POLICY STATEMENTS

01.01 This PPS establishes policy and procedures for the master data associated with the financial system of the university including, but not limited to, the creation of new accounts, changes to existing accounts, and the deletion of existing accounts.

01.02 The Associate Vice President for Financial Services (AVPFS) is responsible for the university's chart of accounts.

01.03 Financial accounts of the University are established to maintain a complete, accurate and up-to-date record of the financial activity of the university. These financial records help ensure the fiduciary responsibility of the university is met by accounting for, monitoring, and planning future financial activity of the university. Additionally, the financial records assist in meeting internal, local, state, and federal compliance and reporting requirements. These requirements include production of the Annual Financial Report in accordance with Generally Accepted Accounting Principles and the State of Texas Comptroller of Public Accounts Annual Financial Reporting Requirements, as well as the production of various internal and external reports.

01.04 Accounts should be established only for those areas which require unique identification of revenues, expenses, assets, liabilities or fund balances. These should be for significant activities and/or programs of the university. Examples include academic departments and colleges, staff departments, and large programs and/or activities.

01.05 Requests for accounts must include adequate supporting information to identify the use of the account, including the source of funding. Generally, no account will be established until funding for the account is identified. No funds will be obligated or expended until the account is established.

01.06 The AVPFS may delegate master data creation, maintenance, review, and upkeep as needed to various offices and/or individuals:
a. The Office of Sponsored Programs (OSP) has been delegated responsibility to establish and maintain accounts for externally sponsored grants and contracts. For more information, please see OSP web page at http://www.txstate.edu/research/osp/index.php

b. Unless otherwise specifically addressed in this PPS, the General Accounting Office (GAO) has been delegated responsibility to establish and maintain accounts.

02. DEFINITIONS

02.01 Chart of accounts – A systematic listing of all accounts used by the University. The chart of accounts is used to organize, collect, and report financial data, including revenues, expenses, budget, assets, liabilities, and fund balances.

02.02 Account Manager – The individual assigned the fiduciary responsibility for the funds in an account and responsibility for assuring that the account is managed consistent with all applicable regulations and restrictions.

02.03 Account – Financial unit of recordkeeping established to record the financial transactions related to a particular funding source and organizational unit. Accounts are also designed to facilitate university accounting, reporting, disbursement, and auditing. Common reference points in the financial system are:
   a. Fund: denotes funding source or revenue origin
   b. Cost Center: denotes organizational hierarchy
   c. Internal Order: denotes grants, projects, or sub-categories within the organizational hierarchy
   d. GL account: denotes revenue or expense classification

All departmental financial transactions require a fund, a GL account, and either a cost center or an internal order.

02.04 Restricted Account – An account for which funding is provided by an external source usually in the form of a gift/donation or sponsored project. Donors (or sponsors) may restrict that funds be spent for a particular division, college, department, center, office, or program within the university and/or for a particular purpose.

02.05 Source of Funds – The method of classifying the provider of revenue received by a university account. Funding may come from a variety of sources, including but not limited to: state appropriations, designated tuition, fees, gifts, sponsored programs, transfers from other accounts, and sales/services.
03. PROCEDURES

03.01 Requests for new accounts and changes to existing accounts must be made via the account request process as designated on the Financial Reporting & Analysis (FR&A) web site.

03.02 FR&A, within the GAO, reviews each account request and contacts the requestor if additional information is needed to support the request.

03.03 FR&A will ensure that the approvals are documented as a part of UPPS SAP Financial Account Changes.

03.04 The account manager desiring to establish a new account or to begin a new program should discuss their plans with the Office of Budgeting, Financial Planning and Analysis before submitting an account request. The account manager will follow the normal budgeting process to request inclusion in the operating budget.

03.05 Quasi-endowment accounts, funds functioning as endowments, and Board designated reserve accounts are only established with approval of the TSUS Board of Regents.

03.06 Construction in Progress accounts are initiated and requested by the Office of Finance and Support Services Planning.

03.07 Administrative offices such as the General Accounting Office, the Office of the Treasurer, or the Office of Budgeting, Financial Planning and Analysis may initiate an account request on behalf of the account manager.

03.08 FR&A will notify account managers of account creations or changes. The notice will include an explanation of the account manager’s fiduciary responsibilities for managing the accounts in accordance with UPPS 03.01.09, Fiscal Responsibilities of Account Managers at Texas State. Account managers accept these responsibilities by utilizing the account.

03.09 Requested changes will be coordinated between the Office of Budgeting, Financial Planning and Analysis and Financial Services to assure accuracy in both the current and upcoming years financial reporting and the budget for the next fiscal year. The Office of Budgeting, Financial Planning and Analysis is responsible for assuring that master data changes in a current fiscal year are reflected in the budget for the next fiscal year.

03.10 For organizational units that transfer/move from one department or division to another, the corresponding account changes will be made at the start of the next fiscal year.
03.11 An account’s functional area cannot be changed retroactively in master data after expenditures have been made. All such changes must occur prospectively and require approval of the Director of Accounting or his/her designee.

03.12 Accounts should not be re-used for a different purpose.

03.13 Accounts may be closed or deactivated in conjunction with the start of a new fiscal year or completion of a project. Accounts which have had transactions recorded in them, but which should have no future activity, may be deactivated during the year to prevent future postings.

03.14 Accounts to be closed should have an available balance of zero. Therefore, all purchase orders, encumbrances, commitments, and reservations should be closed out and any other necessary entries (such as IDTs and asset transfers) recorded before a request to close an account is initiated.

03.15 Certain types of accounts have a standard account manager as follows:
   a. Endowments, Quasi Endowments, and Construction – Vice President for Finance and Support Services (VPFSS)
   b. Fixed Assets & Equipment - Director of Materials Management
   c. Fund Balances and Reserves - VPFSS, unless specifically delegated to another vice-president

03.16 As chief financial officer of the university, the VPFSS is authorized to establish and/or make changes to all financial accounts of the university.

04. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS

Major responsibilities for routine assignments associated with this PPS include the following:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Section</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Vice President Financial Services</td>
<td>Review</td>
<td>September (E5Y-93)</td>
</tr>
<tr>
<td>Director, Accounting</td>
<td>Review</td>
<td>September (E5Y-93)</td>
</tr>
</tbody>
</table>

05. CERTIFICATION OF STATEMENT

This FSS/PPS has been approved by the appropriate individuals in the positions indicated, serving in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.
Associate Vice President, Financial Services, Reviewer

Vice President for Finance and Support Services

Approved: __________________________
    Reviewer

Approved: __________________________
    Vice President for Finance and Support Services