

Chart of Accounts Update – Policy

Date Effective
January 2018

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer
 Responsible Office: Controller’s Office
 Policy Contact: Assistant Controller, Controller

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1. Policy Statement

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

2. Scope

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.

3. 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.

4. Policy

- a) The Controller must approve all new chart of account segment values. In addition, the Chief HR officer must approve new work unit values that correspond to financial unit values.
- b) 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) Creation of new net asset class and account values will occur as deemed necessary and must be approved by the Controller.

5. Appendix A: Request for New Work and/or Financial Unit

**SkyVU Chart of Accounts and Organization Structure
Request for New Work and/or Financial Unit**



PROPOSED Work/Financial Unit Name		
Requested by/ ext.		
Effective Date of Requested Change		

Please provide the following information regarding your request for a new work and/or financial unit. All requests should be submitted by the Business Officer for the affected SkyVU Business Unit/Financial Entity.

FOR WORK UNIT REQUEST	
PROPOSED Work Unit Name	
<ul style="list-style-type: none"> • What is the anticipated number of people in this work unit: <ul style="list-style-type: none"> o Initially? o In 24 months? o Would these individuals be from other work units? If so, which one(s)? o Would these people be new hires? Approximately how many? • How is the proposed work unit related to a Vanderbilt strategic initiative (such as a chancellor's initiative or part of the strategic academic plan)? • Is this request related to a Project (POET string)? • Is this a permanent function the university will perform, or is it time-based? • To what existing work unit would this unit report? 	

FOR FINANCIAL UNIT REQUEST	
PROPOSED Financial Unit Name	
<ul style="list-style-type: none"> • What is the anticipated annual budget for this financial unit: <ul style="list-style-type: none"> o Initially? o In 24 months? • Is there special funding that will support this unit? <ul style="list-style-type: none"> o External o Internal o Other • Is this request related to a Project (POET string)? • Is the funding considered long-term or is it time-based? • How would this unit "roll up" in the COA? 	
for use by SkyVU Governance	
Controller approval and date	
HR Director and date	
G2 Governance Decision (Yes/No)	
Decision communicated to Business Officer (date)	
Sent for MC-50 Configuration on (date)	
Test Configuration / Ready for Production Sign-off	
Publish Updated Chart of Accounts and Org Structure	

6. Appendix B: Request for New Entity, Net Asset Class or Account

SkyVU Chart of Accounts and Organization Structure Request for New Entity, Net Asset Class or Account



PROPOSED Entity, NAC, Account	
Requested by/ ext.	
Effective Date of Requested Change	

Please provide the following information regarding your request. [All requests should be submitted by the Business Officer for the affected SkyVU Entity.](#)

FOR ENTITY REQUEST	
PROPOSED Entity Name	
<ul style="list-style-type: none"> How is the proposed entity related to a Vanderbilt strategic initiative (such as a chancellor's initiative or part of the strategic academic plan)? What is the annual budget for proposed entity? <ul style="list-style-type: none"> Initially? In 24 months? Is this a separate legal entity owned by Vanderbilt? Is this request related to a Project (POET string)? Is this a permanent function the university will perform, or is it time-based? 	

FOR NET ASSET REQUEST	
PROPOSED Net Asset Class Name	
<ul style="list-style-type: none"> What is the anticipated annual budget for this net asset class: <ul style="list-style-type: none"> Initially? in 24 months? Is this request related to a Project (POET string)? Is this request related to compliance 	

FOR ACCOUNT REQUEST	
<ul style="list-style-type: none"> What is the anticipated annual spend for this account: <ul style="list-style-type: none"> Initially? In 24 months? Is this request related to a Project (POET string)? <ul style="list-style-type: none"> Is a new expenditure type needed? Is this request related to compliance? 	

for use by SkyVU Governance	
Controller approval and date	
HR Director approval and date	
Decision communicated to Business Officer (date)	
Sent for MC-50 Configuration on (date)	
Test Configuration / Ready for Production Sign-off	
Publish Updated Chart of Accounts and Org Structure	