Chart of Accounts

When you purchase an item or service, expenditure is allocated to your departments Chart of Account. Some departments have two options, it can either be coded to the department's budget/funds or to a Research Grant/Project.

General Ledger Account Structure

General ledger account codes are made up of six segments, usually written in a string format e.g. **U.XX.XXAA.AAAA.ESBC.0000** (XX being your department code).

- Organisation   (1 character)   U
- Department   (2 characters)   ZZ
- Cost Centre   (4 characters)   ZZ??
- Source of Funds   (4 characters)   ????
- Transaction   (4 characters)   E???
- Spare   (4 zeros)   0000

Organisation Segment: This is used to split transactions by legal entity. Normally this will be U for departments within the University of Cambridge.

Department Segment: This is used to define the Department who is processing the transaction, e.g. AG for the Finance Division.

Cost Centre Codes: Cost centres enable departments to organise and group their accounts to reflect their own departmental activities e.g. administration, laboratories, conferences, canteens or specific courses. Expenditure (and income) is allocated to the appropriate cost centre. This enables departments to monitor income and expenditure, in some instances comparing to budget, for their specified cost centres.

The Cost Centre code comprises four characters: the first two replicate the department code and the next two are selected by the department. The department then chooses a suitable description for each cost centre to identify the particular activity it represents.

Source of Funds Codes: Funding for the University's activities comes from many different sources. The University has a responsibility to its sponsors, donors, and government funders to separate, manage and report (in most cases) on the activities based upon the source of funds. Source of Funds code is represented by four characters, which are the same across all departments. Refer to Financial Procedures manual chapter 3.

Transaction Codes: Transaction Codes are used to describe the type of expenditure or income e.g. a book or room hire charges. Accurate selection of transaction codes is important for reporting and control purposes. The code consists of four characters. The first identifies the broad transaction category, the next three categorise the transaction in more detail. E.G.

If you were ordering some box files you would select transaction code ESBC

E: Expenditure on Consumables account

S: Stationery and Office Supplies

BC: Box Files

Expenditure transactions codes starting with E***

- **A** Audio-visual and Multimedia
- **B** Library and Publications
- **C** Catering Supplies and Services
- **D** Medical, Surgical and Nursing Supplies and Services
- **E** Agricultural/Fisheries/Forestry/Horticultural Supplies and Services
- **F** Furniture, Furnishing & Textiles
- **H** Cleaning Materials & Equipment, Janitorial supplies
- **J** Utilities
- **K** Computer
- **L** Laboratory & Animal House Supplies and Services
- **M** Workshop & Maintenance Supplies (Lab and Estates)
- **P** Printing
- **Q** Telecommunications, Postal and Mail Room Services
- **R** Professional & Bought in Services
- **S** Stationery & Office Supplies
- **T** Travel & Transport (incl. Vehicle hire and subsistence)
- **U** Safety & Security
- **V** Vehicles (Purchase, Lease, Contract Hire)
- **W** Estates & Buildings
- **X** Miscellaneous/unclassified

Spare Code: There is a spare field at the end of the coding string in case the University decides to expand the accounting code structure in future. However it still has to be filled in. 0000 (four zeros) is the only choice in this segment.

Research Grants and Project structure

A "grant" consists of two main parts;

The award - represents the sponsor who is doing the funding.

The project - describes the way in which the funds are spent.

In the main, a grant will have a single award and project. However it is worth being aware that one award may fund several projects and in turn one project may be funded by several different awards. The coding structure for Grants and Projects is set out differently to that for the General Ledger codes. The Grants/Projects coding consists of 5 segments.

Project Code: Linked to an award the project code has the department code in the first four digits. **i.e. XXAG/001** (XX being the department code).

Task: Projects are broken down into tasks. Could be described as 'work parcels', they aid in managing the project. Every Project will have at least two tasks for direct and indirect costs.

Award: This code links the project to the General Ledger. The award is number issued by Research Services and will start with **RG** followed by 5 digits (e.g. RG12345), or **G** followed by 6 digits (e.g. G123456).

Expenditure Type: This is the category heading that the item falls under, picked from the List of Values. They are broad headings such as Travel, Equipment, Staff, Other Costs etc.

Organisation: The department or sub-department code.

A General Ledger account code will be automatically generated from the above information. Never, manually type in a GL code for a grant/project.

> *Transactions that are entered for Research Grants require special Grant code combinations to record the type of specific information for their reporting purposes. However, when the information is transferred into the General Ledger it is then automatically summarised and converted into the string format.*

If you are unsure as to the coding information you will need to enter when raising requisitions, then **please** speak with your departments accounts team. Getting it right is a crucial part of the process otherwise orders get delayed, invoice processing is more complex.