

**Financial Policy & Procedure Instructions Manual  
FPI H-1 Accounts**

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**I. PURPOSE**

The purpose of this FPI is to explain what a University account is and how to set up an account into the University's Financial Reporting System (FRS).

**II. GENERAL**

Each account must be unique in that it covers only one function or activity and has only one person responsible for it. All accounts must be associated with a particular University fund. An account has two kinds of data:

- Descriptive information called attributes. Refer to the FRS Manual for additional information.
  - Financial records such as budgets, actual revenue/expenses, and assets/liabilities.
- C. Purpose**

Accounts can be established for a variety of purposes. For example, an account might be established for any of the following purposes:

- A sponsored project
- A cost center
- A departmental instructional function
- A public service function
- A service activity

**D. Number of Accounts**

A department might have any number of different accounts, such as:

- A state supported instructional account
- A number of federally or privately funded research projects
- A number of departmental service activities

A department might have any number of different accounts for the same basic function, such as an instructional function divided into a number of accounts each representing a field of interest within the subject.

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An individual might have any number of different accounts for which he or she is responsible, such as a number of accounts for various research activities or a number of accounts for different funding for the same research activity.

**III. LEDGERS**

All the accounts within the FRS are contained in either the General Ledger or a Subsidiary Ledger.

**. Subsidiary Ledgers**

Most accounts used by departments are part of a subsidiary ledger. The basic financial data shown in these accounts are budgets, revenues, expenditures, encumbrances, and budget balance available.

**A. General Ledger**

The general ledger accounts are used to record claim-on-cash, accounts receivable and other assets, accounts payable and other liabilities, and fund balance. Some general ledger accounts will be used to record specific fund additions and fund deductions as account activity occurs. Others, with related subsidiary ledger accounts, will carry summaries of the budgets, revenues and expenditures that are in the subsidiary ledger.

**B. Mapping**

The relationship between subsidiary ledger accounts and their general ledgers is called mapping. In some cases there are many subsidiary ledger accounts mapping to one general ledger account. In other instances there is a one for one relationship between the two ledgers. Any transactions posted to a subsidiary ledger account is automatically posted to its related general ledger account to update the claim on cash, fund balance, and the appropriate summary revenue or summary expenditure control. The updating of the general ledger is performed simultaneously with the processing of each subsidiary ledger transaction, causing the ledgers to be always in balance with each other.

For additional information on ledgers, refer to the FRS Manual.

**IV. ACCOUNT CODE STRUCTURE**

The FRS identifies an account by a sequence of numbers called an "account number". The account number in the FRS is a 10-digit number (x-xxxxx-xxxx). The first digit (X-xxxx-xxxx) refers to the ledger code to which an account belongs. The next five digits, together with the first digit, identify a unique account (x-XXXXX-xxxx). The final four digits identify a specific an account control or subcode (x-xxxx-XXXX).

**. Ledger**

The first digit in the account number refers to the ledger to which an account belongs:

*0 = General Ledger*

*1-9 = Subsidiary Ledger*

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**A. Account Identifier**

Digits two through six of the ten-digit account number are the "account identifier". This number is an assigned value, which, along with the first digit (ledger), indicates a unique account.

**B. Account Control/Subcode**

The last four digits of the ten-digit account are the Account Control or Subcode. Account controls are General Ledger classifications while subcodes are Subledger classifications. A listing of expenditure subcodes and account controls can be found in the FRS Manual.

**V. PROCEDURES**

Procedures for setting up an account are in the FRS Manual. For assistance, contact Financial Reporting and Analysis.