FINANCIAL MANAGEMENT
Preparing Administrators for Financial Accountability

During class, you will:

- Discover the purpose and use of the FOAP Codes for your department
- Discover the differences in funds, budgets, and associated managers
- 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)
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 (six position code) Dept Operating Expense
- **1st position Fund Group**: “1” is “Current Unrestricted”
- **1st two positions Fund Category**: “11” is “Education & General”
- **1st three positions Fund Class**: “11A” is “Appropriations”

All six positions identify the specific fund for your budget.

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**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

**RaiderLink > A&F Work Tools > Finance “channel” > Contact List By Fund Class**

**RaiderLink > Research Administration > My Grant Specialist**

**Finance Terms:**

- Non-Profit, Fund Accounting
- **HEAF**

<table>
<thead>
<tr>
<th>STATE, Ed &amp; Gen, E&amp;G:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NRUF</strong></td>
</tr>
</tbody>
</table>

- Appropriation
- **LOCAL**

- Biennium, Biannual
- Global Fee Document

- Fiscal Year, month
- Provost

- Dedicated
- **RESEARCH**

- Multi-year

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Financial Management 101 (rev. 2019 02)
**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 (six position code) Chemical Engineering Dept  
1st position Division: “B” is “Sr Vice President and Provost”  
1st three positions College or Area: “B56” is “College of Engineering”  
All six positions identify the department or budgeted activity.

**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).  
- **Operating Policy 70.40** defines employee responsibility for online usage.

**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
F O 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 Prg 500
Opening Balance: 300,000

### Spending Management

<table>
<thead>
<tr>
<th>mod bud</th>
<th>encumb</th>
<th>Rev/Exp</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000</td>
<td>27,200</td>
<td>72,800</td>
<td></td>
</tr>
<tr>
<td>60,000</td>
<td>20,000</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>8,000</td>
<td>8,000</td>
<td>4,300</td>
<td></td>
</tr>
<tr>
<td>19,000</td>
<td>14,700</td>
<td>4,300</td>
<td></td>
</tr>
<tr>
<td>13,000</td>
<td>5,500</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>100,000</td>
<td></td>
<td>40,200</td>
<td>59,800</td>
</tr>
</tbody>
</table>

### Accounts: Revenues and Expenses Totaled by Budget Pools

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>Bud Adj</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freddy’s Farm, B92011</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>5E1 External Sales</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>Expenditures:</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>6A4 Salaries</td>
<td>60,000</td>
</tr>
<tr>
<td>7B0 Travel</td>
<td>8,000</td>
</tr>
<tr>
<td>7C0 Supplies</td>
<td>19,000</td>
</tr>
<tr>
<td>7F1 Repairs</td>
<td>13,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 100,000</td>
</tr>
</tbody>
</table>

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

Larry’s Livestock, B92012
Revenue Budget Pool(s) | $ 100,000 |
Expense Budget Pool(s) | $ 100,000 |

Dad’s Operating, B92013
Revenue Budget Pool(s) | $ 25,000 |
Expense Budget Pool(s) | $ 25,000 |

Uncommitted Bal: 75,000

**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 a receipt (tuition/fees) that adds to the budget balance. Account codes for revenues and expenses are grouped in categories called “Budget Pools.”

Example

7C0001 (six position code), Postage
1st position Account Type: “7” is “Operating Expense”
1st three positions Budget Pool: “7C0” is “Supplies”
All six positions identify the budget pool and account distribution.

Account types:
- 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

Examples of Expense Budget Pools:
- 6A1- Faculty
- 6A2- Staff
- 7B0- Travel in State
- 7C0- Supplies
- 7F1- Repairs

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

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

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.
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 Pool</th>
<th>Budget</th>
<th>Expended</th>
<th>Available</th>
<th>FOAP Control checks the Budget Pool Available Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6A4 Salaries</td>
<td>60,000</td>
<td>20,000</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>7B0 Travel</td>
<td>8,000</td>
<td></td>
<td>8,000</td>
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<td>TOTAL</td>
<td>$100,000</td>
<td>$40,200</td>
<td>$59,800</td>
<td></td>
</tr>
</tbody>
</table>

FOP Control checks the TOTAL Available Balance

How do you know whether a budget uses FOP or FOAP checking?
- FOAP Control Rule of Thumb: State(?) funds ______ and Research Grants ______ & ______
- The RaiderLink Available Budget tab ‘visually displays’ balances according to FOP or FOAP
  - Salary Fringes are not encumbered! P-cards are not encumbered!
  - Use the Options > Preferences to set up your FOPs
- A quick reference is: RaiderLink > A&F Work Tools > AFISM “channel” > Resources > FINANCE Filter > “Budget by FOP or FOAP”

Using the budget above, will a repair PO estimated at $6000 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

Using the budget above, will a PO to restock supplies estimated as $6300 submit: Answer
- FOAP: If the budget pool available balance is $__________ can I spend $6300? Y N
- FOP: If the total budget available balance is $__________ can I spend $6300? Y N

Encumbering, is a tool to ____________________________________________

  The funds to pay ________________________________________________

  The Org Manager _______________________________________________

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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**
Finance Applications

RaiderLink > A&F Work Tools >

<table>
<thead>
<tr>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit Finance Website</td>
</tr>
<tr>
<td>• Contact List By Fund Class</td>
</tr>
<tr>
<td>• ePrint</td>
</tr>
<tr>
<td>• Financial Transaction System (FiTS)</td>
</tr>
<tr>
<td>• Finance Forms</td>
</tr>
<tr>
<td>• Finance Fund Maintenance</td>
</tr>
<tr>
<td>• Finance New FOP</td>
</tr>
</tbody>
</table>

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.
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; has financial manager privileges also
- 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

Back at the Office:

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

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
- Review Balances before transacting; Expenses cannot exceed Receipts; Maintain positive Fund/FOP balances:
  - RaiderLink “Available Budget” tab
  - FI002 / FI004 – Revenue Expense Budget by FOP
  - FI009 – Changes in Fund Balance
  - FI010 – Balance sheet
TEXAS TECH UNIVERSITY

CONFIDENTIALITY STATEMENT

I agree to hold as strictly confidential all Texas Tech University System information regarding personnel and/or student records, communications, and activities and all other information made confidential by 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 obtain as faculty, employee, student, agent, representative or affiliate of 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 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 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 disciplinary 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 future information. I understand that this document will become a part of my permanent personnel and/or student record.

__________________________________________   __________________________
Signature of Faculty, Employee, Student, or Affiliate   Date

__________________________________________   __________________________
Print Your Name and Your R# ID   Witness
Financial Management