

Account Code Training for Expenditures

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FOP and FOAP REVIEW

Fund (Where) - A six-character code that identifies the cash account of a self-balancing set of accounts and the purpose of funding (E&G, Designated, Auxiliary, etc.). *It's like your home checking account, adding and subtracting funds.*

Organization (Who) – A six-character code that identifies an Authorized User of the fund, usually a department or a budgeted activity within a department, and the responsible Organization Manager. *Each authorized user has a budget using a fund!*

Account (What) – A six-character code that identifies revenue source, balance sheet and expenditure transactions. Account Codes have sight recognition for **Account Type Categories** (see topic below) with sub-categories called **Budget Pools**. *Each transaction includes an Account Code!*

Program (Why) – A three-character code with roll-up capability that identifies a function for expense categories (research, academic support, instruction, etc.). *A fund is identified by a Program Code!*

FOP identifies a 'budget'!

FOAP identifies a 'transaction' to a FOP!

ACCOUNT TYPE CATEGORIES

Accounts are structured to have sight recognition for different account types (revenue, salary, expenditure, etc.). We are going to focus on the Expenditure codes in today's class.

Account Type Categories	
Category	Description
1	Assets
2	Liabilities
3	Control Accounts
4	Fund Balance
5	Revenue
6	Salaries
7	Expenditures
8	Transfers
9	Fund Additions

Budget Pools (Sub-Categories)

Account Code Descriptions: View the Budget Pool list, with Account Codes and Descriptions

Expenditure Allowability Matrix: Budget Pools indicate the expenditures allowed on the FOP

(see pg 7 **Work Aids** to locate these references online)

ACCOUNT CODES for Reporting Procedures

HUB: Historically Underutilized Business Reporting

Texas Tech is required to make a good faith effort to utilize HUBs in contracts and purchases awarded. Semi-Annual and Annual Reports are submitted to the Texas Comptroller of Public Accounts (CPA). The report documents expenditures in six categories in which certain account codes identified by the CPA are considered HUB reportable. The reports submitted identify amounts purchased from HUB Vendors and total reportable HUB expenditures. For example, the **FY20** categories and the HUB goals are identified as:

- Heavy Construction	3.78%
- Building Construction	11.85%
- Special Trades Construction	23.20%
- Professional Services	16.05%
- Other Services and Commodities	15.17%
- Commodity Purchases	29.27%

1099-MISC. Reporting

- The Internal Revenue Service (IRS) requires issue of Form 1099-MISC each calendar year for certain payments. A Form 1099-MISC is issued to the vendor and reported to the IRS.
 - Account codes are used to identify payments required to be reported on Form 1099-MISC. Payments for rent, royalties, prizes/awards/gifts, medical and health care payments, services provided, and attorneys are the common categories.
 - A cumulative total of \$600 or more must be reported to the IRS and is taxable.

Fixed Asset Recording/Reporting

- Account codes used generate certain tags for controlled/capital equipment tracking and recording. Yearly inventory certification is required to be reported to the Texas Comptroller of Public Accounts.

Texas Comptroller Reporting

- Annual financial reports are required to be submitted to the Texas Comptroller of Public Accounts. Information in the annual financial reports can be used by ranking services and other colleges/universities for comparative purposes. Consistency and correct account code use allows for better internal year to year comparisons and comparisons to other colleges/universities.

TTU Accounting Services

- **Lab Code.** When purchases are exclusively for the lab or research, 7C02xx is used to help distinguish research supplies from other supplies used within the department, i.e. office supplies. If the item(s) purchased will have a dual purpose/use, then one of the other 7C0 codes should be used.
 - For example, paper towels used exclusively for lab or research would be 7C0902 Consumables Lab and not 7C0010 Consumables Office.
- **Registration fees paid from grant funds.** The University code for paying conference or workshop registration fees is 7N0013, but when the fees for employee/student attendance will be paid from grant funds (**fund classes 25B, 25C, and fund groups 21, 22, 23), choose from the following:
 - **7B0901** In State Registration Fee
 - **7B1901** Out of State Registration Fee
 - **7B2901** Foreign Registration Fee
 - ~~7N0013~~ (Usual campus code; should **never** be used when paying from grant funds)

ACCOUNT Terms, Definitions, and Guidelines

Goods: Commodities and Equipment

Consumables – goods that perish with use and that, under usual circumstances, will be entirely used during the fiscal year in which it is purchased.

- Examples include toner cartridges, paper clips, paper products, pens, pencils, rubber bands, etc.
 - **7C0010** MS Consumables Office (Administrative environment)
 - **7C0011** MS Consumables Non-Office (All other)
 - **7C0012** MS Consumables Dining and Kitchen (Food preparation, serving, catering)
 - **7C0902** MS Consumables Lab (used exclusively for research or research lab)
- Not to be used for Furnishing and Equipment, food and entertainment, hardware, or promotional items.
 - Promotional items are coded as **7N6009** OE Ad/Promotional Local

Furnishing and Equipment Noncapital – Unit cost is under \$5,000 including shipping, warranty, etc.

- Examples include bulletin boards, desks, filing cabinets, calculators, etc.
 - **7C0131** MS Furnishing/Equipment Noncapital Office
 - **7C0132** MS Furnishing/Equipment Noncapital Non-Office
 - **7C0133** MS Furnishing/Equipment Noncapital Dining Hall/Kitchen
 - **7C0912** MS Furnishing/Equipment Noncapital Lab
- No equipment should be coded as “consumables”, see above: **7C0010**, **7C0011**, **7C0012** or **7C0902**.
- Not to be used for “controlled” or “capitalized” items, see below.

Controlled Purchases – Unit cost is greater than \$500 and less than \$5,000 including shipping, warranty, etc. The item will be tagged and listed as property inventory.

- **Equipment** – Examples include guns, cameras, audio video equipment, data projectors, stereo system, video recorders, DVD, DVR, televisions, disc players, etc.
 - **7C0190**: MS Furnishings/Equipment Controlled
 - **7C0914**: MS Furnishings/Equipment Controlled Lab
 - Guns are controlled purchases regardless of the unit cost.
- **Computer** – Examples include CPUs, laptops, and tablets. If a computer is packaged together as a bundle, use the codes below. If computer items are purchased separately, they should be coded separately (see page 5 for more details).
 - **7C0200** MS Computer Equipment Controlled
 - **7C0916** MS Computer Equipment Controlled Lab

Capital Purchases – **7J0xxx** Unit cost greater than \$5,000 including shipping and associated purchase expenses. The item will be tagged and listed as property inventory.

- Software is capitalized when the cost is greater than \$100,000, **7J0050**. See Computer Components, page 5

Services

Professional Services – **7A0xxx** Providers may possess a higher education degree or recognized license or certification.

- Examples include Consultants, Medical, Veterinary, Legal, Lecturer, Architectural, Engineering

Other Services – **7N3xxx** For services such as waste disposal, laundry, custodial, advertising, freight, lab analysis, alterations, framing, engraving, interpreters, chef services, photographers, security guards, exterminators, etc.

- **7N3050** OE Contracted Temporary Services
 - Not for maintenance and repairs, use codes from **7F0xxx** and **7F1xxx**.
- **7N3010** OE Temporary Employment Agencies: used to pay contracted “Temp Agencies”
- **7N3xxx** codes are Not for Promotional Items, which are coded **7N6009**

ACCOUNT CODES for Special Items, with Definitions

Food and Entertainment - 7N4xxx Allowable expenses must be in accordance with

- OP 72.05, Expenditures for Official Functions, Business Meetings, and Entertainment
- A FOP that allows food and entertainment.
- See the Expenditure Allowability Matrix (Excel) > F & E Matrix tab (see pg. 7 for online copy)
- Accompanied by a completed food and entertainment form (Procurement > Forms)
- All associated event costs should be coded under food and entertainment

Golf Carts

- **7J0010** CO Other Motor Vehicles Capital / includes golf carts that are insured and licensed (street legal)
- **7J0020** CO Furnishings/Equip Above \$5000 / includes all other golf carts (not street legal)

Computer Components

Computers: Examples include CPUs, laptops, and tablets. (use this code if everything is in one item, i.e., a bundle)

- **7C0200** MS Computer Equipment Controlled, greater than \$500 and less than \$5000
- **7C0916** MS Computer Equipment Controlled Lab, greater than \$500 and less than \$5000
- **7J0030** CO Computer Equipment Above \$5000

Parts: Computer parts with a cost of less than \$5,000 per unit including shipping, warranties, etc.
Includes computer adaptors, computer parts, printers, memory, motherboards, mouse, etc.

- **7C0181** MS Parts Computer Equip Noncapital
- **7C0913** MS Parts Computer Equip Noncapital Lab

Accessories: Laptop Cases, Tablet Cases, etc.

- **7C0131** MS Furnish/Equip Noncapital Office
- **7C0912** MS Furnish/Equip Noncapital Lab

Software

- **7C0211** MS Computer Software Noncapital, less than \$100,000
- **7C0917** MS Computer Software Noncapital Lab, less than \$100,000
- **7J0050** CO Computer Software, Capitalized, greater than \$100,000

Repair and Maintenance

- **7F0001** RM Repairs/Maintenance Software
- **7F0021** RM Repairs/Maintenance Equipment

Rental

- **7G0025** RL Rental Computer Equipment
- **7G0026** RL Lease Computer Equipment, Non-Cancellable > 1 year
- **7G0035** RL Rental Computer Software
- **7G0036** RL Lease Computer Software, Non-Cancellable > 1 year

Parts to Enhance Equipment (fabricated): The part enhances the value of the equipment

- **7C0135** MS Fabrication of Equip Noncapital
 - After enhancement, if the new value of Noncapital Equipment is greater than \$5000, it becomes Capital Equipment, and Property Inventory should be notified.
- **7C0909** MS Parts for Furnishings/Equipment Lab
- **7J0060** CO Fabrication of Equipment Capital

Speaker Fee/Honorarium and Travel – Code into separate line items for tax purposes

- Speaker fees are taxable
- Travel expenses are *not* taxable if provided within 60 days of the trip end date.
- The department should note the date expense receipts were provided to them for reimbursement.
- When not separated, the entire fee plus travel amount will be considered taxable.

Gift/Award/Prize 7N2000 OE Awards/Prizes. This code is used for tax purposes.

Cost Sharing Between Departments

- Departments can multi-fund POs/PCard transactions at the time of ordering/reconciling.
- If expenses were paid by one department and after-the-fact should be shared with an additional department(s), use a **Budget Revision** to transfer funds:
 - Do not use a Cost Transfer or IV (FiTS entries).
 - If the paying FOP and the additional FOP(s) have the same fund code, the use Option 1.
 - If the paying FOP and the additional FOP(s) have the different fund code(s) use Option 4.

Unmanned Aircraft (i.e. drones) for Charts T & S

- Follow the detailed definitions and policies outlined in OP 76.07: Purchasing Approval and Flying of Unmanned Aircrafts Systems on Texas Tech Property.
 - All Texas Tech employees, third parties, or students/hobbyists wishing to use Unmanned Aircraft Systems (UAS) or model aircraft on or over University property must receive approval of the Texas Tech Police Department. The UAS Request Form is available as an attachment to OP 76.07.
- Prior to departmental purchase, the following is required:
 - 1) Approval from the Office of the Vice President for Research,
 - 2) Either apply for and be granted a Certificate of Waiver or Authorization (COA), or have a Remote Pilot Certificate from the FAA, and
 - 3) A certificate of insurance must be provided to and approved by the Texas Tech Office of Risk Management.
- Unmanned aircraft coding:
 - Regardless of dollar amount, Unmanned Aircraft are not allowed on procurement cards
 - Less than \$500: **7C0137** MS F/E Unmanned Aircraft Noncapital
 - Greater than \$500 and less than \$5,000: **7C0191** MS F/E Unmanned Aircraft Controlled
 - Over \$5,000: **7J0021** CO F/E Unmanned Aircraft, Capitalized

OE Charitable Contributions (Chart T) 7N6039

- For contributions made to an **external, verifiable, non-profit, charitable** organization
 - Contributions must be made to a qualifying organization, such as 501(c)
 - You must forward a copy of the gift acknowledgement to Payroll & Tax Services for retention
- 7N6039 is **never** to be used for...
 - Contributions to another TTU/HSC/ELP/SYS department or chart
 - Contributions to organizations that are not a qualifying organization
 - The purchase of any goods or services
 - If you have received any type of goods or service, it is not a charitable contribution
 - Payment for membership fees, dues, or conference fees

ACCOUNT CODES: References and Work Aids

Account Code Descriptions (Excel) Listed by Budget Pool, every account code has a description.

A&F Work Tools Tab > AFISM > Resources > filter by Finance > Account Code Descriptions (Excel document)

Expenditure Allowability Matrix View Budget Pools for expenses allowed on a FOP

A&F Work Tools Tab > AFISM > Resources > filter by Finance > Expenditure Allowability Matrix

Account Crosswalk It's a search tool!

A&F Work Tools Tab > AFISM > Resources > filter by Finance > Account Crosswalk

- Search by name or keyword to locate possible account codes.
- Search by account code to see examples of items or services.

TechBuy Account Code descriptions are limited in TechBuy, but the Account Crosswalk (above) can display all of the valid items for a code.

- During FOAP entry either on the Header or Line Level, click on Select from all values
- Search by Value (account code) or Description
- Results will provide all account codes that have the search word in the description

Cognos Report FI067 – List of Valid Account Codes

Select **Chart** and **Account Type (70s-Operating Expenses)** for a list of Budget Pools, then select those to view or Select all. If you view the report in PDF, you can use Ctrl+F to search by keyword within the description.

Frequently Used Codes (Equipment/Services)

A&F Work Tools Tab > Procurement Services > Visit Procurement Website > Resources > Training & Work aids >

Purchasing > Requisition & Purchase Order Accounting Guides >

- Frequently Used Codes for Equipment
- Frequently Used Codes for Services

PCard Services > Procurement Card >

- Frequently Used Banner Account Codes

Key Operating Policies

Disclaimer: In the event information in this guide conflicts with current operating policies, the current operating policy should be followed. Link to Operating Policies & Procedures site: <http://www.depts.ttu.edu/opmanual/>

- **OP 72.05** Food and Entertainment Policy: Food Forms
- **OP 76.07** Purchasing Approval and Flying of Unmanned Aircrafts Systems on Texas Tech Property

Email Assistance (found in Outlook Address Book)

Procurement Services:	techbuy.purchasing@ttu.edu
Procurement Card:	purchasing.pcard@ttu.edu
Travel:	travelservices@ttu.edu
Tax Compliance & Reporting:	tax.forms@ttu.edu
Property Management:	property.management@ttu.edu
Accounting Services:	accountingservices@ttu.edu