

Virginia State University
Policies Manual

Title: Account Creation

Policy: 5005

Purpose

The purpose of this policy is to define terms and establish policy regarding the creation of the new account (FOAPAL).

There are no authorized budgets for the University except those established in Banner Finance. When a new or expanded activity is recognized as needing funding segregated on an on-going basis, a new account (FOAPAL) must be created. That FOAPAL must be funded from within the University's current budget.

All new FOAPALs must have a reliable source of annual funding. In some instances, fee increases charged to the University's students would be the source of this funding. Thus, a new account could generate increased fees paid by Virginia State University students.

Authority, Responsibility, and Duties

In accordance with this policy, the Budget Office and the FAST (Financial Analysis Service Team) Office will add new accounts to the accounting system upon approval by the appropriate executive administrator(s). The exception to this Policy includes new accounts created for the Virginia State University Foundation (scholarships and endowments, etc.), grants and contracts.

The Budget Office will be responsible for loading the budget to the new FOAPAL.

The Vice President for Finance or his/her designee is responsible for the implementation of this policy for their department.

Definitions

Banner Financial System -The University's official automated system used to account for and manage all financial transactions. Also referred to as Banner Finance.

FOAPAL - In Banner, the Chart of Accounts is manifested in the FOAPAL, which acts as a blue print or a routing number to properly sort and classify revenues and expenditures. The Chart of Accounts allow for the identification of: state versus federal versus local funds; restricted versus unrestricted funding.

Banner Financial System's Chart of Accounts Classifies:

Assets, Liabilities, Net Assets, Revenue, Expenses and Transfers using an alpha-numeric system called a FOAPAL.

1. **F:** Fund – Defines WHERE the money is coming from
2. **O:** Organization – Defines WHO is processing transactions and how it relates to a particular department on campus
3. **A:** Account – Defines WHAT the money is being spent on
4. **P:** Program – Defines WHY you are collecting or spending funds
5. **A:** Activity - Used to track multiple projects when all the funding is coming from one source. Optional field
6. **L:** Location – Used to track the location of fixed assets. Optional field

Banner Funds, Orgs, Account, and Programs are organized in hierarchies. The lowest of each hierarchy is the active data-enterable Fund, Org, Account, or Program Code into which transaction data is recorded. Each data entry level Fund, Org, Account or Program "roll up" to a higher level.

Operating Budget (also operating funds, current appropriation, and current budget) – The legally established annual limit that a state agency or university may expend for day-to-day activities.

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Policy Statements

A new account creation cannot be established until it has been documented that adequate funds exist within the University's current budget to support the account creation on a continual recurring annual basis.

The area of the University that desires a new account must provide written justification documenting the account creation along with an estimate of the annual budget needed to support it and the source of that funding. The documentation must be submitted to the appropriate Dean or Director for approval. Once the Dean or Director approves the account creation, it should be forwarded to the Budget Office.

The Vice President for Finance (VPF) or his/her designee will determine whether the University's operating budget can absorb an increase of the estimated budget amount on an annual basis. The VPF or his designee will approve or deny the request based upon specific financial parameters.

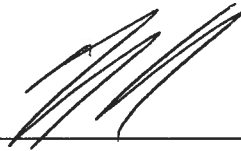
The Budget Office will forward the account creation form to the FAST Office.

The VPF or his/her designee will inform the requesting University area of approval or denial of the request.

References

None

Approved By: _____



President

Date: _____

3/2/17