>Fund</th>
<th>Organization</th>
<th>Program</th>
</tr>
</thead>
<tbody>
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*If you will be working with many FOPs, please feel free to bring a separate list with you to class.*

During class, you will:

- Discover the differences in funds, budgets, and associated managers
- Discover the purpose and use of the FOAP Codes for your department
- Review terms and procedures common to Texas Tech’s financial system
- Review the fiduciary responsibilities of Administrators

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**AFISM Resource Center:**
- **Phone / Help Desk:** 2-KNOW (742-5669)
- **Outlook Address (Help Desk):** AFISM 2KNOW
- **Registration System for AFISM Classes**
- **Training Materials, Job Aids, Video Tutorials**
- **Knowledge Base (Q&A, FAQ)**

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**F O P Codes Identify My Budget(s)**

Which budget is mine? What can I use it for?

**Chart**

A code represents each state agency of Texas Tech in the database:

- E - HSC El Paso;
- H - HSC Lubbock;
- S - TT System;
- T - TT University.

**F = Fund**

A cash account, separated and coded according to the purpose of the provider (operations, scholarships, grants, etc). Each fund has a Fund Manager who is accountable to Texas Tech and to the provider to use the funds according to the provider’s purpose.

**Example**

11A006 = Fund Group
11A006 = Fund Category
11A006 = Fund Class

11A006 = In conversation, this is often referred to as the “Fund Class”.

11A006 = All six positions identify the specific fund for your budget.

**RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > Diagram of Fund Group, Category, and Class (.pdf Format), to see where your fund fits in the Fund Hierarchy**

**Finance Terms:**

- Non-Profit, Fund Accounting
- HEAF (Higher Education Asset Fund)

- **STATE**, Ed & Gen, E&G:
- NRUF (National Research University Fund)

- Appropriation
- LOCAL

- Biennium, Biannual
- Global Fee Document

- Fiscal Year, month
- Provost

- Dedicated
- RESEARCH

- Multi-year

**Where to find help with your Fund**

- RaiderLink > A&F Work Tools > Finance “channel” > Contact List By Fund Class
- RaiderLink > Research Administration > My Grant Specialist
F O P Codes Identify My Budget(s)
Which budget is mine? What can I use it for?

**O = Organization**
A user of a Fund. It might be a department or office of Texas Tech, or it might identify a budget set up for a specific activity. Each organization has an Organization Manager (also Financial Manager) who is accountable to Texas Tech to use the budget according to its purpose.

**Example**
- **B56004** = Division: “B” = “Sr Vice President and Provost”
- **B560041** = College or Area: “B56” = “College of Engineering”
- **B56004** = identify the department or budgeted activity (Chemical Engr. Dept.)

**TeamApp**
*RaiderLink > A&F Work Tools > AFISM “channel” > TeamApp*

Access to online information is granted by the Level 5 department head or the Level 7 organization manager using TEAM App.

- The Organization Manager enters the eRaider of the employee and follows the instructions to request access for Finance, TechBUY, Human Resources, etc.
- **TEAM App Reports > Financial Profile Access Report** provides reports of organization or individual access (view by your eRaider; choose another eRaider; or clear the eRaider and enter the ORGN code).

**Back at the Office:** Ask your department which organizations you support; view the Financial Profile for assigned accesses; request access for your duties:
- Shopper – Select items for the shopping cart
- Requestor – Shop and approve POs up to $5000
- Approver – Shop and Approve up to Budget Limit

- **Operating Policy 70.40** defines employee responsibility for online usage.
FO P Codes Identify My Budget(s)
Which budget is mine? What can I use it for?

P = Program

Classifies the fund for reporting purposes, starting with the primary objectives of a university Mission Statement: Teaching, Research and Public Service.

RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > “Program Code Definitions”

Program Code Definitions (Opens a new window), to review definitions

Descriptions are based on the National Association of College and University Business Officers Financial Accounting and Reporting Manual:

100 Instruction
200 Research
300 Public
400 Academic Support
500 Student Services
600 Institutional Support
700 Operations and Maintenance
800 Scholarships and Fellowships
900 Unexpended Plant
A10 Auxiliaries
E10 Endowment
G10 Agency Operations
L10 Loan Funds
R10 Retirement of Indebtedness
S10 Service Department Funds
## Farmer Brown: Fund versus Budgets

### Fund: 12A010  Program: 400

#### Budgets

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>300,000</td>
</tr>
</tbody>
</table>

**Freddy’s Farm, B92011**

- **Revenue**:
  - 5E1 External Sales $100,000

**Accounts**:

- **Revenues and Expenses**
  - Expenditures $100,000
  - 6A4 Salaries $60,000
  - 7B0 Travel $8,000
  - 7C0 Supplies $19,000
  - 7F1 Repairs $13,000

**Total** $100,000

**Fund Manager:** Mrs. Brown

**Larry’s Livestock, B92012**

- Revenue Budget Pool(s) $100,000
- Expense Budget Pool(s) $100,000

**Uncommitted Bal:** 75,000

**Brown’s Operating, B92013**

- Revenue Budget Pool(s) $25,000
- Expense Budget Pool(s) $25,000

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**Back at the Office:** Determine if your department has Fund Management as well as Organization Management responsibilities. Does this affect your job duties and the classes you need?
F O A P Identifies Transactions

What did I spend/buy? What did I receive/deposit?

A = Account

The code for an expenditure (salary/supplies) that subtracts from the budget balance or for a revenue (tuition/fees) that adds to the budget balance. Account codes for revenues and expenses are grouped in categories called “Budget Pools.”

Example

7C0001 = Account Type: 7 = “Operating Expense”

General Ledger: What I own, what I owe, and the net difference:
10-Assets, 20-Liability, 30-Control Accts, 40-Fund Balance
Operating Ledger: Deposits, withdrawals, and budget adjustments:
50-Revenue, 60-Salaries, 70-Operating Expense, 80-Transfers

7C0001 = Budget Pool: 7C0 = “Supplies”

5A0-Tuition 5A1-Fees 6A1-Faculty 6A2-Staff 7B0-Travel in State 7C0-Supplies 7F1-Repairs

7C0001 = identify the budget pool and account distribution: 7C0001 = Postage

5A0003: Tuition Nonresident 6A1802: Faculty Tenure Track 6A2006: Salaried Library Staff
7B0051: In-state travel-Lodging 7C0905: Chemicals Lab 7N3051: Lab analysis testing service

For Budget Pools and Account Descriptions:
RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > “Account Code Descriptions” > DOWNLOAD LATEST VERSION

To Choose an Account Code:
RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > “Account Crosswalk”

1. What examples are listed in 7C0001, Postage? ____________________________________________________

2. What account code might you use for paper towels to clean desks? ________________________________

3. 7C0010, Consumables Office, includes what examples? ____________________________________________

4. 7C0011, Consumables Non Office, includes what examples? ________________________________________

5. Description for 7C0010: ___________________________________________________________________

6. Description for 7C0011: ___________________________________________________________________

7. Based on your answers to questions 5-6, would you change your answer to question 2?  Y  N

Back at the Office:
- Does your department have a list of commonly used Account Codes?
- Be sure to attend the “Account Code Training for Expenditures” class.

For Allowable Expenditures from a fund, use the Expenditure Allowability Matrix
RaiderLink > A&F Work Tools > AFISM > Resources > FINANCE Filter > “Expenditure Allowability Matrix”

Financial Management 101 (rev. 2019 12) 6
Budget Control

To determine whether the Budget has funds to spend, consider FOAP versus FOP Budget Control:

When an expenditure is entered in the system, budgets are checked to verify funds are available

- Budgets might be checked at the FOAP level: Does the Pool Available have sufficient funds?
- Budgets might be checked at the FOP level: Does the Total Available have sufficient funds?

<table>
<thead>
<tr>
<th>Budget Pools</th>
<th>Original Budget</th>
<th>Budget Adjustment</th>
<th>Modified Budget</th>
<th>Expended</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>6A4 Salaries</td>
<td>60,000</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>7C0 Supplies</td>
<td>19,000</td>
<td>14,700</td>
<td></td>
<td>4,300</td>
<td></td>
</tr>
<tr>
<td>7F1 Repairs</td>
<td>13,000</td>
<td>5,500</td>
<td></td>
<td>7,500</td>
<td></td>
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TOTAL $100,000 $40,200 $59,800

How do you know whether a budget is under FOAP or FOP control?

**FOAP Control Rule of Thumb:** State funds _____-_____, _____ & _____. Research Grants _____, ___ & _____. (Program 200)

- The RaiderLink Available Budget tab ‘visually displays’ balances according to FOP or FOAP
- *RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > “Budget by FOP or FOAP”*

1. Using the budget above, will a Travel PO estimated for $6,000 submit for processing?  
   **Answer**
   - **FOAP:** If the **budget pool** available balance is $___________ can I spend $6000?  
     **Y**  
     **N**
   - **FOP:** If the **total budget** available balance is $___________ can I spend $6000?  
     **Y**  
     **N**

2. Using the budget above, will a Repair PO estimated for $8,300 submit for processing?  
   **Answer**
   - **FOAP:** If the **budget pool** available balance is $___________ can I spend $8300?  
     **Y**  
     **N**
   - **FOP:** If the **total budget** available balance is $___________ can I spend $8300?  
     **Y**  
     **N**
## Encumbrance/Encumbering

<table>
<thead>
<tr>
<th>Budget Pools</th>
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<th>Encumbrances Commitments</th>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$100,000</td>
<td></td>
<td><strong>$ 40,200</strong></td>
<td><strong>$ 59,800</strong></td>
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- An Encumbrance
- The funds
- The resulting Available Balance

A. cannot be spent for other purposes
B. sets aside funds for an upcoming payment
C. is correct for the next decision

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## Finance Applications

*Raiderlink > A&F Work Tools Tab > Finance Channel*

**Financial Transaction System (FiTS):** This application provides procedures for
- Cost Transfers (move expenditures from one FOP to another)
- Intra-institutional Vouchers (IVs – Service departments sales to departmental FOAPs)
- Revenue JVs (move deposit revenues to department FOAPS).

**Finance Fund Maintenance:** This application provides procedures to create new fund codes.

**Finance New FOP:** This application provides procedures to
- Create and change new FOP combinations
- Submit Organization Code Requests
- Change Financial Managers.
Finance Systems

Names of Applications and Systems

60’s Wage and Salary Expenditure Transactions are entered from:
- **Electronic Personnel Action Forms (ePAF)** – Used to enter employee assignments for payroll processing.
- **EOPS, Employee One-time Payment System** – Used for single payments to employees for occasional duties not associated with their normal assignment.

70’s Operating Expenditure Transactions are entered from:
- **TechBuy** – Used to enter Purchase Orders when buying goods and services
- **Travel System** – Used to enter Travel Applications (requests to travel) and Travel Vouchers (completed travel expenses).
- **Citi-Bank Procurement Card (P-Card)** – Credit card used for purchases under $5,000.

80’s Budget Revision and Transfer Transactions are entered from:
- **Online Budget Revision System** – Used to transfer funds to a new FOP (FOP combination must be approved first), and to revise current FOPs; uses Gateway to upload revisions.

Report for Daily Review and Monthly Reconciliation are generated by:
- **Cognos** – A tool for generating reports from information systems such as Banner.

Digital Documents are stored by:
- **Xtender** – Electronic storage and retrieval system

Access to Online Data:
- **TEAM App** – Allows Financial Managers to assign online permissions for job duties

Finance Document IDs and Rules

*RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter* >

**Document Prefix Identifiers (examples)**

- 31, ! Checks
- *, E Encumbrances
- B Budget Revisions
- F Payroll / Student
- G Grant (SPAR)
- I Invoice
- J Journal Voucher, Intra Institutional Voucher, Cost Transfer
- P, R Purchasing & Contracting
- Y, Z Revenue Journal

**Rule Class Codes and Descriptions**
The ABC’s of Financial Management

Regents’ Rules 07.01: Financial Managers and Fund Managers have the fiduciary responsibility of managing activity related to the funds and organizations for which they are assigned, including the activities of assigned delegates.

A - Practice Accountability

- Complete appropriate training
- Know the Allowed Expenses for your FOPs
  - Expenditure Allowability Matrix
- Follow proper accounting guidelines
  - OP Series 62 – Finance and Accounting
- Follow procurement guidelines
  - OP Series 72 – Procurement

B - Maintain Signature Authority

- Organization Manager uses TEAM App to request access
- Manager can assign his own access
- Request Procurement access
  - Shopper – create a purchase order
  - Requestor – order, approve up to $5000
  - Approver – order, approve to budget
- Request HR access (personal, confidential)
- ePAF Approver
- Web Time Entry, Web Leave Reporting
- HR Reporting access
  - Request Budget Prep access
  - View your Financial Profile
  - Reports of Assignments granted

C - Review Reports Regularly

- Conduct monthly reviews
  - Each month is held open for final entries until the 10th of the following month.
  - FI045 – Monthly Ledger Report
- Review Recent Transactions
  - FI030, FI137 – Encumbrance Transactions
  - FI026 - Operating Ledger Transactions
  - FI027 – Balance Sheet Transactions

Back at the Office:

- Reminders on pages
  - 3 – Granted permission for TechBUY?
  - 5 – FOP and Fund Management?
  - 6 – Account Code Training?
- Use the APISM Training Checklist to plan your class schedule
- Register for classes in Cornerstone

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I agree to hold as strictly confidential all Texas Tech University System (TTUS) and Texas Tech University (TTU) information regarding employee and/or student records, communications, and activities and all other information made confidential by TTUS/TTU policy or law (including, but not limited to, the Family Educational Rights and Privacy Act of 1974 and the Gramm-Leach-Bliley Act of 1999) to which I have access or obtained as faculty, employee, student, agent, representative, or affiliate of TTUS/TTU.

I agree that I will not read or otherwise gain access to such confidential information except as required to perform my duties and responsibilities at TTUS/TTU. Further, unless disclosure is authorized or required by law, I agree that I will not disclose any such confidential information now or at any time in the future, either directly or indirectly, except as required to perform my duties and responsibilities at TTUS/TTU and, then, only to the extent disclosure is consistent with the authorized purpose for which the information was obtained.

I agree to handle all confidential information, whether written, computerized, oral, or in some other form, in such a way that it shall not be inadvertently revealed or disclosed to any other person. Except as authorized by my responsibilities and duties, I agree that I will not maintain for my files any permanent record that contains confidential information and will provide for the complete destruction of any rough drafts or unofficial copies of confidential information.

I acknowledge and agree that any breach of the Confidentiality Agreement by me may result in corrective action, consistent with Texas Tech University policy, up to and including termination of employment; further, I understand that such a breach may result in legal action.

The terms of this Confidentiality Agreement are effective immediately and apply to all confidential information I have attained in the past, as well as information I might attain in the future. I understand that this document will become a part of my permanent employment and/or student record.

________________________________________  ________________
Signature                                      Date

________________________________________  ________________________________
Printed Name                                   R#

Witness   Fin Mgt 101 Class

Attachment A
OP 70.40
9/12/19