

COMPTROLLER POLICY MANUAL

	POLICY: CMP 201
	Section: 200 Departments
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Department Structures	Effective date: 01/01/2000
	Revision date: 01/26/2016

PURPOSE

To describe the NAU Department structures and account number structures.

SOURCE

University Policy

CMP 201: Department Structures

Department Structure

Accounting transactions are charged or credited to expenditure and revenue centers. These expenditure and revenue centers are referred to as Departments. Each department:

1. is assigned to one fund, with each fund having its own purpose and funding sources, e.g., State General Operating Fund, Designated Fund, Plant Fund (see table below for a description of the accounting areas)
2. has a Department Manager who has overall responsibility for the Department (see [CMP 203](#), Department Manager Responsibilities), and
3. may contain (a) revenues only, (b) expenditures only, or (c) both revenues and expenditures and the corresponding Department fund balance.

Funding transfers can be made between departments with the exception of the General Operating Fund and Agency fund. Expenditures from one department can be re-coded to another department if the expenditures are also appropriate to the new department (e.g., moving of telephone toll charges originally charged to a state general operating department to an auxiliary department). Revenue may also be moved from one department to another when appropriate (e.g., revenue was recorded in the wrong department and needs to be moved to the correct department). Transfers from expense to revenue should only be made for interdepartmental services within the 4000 fund (Interdepartmental Service Fund). Care must be taken so that internal revenue and expense is not created outside the 4000 fund.

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Funds Commonly Used by Departments

Accounting Area	Funds	Number Sequence	Fund Description	Major Funding Sources	Prohibited Transactions
General Operating NAU	State	First two digits of Fund are 11	State Funds held by the state treasurer distributed monthly to NAU	State appropriations, tuition and fees	See COM 401-03 "Prohibited Transactions"
General Operating NAU - Yuma	State	First two digits of Fund are 12	State Funds held by the state treasurer distributed monthly to NAU	State appropriations, tuition and fees	See COM 401-03 "Prohibited Transactions"
Designated Funds – Summer Session	Hybrid State/ Local	First two digits of Fund are 21	Self-supporting calendar year basis of accounting. Budgeting for Summer Sessions is handled through the local budgeting process	Summer Session registration fees	All Personal Services and all other operating expenditures must be directly related to Summer Session instruction
Designated Funds – NAU	Local	First two digits of Fund range between 22 and 29	Resources received and expended which have been designated for a specific purpose by the university	Gifts, registration fees retained at NAU, investment income, indirect cost recoveries and departmental sales and services	See COM 401-03 "Prohibited Transactions"
Auxiliary Funds – NAU	Local	First two digits of Fund range between 42 and 49	Substantially self-supporting activities such as residence halls, NAU Bookstore and Intercollegiate athletics	Residence hall charges, bookstore sales, athletic events, etc.	

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Funds Commonly Used by Departments

Accounting Area	Funds	Number Sequence	Fund Description	Major Funding Sources	Prohibited Transactions
Restricted Funds – Grants and Contracts	Grants	First digit of Fund starts with 3	Grants and contracts restricted by donors and outside agencies for a specific purpose	Grants and contracts from governmental agencies and private industry	Transactions outside of donor’s restrictions
Agency	Local	First two digits of Fund range from 71 to 79	Funds held by NAU as custodian for university-affiliated organizations		
Loan Funds- Financial Assistance	Local	First two digits of Fund range from 51 to 59	Financial assistance awarded to eligible students. These funds are maintained by Student Account Services	Grants from government agencies and gifts from private sources	All transactions except financial assistance payments
Endowment Funds	Local	First two digits of Fund start with 81	Funds where principal is non-expendable (held in perpetuity) and is invested for purpose of producing income. Use of Income is restricted by donor.	Gifts from donors or internal designations. Income from endowment	Principal (corpus) non-expendable

Transaction Code Structure

Transactions within each Department are coded to account numbers. These account numbers classify:

1. revenues by source (e.g., state appropriations, private gifts, and publication sales), and
2. expenditures by nature (e.g., student hourly pay, office supplies, and postage).

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CMP 201: Department Structures
<p>Each department has its own set of account numbers, based on the revenues that should be credited and expenditures that should be charged to the department. The complete account number for a transaction consists of six digits.</p> <p>The current revenue account numbers and expenditure account numbers are listed in Enterprise Reporting, under General Accounting, PS Financials Code Descriptions.</p> <p>To request a new revenue account number or expenditure account number, please contact the Comptroller's Office. All requests must be justified in terms of reporting and or budget purposes.</p>

CROSS-REFERENCES

For information on the establishment of new Departments, see [CMP 202](#), Establishment of Departments.