

THE BANNER FINANCE AND BUDGET SYSTEM.

In July 1998 the University implemented the Banner Finance System (BFS) to replace the former system known as the Financial Records System utilized since the fiscal year 1984-85.

The Banner Finance System (BFS) is the core of the University's financial system which we sometimes refer to as the General Ledger system. The Banner Finance System is a relational database system, which integrates with other modules such as the Personnel Payroll System, Alumni Development, Admission, Fixed Assets, Student Registration, Billing Receivable, Purchasing, Storeroom Inventory, Investment System, Resident Life, etc. The University does not use the Human Resource/Payroll Module at present because the SSHE is providing this service centrally for all the fourteen system universities.

BFS is an interactive system which accepts on-line accounting transactions and displays the information to users through specific forms, customized reports, or other ad hoc inquiry with a report generator such as the Brio Query. The system also allows batch processing (or j. v. upload process) so that we may record massive transactions in an off-line mode.

CHART-OF-ACCOUNT OVERVIEW

We organize the University's chart of accounts in BFS in a way that complies with the fund accounting principles and practices through the use of a series of number codes identifying as Chart Code, Fiscal Year, Fund Code, Organization Code, Account Code, Program Code, Location Code, and Activity Code. At present we do not require the use the Location or Activity code with the accounting string.

CHART CODE:

This one-digit code is used to distinguish the various accounting entities that the University may track within the BFS. Presently, chart A represents the University and Chart F, the Millersville University Foundation.

FISCAL YEAR:

This two-digit code identifies the fiscal year in which a transaction occurs. Fiscal year 00 refers to the year ending 6/30/00, fiscal period from 7/1/1999 to 6/30/2000.

FUND CODE:

These four or five-digit codes are used to identify the different funds based on their nature and sources. One or more fund codes make up a fund group. Funds are organized into five hierarchical levels for roll-up reporting purposes. The fund or general ledger codes are the basis of the accounting system as they receive entries from all financial transactions that occur. The financial statements of the institution are prepared from the general ledger, along with the subsidiary ledgers. University funds include:

- 1000 - 1499 Unrestricted Educational and General
- 1600 - 1800 Auxiliary Enterprises
- 2000 – 3999 Restricted Gifts and Grants,
- 4000 – 4999 Loans,

- 5000 – 6999 Endowments,
- 7000 – 8999 Plant Funds comprising of:
 - 8100 – 8199 Unrestricted Unexpended Plant
 - 8200 – 8299 Restricted Unexpended Plant
 - 8300 – 8399 Unrestricted Renew and Replacement (R & R)
 - 8400 – 8599 Restricted R & R
 - 8600 – 8699 Retirement of Indebtedness, and
 - 8700 – 8999 Net Investment in Plant, and
- 9000 – 9999 Agency Fund.

ORGANIZATION CODE.

Each budget unit such as a department on the campus is given a number code called an organization code. Accounting Office, Chemistry Department, Migrant Office, etc. are examples of organization units. An organization code may be linked up to several different fund codes. The organization codes are subsidiary ledgers that provide detailed information for a control account in the fund. One or more organization codes may be “mapped” or linked to a single general ledger fund as in the case of the University operating fund (1100 or 1200). Organization codes are also classified into five levels for roll-up reporting purposes. The University defines its levels as follows:

- Level 1- University level
- Level 2- Executive
- Level 3- School/Division
- Level 4- Area
- Level 5- Dept/Unit

ACCOUNT CODE.

The four digit-account codes are used to identify assets, liabilities, and summary controls within the funds. We also use account codes to classify revenue generated and expenditures incurred by the organization units. Account codes are in the following format:

1XXX	Asset account
2XXX	Liabilities
3XXX	Control Accounts
4XXX	Fund Balance
5XXX	Revenues
6XXX	Personnel Expenditures
7XXX	Operating Expenditures
80XX	Budget Reserves
81XX	Transfers in
82XX	Transfers out
9XXX	Fund Additions or Deductions

PROGRAM CODE.

Program code may be up to six digits in length. It is attached to revenue, expenditure, or budget to provide further classifications. The University uses program codes primarily to group the expenditures into the following major functional classifications:

- 1X Instructional
- 2X Research
- 3X Public Services
- 4X Academic Supports
- 5X Student Services
- 6X General Institutional Support
- 7X Operations and Maintenance of Plants
- 8X Student Aid

ACTIVITY CODE.

Activity codes are optional element to provide further classifications to an accounting transaction, for example, to provide the ability to segregate summer activities from the regular session activities. The University does not use the activity codes at present.

LOCATION CODE.

This is optional codes and not now used by the University.

Finance managers (department chairperson) may view their account information on-line by entering the appropriate fund code or organization code number on the appropriate forms. . Information about budget, actual expense, encumbrance, and available budget is displayed by the various revenue and expense account codes.

Finance managers who have a proper PC connection may be set up to access their accounts on-line. While the Computing and Information Technology (CIT) division provides the physical connection, the Accounting Office controls the fund/org access through the Financial System Security menus.

When a finance manager requests for a fund or an organization code to be set up, the finance manager access is automatically granted. If the manager wishes to authorize access to someone else such as his/her secretary, he/she is required to complete the Security Form for each such person. Form is available on the public folders, under the Accounting subfolder, or by contacting the Accounting office.