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FOAP REVIEW

Fund (Where) - A six character code that identifies the cash account of a self-balancing set of accounts and the type of funding (E&G, Designated, Auxiliary, etc.).

Organization (Who) – A six character code that identifies an authorized user of the fund, usually a budgetary activity or department unit.

Account (What) – A six character code that identifies revenue source, balance sheet and expenditures. Accounts are structured to have sight recognition for Account Type Categories (see topic below). Account codes for revenues and expenses are in sub-groups called Budget Pools.

Program (Why) – A three character code with roll-up capability that identifies a function for expense categories (research, academic support, instruction, etc.).

ACCOUNT TYPES

Accounts are structured to have sight recognition for different account types (revenue, salary, expenditure, etc.). We are going to focus on the Expenditure codes in today’s class.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assets</td>
</tr>
<tr>
<td>2</td>
<td>Liabilities</td>
</tr>
<tr>
<td>3</td>
<td>Control Accounts</td>
</tr>
<tr>
<td>4</td>
<td>Fund Balance</td>
</tr>
<tr>
<td>5</td>
<td>Revenue</td>
</tr>
<tr>
<td>6</td>
<td>Salaries</td>
</tr>
<tr>
<td>7</td>
<td>Expenditures</td>
</tr>
<tr>
<td>8</td>
<td>Transfers</td>
</tr>
<tr>
<td>9</td>
<td>Fund Additions</td>
</tr>
</tbody>
</table>
Budget Pools for “7 – Expenditure” Account Codes

- Budget Pools are “categories” of account codes, see list below. When expense transactions are submitted, the budget balance will be checked at the FOP or FOAP level:
  - FOP control checks the total available balance of the budget
  - FOAP control checks the Budget Pool available balance

- The Raiderlink > Available Budget tab shows available balances formatted for the FOP or FOAP control method.

- See the Account Code Descriptions and Budget Pools at:
  Raiderlink > A&F Work Tools Tab > Procurement Services Portlet > Visit Procurement Website > Resources > Training & Work Aids > Purchasing > Requisition & Purchase Order Accounting Guides (Excel document)

7A PF - Professional Fees and Services
7B TV - Travel
  7B0 In State Travel – In State Travel by Employees or Students on State Business
  7B1 Out of State Travel – Out of State Travel by Employees or Students on State Business
  7B2 Foreign Travel – Foreign Travel by Employees or Students on State Business
  7B4 Apartment House Rental – Travel Rentals greater than 30 days by Employees or Students on State Business
  7B5 Prospective Employee Travel – Travel for Prospective Employees
  7B6 Student Group Travel – Travel for Student Groups (Local Funds Only)
  7B7 Participant Travel – Travel for Non-Employee Participants (Local Funds Only)

7C MS - Materials and Supplies
7D CU - Communications and Utilities
7E CS - Cost of Goods Sold
7F RM - Repairs and Maintenance
  7F0 Repairs and Maintenance – Repair and Maintenance for computer equipment, software, equipment, vehicle, telecomm equipment
  7F1 Repairs and Maintenance Other – Repair and Maintenance for Buildings and Land

7G RL - Rentals and Leases
7H PR - Printing and Reproduction
7J CO - Capital Outlay
7N OE - Other Expenses
  7N0 Fees, Insurance, Registration, Bonds, Licensing, etc.
  7N1 Memberships
  7N2 Awards and Prizes
  7N3 Services
  7N4 Food and Entertainment
  7N6 Other Local Expenses

7P SC – Scholarships
ACCOUNT CODES for Reporting Procedures

HUB: Historically Underutilized Business Reporting
Texas Tech is required to make a good faith effort to utilize HUBs in contracts and purchases awarded. Semi-Annual and Annual Reports are submitted to the Texas Comptroller of Public Accounts (CPA). The report documents expenditures in six categories in which certain account codes identified by the CPA are considered HUB reportable. The reports submitted identify amounts purchased from HUB Vendors and total reportable HUB expenditures. For example, the FY17 categories and the HUB goals are identified as:

- Heavy Construction 11.2%
- Building Construction 21.1%
- Special Trade 32.9%
- Professional Services 23.7%
- Other Services and Commodities 26.0%
- Commodity Purchases 21.1%

1099–MISC. Reporting
- The Internal Revenue Service (IRS) requires issue of Form 1099-MISC each calendar year for certain payments. A Form 1099-MISC is issued to the vendor and reported to the IRS.
  - Account codes are used to identify payments required to be reported on Form 1099-MISC. Payments for rent, royalties, prizes/awards/gifts, medical and health care payments, services provided, and attorneys are the common categories.
  - A cumulative total of $600 or more must be reported to the IRS, and is taxable.

Fixed Asset Recording/Reporting
- Account codes used generate certain tags for controlled/capital equipment tracking and recording. Yearly inventory certification is required to be reported to the Texas Comptroller of Public Accounts.

Texas Comptroller Reporting
- Annual financial reports are required to be submitted to the Texas Comptroller of Public Accounts. Information in the annual financial reports can be used by ranking services and other colleges/universities for comparative purposes. Consistency and correct account code use allows for better internal year to year comparisons and comparisons to other colleges/universities.

TTU Accounting Services
- Lab Code. When purchases are exclusively for the lab, 7C09xx is used to help distinguish lab supplies from other supplies used within the department, i.e. office supplies. If the item(s) purchased will have a dual purpose/use, then one of the other 7C0 codes should be used.
  - For example, aluminum foil used exclusively in the lab would be 7C0902 Consumables Lab and not 7C0010 Consumables Office.
- Registration fees paid from grant funds. The usual account code for paying University registration fees is 7N0013, but when registration fees for employees/students will be paid from grant funds (**fund classes 25B, 25C, and fund groups 21, 22, 23), the following account codes should be used:
  - 7B0901 In State Registration Fee
  - 7B1901 Out of State Registration Fee
  - 7B2901 Foreign Registration Fee
  - 7N0013 (Usual campus code; should never be used to pay for grant registration fees)
ACCOUNT Terms, Definitions, and Guidelines

Goods: Commodities and Equipment

Consumables – Purchases that don’t have a lifespan of more than one year.
- **Examples** include toner cartridges, paper clips, paper products, pens, pencils, rubber bands, etc.
  - 7C0010 Consumables Office
  - 7C0011 Consumables Non-Office
  - 7C0012 Consumables Dining and Kitchen
  - 7C0902 Consumables Lab
- **Not be used** for Furnishing and Equipment, food, hardware, or promotional items.

Furnishing and Equipment (Non-Consumable) – Unit cost is $5,000 including shipping, warranty, etc. The item will be tagged and listed as property inventory.
- **Examples** include bulletin boards, desks, filing cabinets, calculators, etc.
  - 7C0131 Furnishing/Equipment Noncapital Office
  - 7C0132 Furnishing/Equipment Noncapital Non-Office
  - 7C0133 Furnishing/Equipment Noncapital Dining Hall/Kitchen
  - 7C0912 Furnishing/Equipment Noncapital Lab
- **No equipment should be coded as “consumables (above)”**: 7C0010, 7C0011, 7C0012 or 7C0902.
  (Consumables are used and replaced like pens, envelopes or a toner cartridge)
- **Not be used** for controlled or capitalized items, see below.

Controlled Purchases – Unit cost is greater than $500 and less than $5,000 including shipping, warranty, etc. The item will be tagged and listed as property inventory.
- **Examples** include bulletin boards, desks, filing cabinets, calculators, etc.
  - 7C0131 Furnishing/Equipment Noncapital Office
  - 7C0132 Furnishing/Equipment Noncapital Non-Office
  - 7C0133 Furnishing/Equipment Noncapital Dining Hall/Kitchen
  - 7C0912 Furnishing/Equipment Noncapital Lab
- **Computers** – Greater than $500, less than $5000: If purchased separately, it should be coded separately.
  - 7C0200: MS Computer Equipment Controlled – computers, laptops, projectors (use this code if everything is in one item, i.e., a bundle)
  - 7C0131 MS Furnish/Equip Noncapital Office – computer cases and accessories
  - 7C0181 MS Parts Computer Equip Noncapital – keyboard, mouse, monitors, printers, etc.
  - 7C0916 MS Controlled lab asset
  - 7F0021 RM Repairs/Maint Computer Equip – maintenance agreement
- **Equipment** – Greater than $500 but less than $5000
  - 7C0190: AV equipment, stereos, video recorders, DVD and DVR players, televisions
  - 7C0914: For controlled lab

Capital Purchases – Unit cost greater than $5,000 including shipping and associated purchase expenses.
- **Account codes** for capital purchase are 7Jxxxx.
- Software is capitalized when the value is greater than $100,000. (Below $100,000, use 7Cxxxx)

Services

Professional Services – Providers may possess a higher education degree or recognized license or certification.
- **Examples** are Consultants, Medical, Veterinary, Legal, Lecturer, Architectural, Engineering
- **Account codes** for professional services are 7Axxxx

Other Services – 7N3xxx For services such as waste disposal, laundry, custodial, advertising, freight, lab analysis, alterations, framing, engraving, interpreters, chef services, photographers, security guards, exterminators, etc
- 7N3xxx codes (Not for Promotional Items, which are coded 7N6009
- 7N3050 Small services (Not for maintenance and repairs, use codes from 7Fxxxx)
- 7N3010 Temp services are coded as Contracted Temporary Employment Agencies.

(rev. Nov 2017)
ACCOUNT CODES for Special Items, with Definitions

Food and Entertainment - 7N4xxx
Allowable expenses must be in accordance with
• OP 72.05, Expenditures for Official Functions, Business Meetings, and Entertainment
• A FOP that allows food and entertainment
• Accompanied by a completed food and entertainment form
• All associated event costs should be coded under food and entertainment

Golf Carts
• 7J0010 includes golf carts that are insured and licensed (street legal)
• 7J0020 is all other golf carts (not street legal)

Parts to Enhance Equipment (fabricated)
• 7J0060 - CO Fabrication of Equipment Capital (because it enhances the value of the equipment)

Speaker Fee/Honorarium and Travel – Code into separate line items for tax purposes
• Speaker fees are taxable
• Travel expenses are not taxable
• When not separated the entire expense will be considered taxable.

Gift/Award/Prize 7N2000, OE Awards/Prizes. This code is used for tax purposes.

Contributions Between Departments 7N2002
• Use a Budget Revision to transfer funds, Option 4.
• Do not use a Cost Transfer or IV (not a FITS entry)

Unmanned Aircraft (i.e. drones) for Charts T & S
• Unmanned aircraft, regardless of dollar amount, is not allowed on procurement cards.
  ▪ Less than $500: 7C0137 Unmanned Aircraft Noncapital
  ▪ Greater than $500 and less than $5,000: 7C0191 Unmanned Aircraft Controlled
  ▪ Over $5,000: 7J0021 Unmanned Aircraft Capitalized
• Follow the detailed definitions and policies outlined in OP 76.07: Purchasing Approval and Flying of Unmanned Aircrafts Systems on Texas Tech Property.
  ▪ All Texas Tech employees, third parties, or students/hobbyists wishing to use Unmanned Aircraft Systems (UAS) or model aircraft on or over University property must receive approval of the Texas Tech Police Department. The UAS Request Form is available as an attachment to OP 76.07.
• Prior to purchase, the following is required:
  1) Approval from the Office of the Vice President for Research,
  2) Apply for and be granted a Certificate of Waiver or Authorization (COA) or have a Remote Pilot Certificate from the FAA, and
  3) A certificate of insurance must be provided to and approved by the Texas Tech Office of Risk Management.
ACCOUNT CODES: Descriptions and Work Aids

Account Code Descriptions (Excel) Listed by Budget Pool, every account code has a description with checks for 1099-Misc reporting and HUB (Historically Underutilized Business) reporting.

Raiderlink > A&F Work Tools Tab > Procurement Services Portlet > Visit Procurement Website > Resources > Training & Workaids > Purchasing > Requisition & Purchase Order Accounting Guides > Account Code Descriptions (Excel document)

**The codes and descriptions are continuously updated. Use the hot key Ctrl+F in Excel to search**

Account Crosswalk It’s a search tool!

Raiderlink > A&F Work Tools Tab > AFISM > Resources > filter by Finance > ‘Account Crosswalk’

- Search by name or keyword to locate possible account codes.
- Search by account code to see examples of items or services.

TechBuy Account Code descriptions are limited in TechBuy, but the Account Crosswalk (above) can display all of the valid items for a code.

- During FOAP entry either on the Header or Line Level, click on Select from all values
- Search by Value (account code) or Description
- Results will provide all account codes that have the search word in the description

Cognos Report FI067 – List of Valid Account Codes

Select Chart and Account Type (70s-Operating Expenses) for a list of Budget Pools, then select those to view or Select all. If you view the report in PDF, you can use Ctrl+F to search by keyword within the description.

Frequently Used Codes (Equipment/Services)

Raiderlink > A&F Work Tools Tab > Procurement Services Portlet > Visit Procurement Website > Resources > Training & Workaids > Purchasing > Requisition & Purchase Order Accounting Guides >

- Frequently Used Codes for Equipment
- Frequently Used Codes for Services

Key Operating Policies

Disclaimer: In the event information in this guide conflicts with current operating policies, the current operating policy should be followed. Link to Operating Policies & Procedures site: [http://www.depts.ttu.edu/opmanual/](http://www.depts.ttu.edu/opmanual/)

OP 72.05 Food and Entertainment Policy: Food Forms

OP 76.07 Purchasing Approval and Flying of Unmanned Aircrafts Systems on Texas Tech Property

Email Assistance (found in Outlook Address Book)

Procurement Services: techbuy.purchasing@ttu.edu
Procurement Card: purchasing.pcard@ttu.edu
Travel: travelservices@ttu.edu
Tax Compliance & Reporting: tax.forms@ttu.edu
Property Management: property.management@ttu.edu
Accounting Services: accountingservices@ttu.edu