

## **Chart of Accounts and Cost Object Structure**

### **I. Purpose**

To provide detail regarding the chart of accounts structure and function of cost objects including: funds, cost/funds centers, WBS elements, internal orders, and GL accounts. To provide procedures for the assignment of cost objects by University units and to provide detail regarding how number assignments are formulated for those cost objects. To provide a link to the most current request forms.

### **II. Definitions**

- *Chart of accounts:* The structure of accounting cost objects in SAP. SAP cost objects consist of a ten or twelve digit number. All cost objects have 10 digits except for internal orders that have 12 digits. Following the cost object number is a six digit GL account. The cost objects are segregated into five major categories; funds, cost/funds centers, WBS elements, internal orders, and GL accounts. The funds reflect assets, liabilities and fund balances. The cost/funds centers, internal orders, and WBS elements reflect budgets, revenues, expenditures, recharges and transfers.
- *Fund:* The fund begins with "0" and will consist of a total of 10 digits. It reflects assets, liabilities and fund balances; and it is the lowest level at which a balance sheet can be created. A fund is a fiscal accounting object that is used to control costs and identify source as well as use of funds.
- *Cost/Funds Center:* These cost objects begin with "1" and will consist of a total of 10 digits. A cost/funds center reflects budgets, revenues, expenditures, recharges and transfers for an organizational unit within a university department.
- *WBS Elements:* These cost objects begin with "2", "3", or "4" and will consist of a total of 10 digits. A WBS element reflects budgets, revenues, expenditures, recharges and transfers for land grants, grants and capital projects respectively.
- *Internal Orders:* These cost objects begin with "8" and will consist of a total of 12 digits. An internal order reflects budgets, revenues, expenditures, recharges and transfers for job orders in the plant maintenance (PM) module.
- *Statistical Orders:* These cost objects begin with "8" and will consist of a total of 12 digits. A statistical internal order is used to track and monitor expenditures below the WBS Element and Cost Center level.
- *GL Accounts:* GL accounts are six digit numbers that represent assets, liabilities, fund balances, revenues, expenses, recharges, and transfers. More detailed information regarding GL accounts is available in [BPM E-17-8](#).

### **III. Assignment of cost objects**

- *Endowment Fund (07xxxxxxxx):* Use the Endowment Fund Request Form
- *Fund (0xxxxxxxx):* Use the Fund Request Form
- *Cost Center (1xxxxxxxx):* Use the Cost/Funds Center Request Form
- *Capital Project WBS Element (4xxxxxxxx):* Use the Project Request Form

**Chart of Accounts – Cost Object Structure**

- *Service Center Cost Center (10438xxxxx)*: Use the Service Center Request Form
- *Internal Order (8xxxxxxxxxxxx)*: Use the Internal Order Request Form

**IV. Responsibilities**

- A. Requesting unit
  1. Determine if a new cost object is necessary to track assets, liabilities, revenues and/or expenses.
  2. Complete appropriate request form.
  3. Submit the request form and appropriate back-up documentation to AFO for review.
- B. Area fiscal officer
  1. Confirm that a new cost object is necessary to track assets, liabilities, revenues and/or expenses.
  2. Review and approve the submitted request for accuracy of attribute assignments.
  3. Forward the approved request for the cost object to Accounting and Financial Reporting services.
- C. Accounting and Financial Reporting Services
  1. Audit and review the request form for accuracy of attribute assignments and adherence to University policies.
  2. Establish requested cost object by keying master data.
  3. Verify accuracy of master data creation.
  4. Notify the requesting unit and area fiscal officer of newly established cost object.

**V. Procedures**

- A. The requesting unit
  1. With the exception of the fields designated for Accounting and Financial Reporting Services, Endowment Services or Research Financial Services use, completely fill out the appropriate cost object request form.
  2. Forward the completed request form to the area fiscal officer for review and approval.
- B. The area fiscal officer
  1. Review the request form for accuracy of attribute assignments and necessity.
  2. Approve by signing in the field designated for the area fiscal officer and forward to Accounting and Financial Reporting Services for creation.
- C. Accounting and Financial Reporting Services
  1. Review the submitted request for accuracy and necessity and complete number assignment.

**VI. Links to the forms needed for creating cost objects and the instructions for completing the forms**

- *Endowment Fund Creation Request Form*  
[Form](#)      [Instructions](#)
- *Fund Request Form*  
[Form](#)      [Instructions](#)
- *Cost/Funds Center Request Form*

***Chart of Accounts – Cost Object Structure***

- [Form](#) Instruction available soon  
*Project Request Form (Plant Funds)*
- [Form](#) Instruction available soon  
*Service Center Request Form*
- [Form](#) [Instructions](#)  
*Internal Order Request Form*
- [Form](#) [Instructions](#)