



University
of Windsor

UWinsite Finance
Chart of Accounts 2.0 User Guide
January 2018

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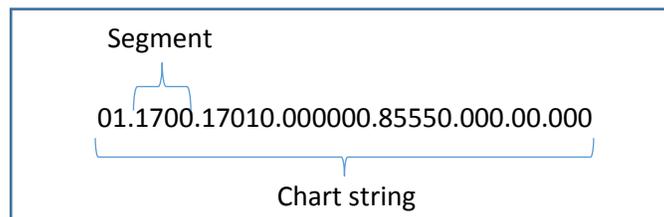
A: Introduction

What is a Chart of Accounts?

The Chart of Accounts (COA) determines how your accounting information is collected, categorized and stored for reporting purposes. It is the language that the Department of Finance uses to translate campus activities into financial statements. The COA structure strives to answer the following questions:

“Who” is responsible for financial oversight of the transaction? (which unit or person)	“How” is it funded?
<ul style="list-style-type: none">• Department – The unit or area on campus responsible• Assignee – A specific responsible person or faculty member (for example, a PI or a Project Manager)• Company – either the University itself or the Pension Funds	<ul style="list-style-type: none">• Fund – High level source of funds for external financial reporting (Operating, Research, etc.).• Gift – Donor gift – endowment or expendable• Grant – Specific sponsor-funded arrangement• Internal or external debt
“What” did we do with the money? (travel, employee salary, utilities, etc.)	“Why” did we perform the transaction? (conduct research, educate students, serve the community, etc.)
<ul style="list-style-type: none">• Expense Category• Revenue Category	<ul style="list-style-type: none">• Program – Mission-based programmatic activity• Project – Individual time-limited activity

The COA is a sequence of numbers that are brought together. The pieces of the chart are called “segments”; the full string of all segments is called the “chart string.” The example below demonstrates how the components work together. In this example, the segment highlighted is the Department.



Why Chart of Accounts 2.0 (COA 2.0)?

The University of Windsor (UWindsor) is undergoing a technological transformation known as UWinsite. The first element of UWinsite is the transformation to a new financial information system, UWinsite Finance (UWF), in February 2018. Oracle Cloud Financials is the tool that has been procured to serve as UWinsite Finance.

As a result of this transformation, the Department of Financial Accounting & Reporting (FAR) sought feedback from campus community members to determine whether the existing chart of accounts was meeting their needs. As a result of this consultation process, numerous potential improvements were identified to improve the overall campus experience when transacting with finance.

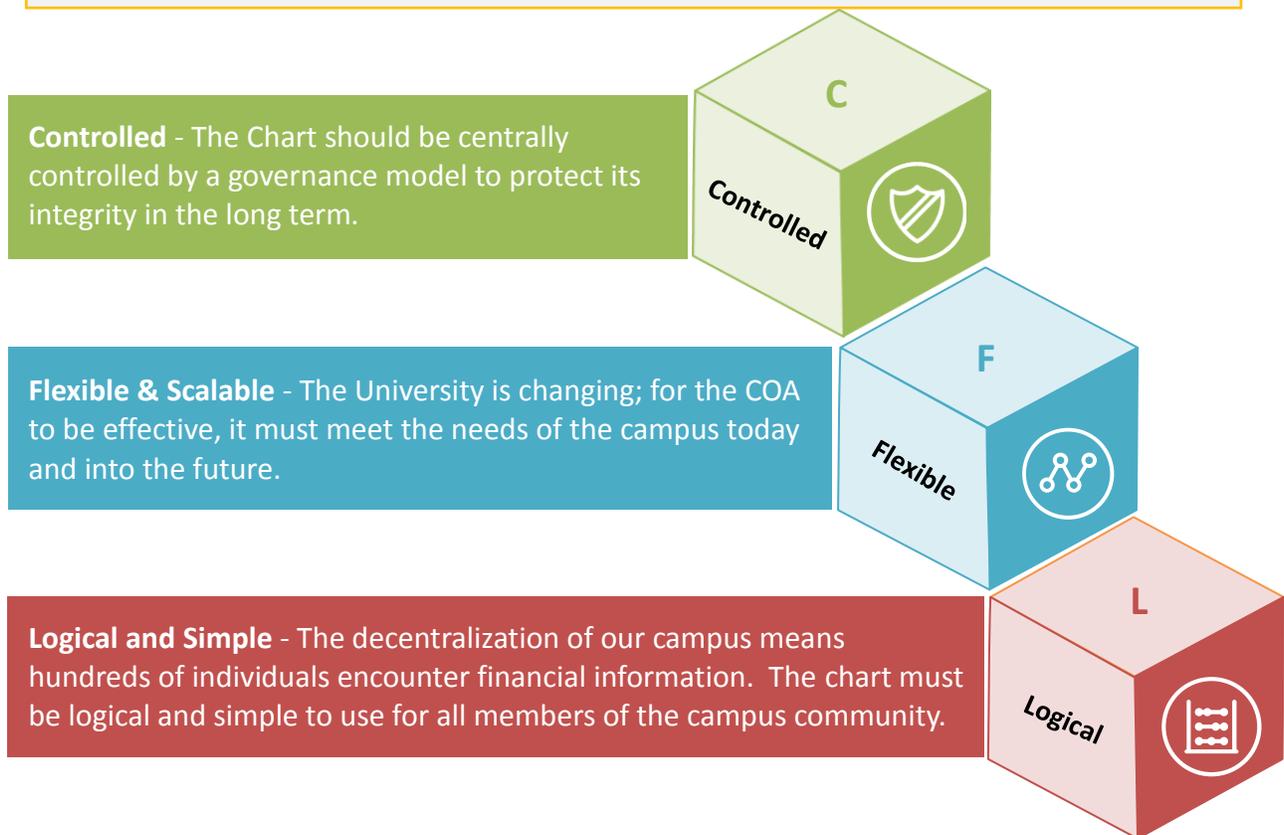
UWinsite Finance has also provided the Campus with an opportunity to collect and report on some powerful data not previously available. The design of a new Chart of Accounts was required to be able to facilitate the efficient and effective collection and reporting of data.

A task force was struck in 2016 to guide the process of design. The task force included representation from Budgets, FAR, and the broader campus community.

Vision and Design Principles for COA 2.0

The COA 2.0 task force determined the vision for COA to be:

“A chart, designed by the campus to meet the needs of University of Windsor 2.0”



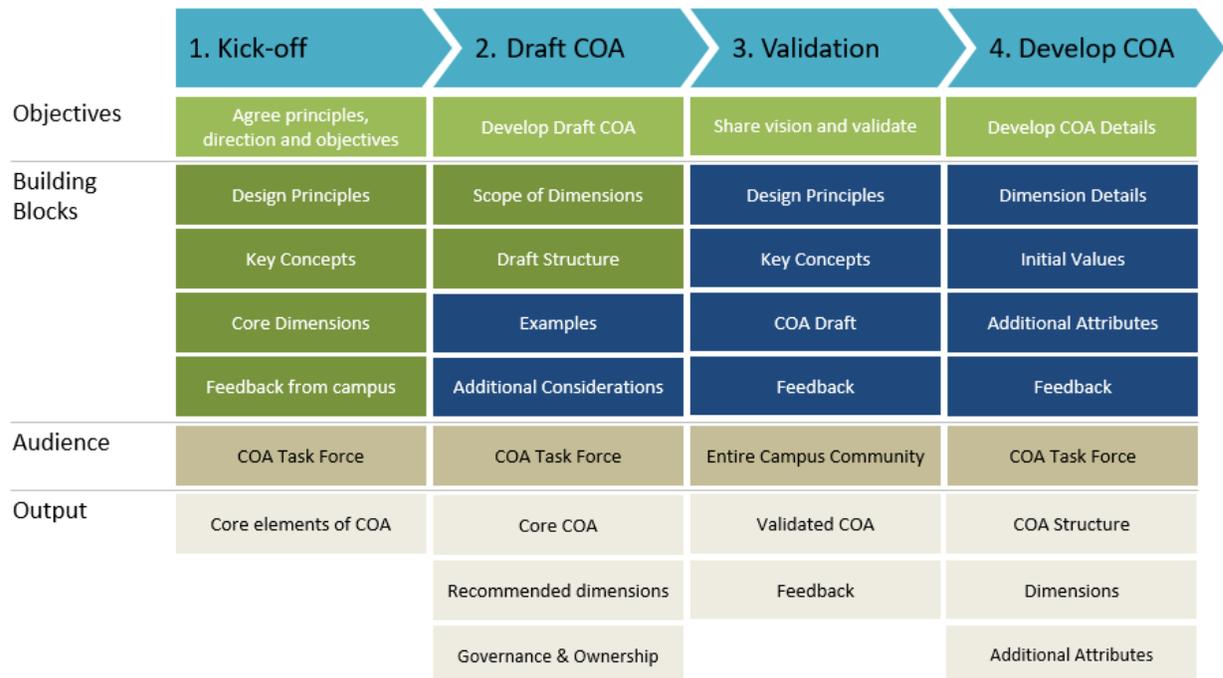
The leading practices to be adhered to include:

- The University has three legal entities which require two different “Companies” (under Oracle’s definition). The two Companies will be: University of Windsor (UW) and the Pension Plans (PP). Each will have their own chart of accounts.
- VIP’s HR/Payroll data must be the ‘source of truth’ for the organizational structure
- Canadian accounting standards for presentation should be the basis of the chart of accounts. Additional hierarchies should be used to allow for reporting for Budgets and other external reporting purposes.
- Ideally One Definition per component of the chart

- Each element should have a clear definition and requirements
- Understand the Key Reporting Drivers
- Understand the Budgeting, Planning, and Forecast process, including the level of detail and the drivers i.e. level of budgeting and need to compare actuals to budgets
- Determining when roll-up/hierarchies are needed or beneficial
- Plan for a robust governance model which promotes ownership and supports security and controls
- Remember, it's called General Ledger, not the "Detailed Reporting Ledger"; keep the detail where it belongs, in other areas of (Supplier Invoices, Projects) and/or in source external systems and be prepared to summarize to the GL

Approach to the COA 2.0 Design

The following diagram demonstrates the design process of COA 2.0. Step 3 Validation: included involvement of over 125 campus community members, including the Finance Department.



B: Orientation to Chart of Accounts 2.0

The Eight Segments

The structure is a multi-dimensional Chart of Accounts made up of multiple segments to capture different aspects of a transaction. The combination of the segments provides a more robust record of the financial activity. It consists of the following:

- **Fund** (2 digits) is how we currently use Company, and is the way that we identify the various different business functions of the University as a whole (i.e.: Operating Fund, Research Fund).
- **Department** (4 digits) is a group of accounts based on the University's organizational structure as defined by the HR/Payroll system data (i.e.: Odette School of Business, Chemical Control Centre).
- **Program** (5 digits) is a tool to distinguish the different ongoing activities of a department. Programs can include items previously tracked as "business units" to further break out Departmental funds (i.e.: Odette Career Services, Master of Management Program, etc.). Programs also include Trust and Endowment funds. To meet the definition of a Program, there would typically be no known end date for the activity.
- **Project** (6 digits) is for tracking Grants and Capital, Repairs and other Special Projects. To meet the definition of a Project, there must be an end date.
- **Natural Account** (5 digits) is what we previously referred to as Object accounts (i.e.: Salaries, Supplies, Travel, etc.). This segment answers the "what" questions, as in "what did you buy"?
- **Classification** (3 digits, alphanumeric) is a way to track funds across the institution to disaggregate costs for central planning and budgeting purposes (i.e.: Professional Development Funds).
- **Inter Fund** (2 digits) is the system created segment that allows the financial statements to balance when transactions happen across Funds. When large entries are used amongst multiple funds, this segment will be used to balance the funds against each other.
- **Future use** (3 digits) is the segment that has been 'saved' for a future expansion of COA 2.0. In the short term, this segment will not be used (i.e.: will always equal 000).

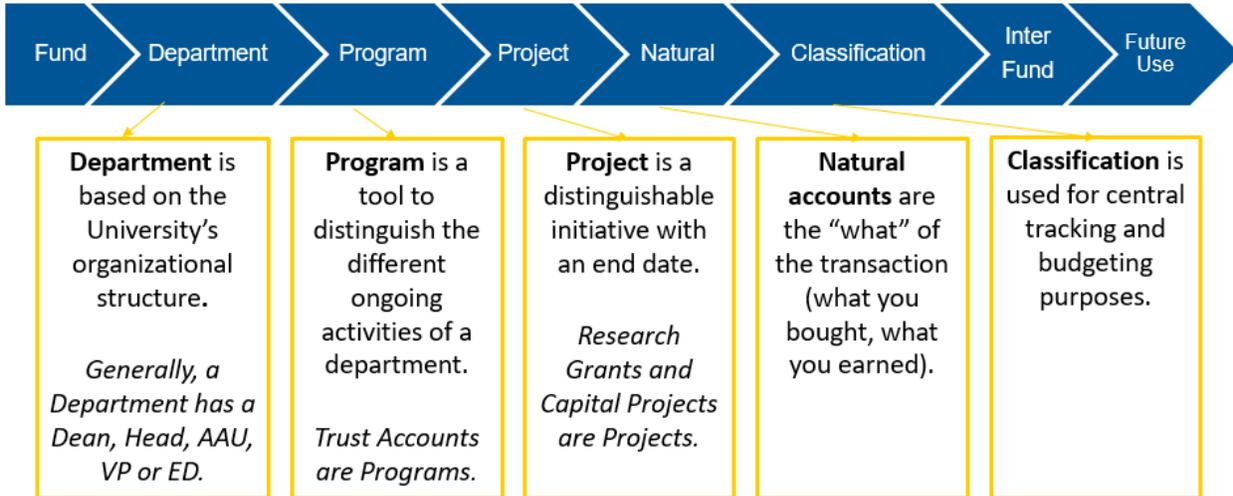
When performing a transaction, it is usual that not all the segments will be used. For example, when a Project is charged, the Program segment is not used. When a segment is not being used in a transaction, the system will often default that segment to all zeroes. However, when creating journal entries, you will have to input the 000's in the string.

The following graphic depicts the chart transformation from the former COA to COA 2.0:

Chart 1.0



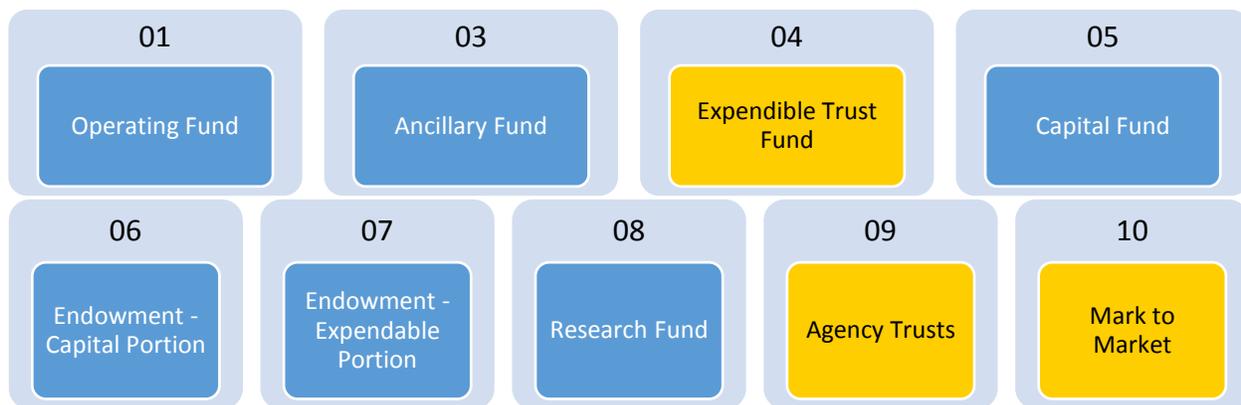
Chart 2.0



COA 2.0: The Funds

Fund is the first segment of the chart of accounts and helps define both who is responsible for the transaction, and how it is funded. Organizing our accounting into Funds allows us to complete critical reporting requirements including the annual audited financial statements and the COFO report.

The following summarizes the funds in COA 2.0, with new funds in yellow:



The following provides a definition for each of the Funds to help determine where future accounts will be classified:

- **Operating Fund (01)** accounts are for the costs of instruction, academic support, student and shared services, operating grants and other general unrestricted revenue. The fund includes any non-credit activities, such as lectures, courses, conferences, recruiting activities, and similar activities. Special projects including minor repairs items are included in this fund.
- **Ancillary Fund (03)** accounts are for sale producing or cost recovery activities provided as supplementary to the primary function of UWindsor of student instruction and research.

- **Other Expendable Trust Fund (04)** accounts are for non-endowed restricted funds from which the capital can be expended. These are financial accounts which hold donations or bequests received by the University that have conditions and/or legal requirements for use, agreed upon by the donor and UWindsor.
- **Capital Fund (05)** accounts are for grants, donations and other funds made available to or by UWindsor specifically for capital purposes. This would include new buildings, demolition, etc..
- **Endowment (Capital Portion) Fund (06)** accounts are for donations and bequests received by the University where the capital cannot be spent. This would include the original principal, the growth and protection fund, and any interest earned which is not yet released for spending.
- **Endowment (Expendable Portion) Fund (07)** accounts are for the interest earned by the Endowment Funds (06) that has been released for spending in accordance with the Policy. All fund 7 accounts must have a corresponding fund 6 account, otherwise they would be considered in fund 4 trusts.
- **Research Fund (08)** includes both Research Grants and Research Contracts:
 - **A Research Grant** is a financial support for an individual, group, research centre or institute conducting research in a particular subject area or field. Grants can come from external and internal sources.
 - **A Research Contract** is an agreement between legal entities to provide financial support for an investigator or investigators to conduct research in a particular subject area or field under specific stipulations and conditions.
- **Agency Fund (09)** is used to record monies or transactions for outside groups who have a close relationship with the University. Balances in this fund do not belong to the University and are not reported in the University's financial statements; for example, funds collected and held on behalf of the UWSA.
- **Mark to Market Fund (10)** is used to record non-cash transactions not budgeted for, and accounted for only at year end for the purpose of the audited financial statements. The mark-to-market change on the interest rate swaps is one example. This fund will be used only by FAR.

The most significant realignment of the Funds from COA 1.0 to COA 2.0 is an attempt to streamline the Trust accounts stored in the system:

- We have purified Funds 6 and 7 to be exclusive to the Endowment funds only.
- Fund 4 was created to store Trusts that are not associated with the Endowment but continue to meet the definition of a Trust (i.e.: Women's Basketball Trust Fund).
- Fund 9 was created to store Agencies.
- Any true operating activities, such as conferences, have been moved into Fund 1.

COA 2.0: The Departments

In accordance with our guiding principles, VIP's organizational structure data is the backbone for the organization of the chart of accounts; in particular, for the Department segment. Where a Dean, VP, AVP, Department Head, AAU, Executive Director exist, there should be a department.

The Faculties (other than Graduate Studies) have Departments that start with “1”. The Ancillaries have Departments that start with “3”. Central accounting units, such as the balance sheet, Tuition Revenue, Operating Grant, etc. start with “0”.

Here is a summary of how the Department Ranges work to help with navigation:

Department ID Range	Division
0000 – 0999	Centrally Recorded Revenues & Expenses
1000 – 1099	Faculty of Arts, Humanities and Social Sciences
1100 – 1199	Faculty of Education
1200 – 1299	Faculty of Engineering
1300 – 1399	Faculty of Human Kinetics
1400 – 1499	Faculty of Law
1500 – 1599	Faculty of Nursing
1600 – 1699	Faculty of Science
1700 – 1799	Odette School of Business
2000	Office of the President
2001	Office of the Provost and VP Academic
2010 – 2059	Office of Student Experience
2060 – 2099	Athletics and Recreational Services
2100 – 2109	Faculty of Graduate Studies
2110 – 2499	Other areas reporting to the Provost and VP Academic
2500 – 2599	Office of the VP Human Resources
2600 – 2699	Office of the VP Research and Innovation
2700 – 2799	Office of the VP Planning and Administration
2800 – 2899	Other areas reporting to the President
3000 – 3999	Ancillary Operations

Users should use the online translator to translate their previous Department/Cost Centre numbers into the new Department numbers.

COA 2.0: The Programs

The Program segment is one of the more flexible segments in COA 2.0 for users. It will be used to distinguish:

- Departmental programs and initiatives (i.e.: certain degree programs, fundraising efforts, conferences, etc.)
- Various institutional programs
- Trust accounts (including Endowments)

A helpful tip, in working with the Program segment within Fund 1, is that the first three digits of the program number are always going to match the related Department. For example, a Program called 17005 can be identified as a Program belonging to the Odette School of Business because the first three characters are “170”, matching the Odette department number “1700”.

Another useful piece of information, when comparing the previous COA to COA 2.0, is that the Endowed Trusts, both the Capital side and the Expendable side, have not been renumbered.

COA 2.0: The Projects

The project segment includes any initiative that has a finite end date. While most of the Projects are managed in the Oracle Projects module, not all of them will be. Currently we anticipate using the Projects segment to house:

- Research grants
- Capital projects
- Repairs projects
- Special projects

Thus, generally speaking, Projects are managed by Facility Services or the Office of Research.

Please note, when comparing the previous COA to COA 2.0, the research grants have not been renumbered.

In addition, all of the capital, repairs and special projects have retained much of their original number, with one change – an additional digit was added to the number so that it would fit in the 6-digit string. For example, under the previous COA, 51005 was the Project Number for the Armouries Renovation. In COA 2.0, that project is now 501005.

COA 2.0: The Natural Accounts

The Natural Accounts answer the question “what did you buy?” or “how did you earn revenue?” in the language of the Chart of Accounts 2.0. The requisitioning and reimbursement elements of UWinsite are designed so that users interact with descriptive Expenditure Categories (such as Travel – Mileage) rather than having to know all of the Natural Accounts.

The redesign of the Natural Accounts was a focus of the Task Force. The Natural Accounts now align with the external financial statements, and include clear descriptions of which types of transactions should be charged to each. In addition, the redesign allows us to split the external transactions (costs we incur when doing business with parties external to the University) from the internal transactions (costs incurred and revenue earned when doing business internally, for example, when FAR orders coffee and muffins from the UWindsor Catering Department).

This chart provides helpful tips to help navigate the Natural Accounts:

Account Types	Account ID Range
Balance Sheet	
Assets	10000 – 29999
Liabilities	30000 – 39999
Net Assets	40000 – 49999
Income Statement	
External Revenues	50000 – 59999
Internal Revenues	60000 – 69999
Internal Expenses	70000 – 79999
External Expenses	80000 – 89999
Appropriations & Budget Carry forwards	90000 – 99999

The revenue and expense external accounts have been organized in the same order as the audited income statement, which is available on the Finance Department website. For example: Naturals that start with “81” are Salaries and Benefits, those starting with “82” are Materials, Supplies and Services, and those starting with “83” are Repairs and Renovations, etc.

A helpful tip when creating journal entries for internal recoveries is *when one side of the journal entry starts with a 6, the other side must start with a 7.*

Categorizing Accounts and Data beyond the COA

As you can see, one of the benefits of having a longer chart string means that much of the data about the transaction is stored in the string itself. For example, when reviewing a transaction for a research grant, you will be able to tell to which Faculty the researcher belongs.

However, there are certain examples of data that have to be stored in our system for the purpose of reporting. For example, the Endowment Funds are grouped by their spending policy (4%, 5%, 6% or Other). We also store a variety of information on research grants including the PI’s name, the eRSO reporting number, etc. This data was previously stored in “CAT Codes.” The new field for this data will be **Defined Flex Fields (DFFs)**.

Information stored in the Projects Module (Capital/Repairs Projects and Research Grants) have other tools, including Categories, that allow us to create groups of grants that share similar characteristics. Both of the DFFs, referred to above, and the project categories will aid in creating better reports for both internal and external requirements.

C: Cross Validation Rules

The cross validation rules (CVR) are rules that are created in the system to automatically stop incorrect transactions. If you propose a journal entry that violates a CVR, an error will occur. This allows us to protect the integrity of our general ledger.

Understanding the CVR's will help users both understand how the COA 2.0 was designed, and help to ensure time is not spent correcting errors.

Rules Applied to All Funds

- Projects and Programs are mutually exclusive (i.e. if you have a Program, the Project must be "000000" and alternatively if you have a Project, the Program must be "00000")
- Natural account entries to 60000 to 69999 (Internal Revenues) can only be booked with the other side as 70000 to 79999 (Internal Expenses)
- All Fund 6 & 7 Revenues require a classification segment
- All Natural Accounts for Revenues and Expenses need to have a Department other than 0000
- Each Department is restricted to the programs that belong to that department

Fund 1

- Any Program number between 00001 to 29999 will be associated with Fund 1
- Any Project number between 100000 and 299999 will be associated with Fund 1

Fund 3

- All Program numbers from 30000 to 39999 will be associated with Fund 3
- Any Natural account between 53000 to 53999 can be only in Fund 3
- Any Natural account between 84000 to 84999 can be only in Fund 3
- No Projects can be associated with Fund 3

Fund 4

- All Program numbers from 40000 to 49999 will be associated with Fund 4
- No Projects can be associated with Fund 4

Fund 5

- No Programs can be associated with Fund 5
- All Projects between 400000 to 599999 will be associated with Fund 5

Fund 6

- No Projects can be associated with Fund 6
- Programs between 60000 to 69999 will be associated with Fund 6
- Natural accounts that can be used in Fund 6 are restricted to:
 - 10000 to 49999 *Assets, Liabilities and Net Assets*
 - 54000 to 54999 *Investment Revenues, 55100 Donation Income, 57700 External Cost Recoveries, 57160 Sponsorship Revenues*
 - 67900 to 67999 *Internal Funding*
 - 77900 to 77999 *Internal Funding, 73300 Catering/Food*

Fund 7

- No Projects associated with Fund 7
- Programs between 70000 to 79999 will be associated with Fund 7
- Natural accounts that can be used in Fund 7 are restricted to:
 - 10000 to 49999 *Assets, Liabilities and Net Assets*
 - 54000 to 54999 *Investment Revenues, 55100 Donation Income, 57700 External Cost Recoveries, 57160 Sponsorship Revenues*
 - 67900 to 67999 *Internal Funding*
 - 77900 to 77999 *Internal Funding, 73300 Catering/Food*
 - 87000 to 87999 *Scholarships, Bursaries and Awards*
 - 82299 to 82399 *Miscellaneous Expenses and Travel Expenses*

Fund 8

- Any Project number starting with 800000 to 899999 will be associated with Fund 8

Fund 9

- Cannot use the natural accounts from 60000 to 79999
- Programs are restricted to 90000 to 99999
- No Projects can be associated with Fund 9

D: Making updates to COA 2.0

Governance by Committee

UWindsor will establish a Governance Committee for COA 2.0. The Committee will be responsible for:

- Reviewing and approving changes to COA 2.0 proposed by campus members
- Authorizing system security to be able to assign a person to make approved changes to the chart
- Delegating and reviewing the results of a tri-annual review of the chart of accounts (see below “Periodic Review”)

Only changes approved by the Governance Committee shall be made to the chart. The Committee will be comprised of:

- Controller (Chair)
- Manager, Budgets
- Senior Accountant
- Manager, Research Finance

Membership of the committee may change over time requiring approval of all members as well as the Vice-President, Planning and Administration

Requesting Changes

A formal request system will be in place for changes to the chart of accounts. Initially, the system will be set up by TeamDynamix, and will be available to all members of the campus via the IT Services website and the Finance website.

A staff member within FAR will be responsible for reporting any open tickets to the Committee, and ensuring the results of the Committee’s decision are recorded within the TeamDynamix tool, and tickets are closed. The Committee will endeavour to review changes as quickly as possible. The request process will allow users to flag urgent requests.

Communication of Changes

The requester of a change will be informed of the results via the TeamDynamix system. When a change impacts more than one person, an email will be circulated to all active FIS users.

Periodic Review

A triannual review of the chart of accounts will be delegated by the Committee to an appropriate group of people. The approach for the review will be determined by the Committee.

Appendix A: List of Natural Accounts

[Click here to view the list of Natural Accounts in Excel](#)

Appendix B – Balance Sheet Structure for the Chart of Accounts

