

ADMINISTRATIVE POLICY

Updating Chart of Accounts Policy

Approval Authority: Vice Chancellor for Finance
Responsible Administrator: Controller
Responsible Office: Finance
Policy Contact: Assistant Controller

Originally issued:
January 2018

**Current version
effective as of:**
December 2019

POLICY STATEMENT/REASON FOR POLICY

The goal of this document is to provide the governance framework for a standard and consistent process for updating the chart of accounts.

THIS POLICY APPLIES TO

This policy applies to all chart of account field value sets as well as all personnel in the initiation, processing and authorization of Vanderbilt University transactions.

POLICY

A. Required Approval

The Controller must approve all new chart of account segment values. In addition, the Associate Vice Chancellor for Human Capital and Business Services must approve new work unit values that correspond to financial unit values.

B. Timing

Creation of new entity and financial unit values will only occur at the beginning of each fiscal year in July unless explicitly approved by the Controller.

C. Net Asset Class and Account Values

Creation of new net asset class and account values will occur as deemed necessary and must be approved by the Controller.

DEFINITIONS

Chart of Accounts (COA) – A nine segment (4 mandatory, 2 optional, 3 system generated) accounting string used to record the financial impact of transactions.

Entity – Organizational unit that owns a Balance Sheet (assets, liabilities, net assets).

Net Asset Class – Indicates restrictions on net assets (Unrestricted, Temporarily Restricted, or Permanently Restricted) and category of net assets such as faculty funds, gifts, or endowments.

Financial Unit – Organizational unit generating revenues and expenses (Cost Center).

Account – Natural account or specific category of assets, liabilities, revenues or expenses.

Program – Used by individual areas to report on a group of related activities.

Activity – Used by individual areas to report on a specific action or event related to a financial unit area or program.

CONSEQUENCES OF NON-COMPLIANCE

The chart of accounts will not reflect any changes that do not comply with this policy.

PROCEDURES

Contact Finance@vanderbilt.edu to request an update to the Chart of Accounts.

ADDITIONAL CONTACTS

Subject	Contact	Office	Phone
Updating Chart of Accounts	Finance	Accounting	(615) 343-6601

RELATED POLICIES/DOCUMENTS

Chart of Accounts

<https://www.vanderbilt.edu/skyvu/procurement-requesters.php>

HISTORY

Issued: 1/1/2018

Reviewed: 12/1/2019

Amended: 12/1/2019

Procedures Website

N/A

FAQ Website

N/A