

COMPTROLLER POLICY MANUAL

 NORTHERN ARIZONA UNIVERSITY	POLICY: CMP 202
	Section: 200 Departments
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Establishment of Departments	Effective date: 01/01/2000
	Revision date: 03/27/17

PURPOSE

To provide a procedure for the establishment of new departments

SOURCE

University Policy

APPLICABILITY

All university departments except grant and contract services and facility services departments. See [CMP 211](#), "Office of Sponsored Projects," for a description of a sponsored department.

"Facility Services Departments" are handled differently from other Departments. See description below.

BACKGROUND

The university's accounting system consists of numerous individual Departments (i.e., responsibility centers) designed to record and report transactions related to specific activities. The reporting needs of a particular department may change as the activities of the department change. When the reporting needs of a particular department are not readily met using the currently assigned departments account numbers, establishing a new department may be necessary. Communication between the department, Budget Office, and the Comptroller's Office can determine what additions, changes, or enhancements in the reporting structure are appropriate.

POLICY

The Budget Office and the Comptroller's office have responsibility for establishing Departments and the procedures for requesting new Departments other than Grant and Contract Departments.

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CMP 202: Establishment of Departments

General Guidelines

The department manager should request the new Department by e-mail or memo through their chain of command (this includes their Area Contact Representative listed in [CMP 204-04](#)) to the Budget Office (PS Financial New Department Request Form is referenced below). In your request, please answer the following questions:

WHO - Who will be the department manager, and who will be receiving reports other than the department manager?

WHAT - What is the name of the new Department and what type of activity will it be engaged in (see list below)?

WHEN - When is the new Department to become effective?

WHERE - Where will the new activity be reporting? If the Department is already established, what Department will the organization be assigned to? If a new Department is to be established, what jurisdictional area (i.e. President, Provost, Vice President, etc.) will the new Department be reporting to?

WHY - Why (purpose, necessity, etc.) do you need the new activity?

HOW - How will this new activity be funded?

The information requested is used for:

1. determining whether a new Department needs to be established within the context of reporting and accounting requirements including expense classification by activity type, and
2. obtaining background data, which becomes part of the Department's permanent file if a new a Department is established. This permanent file information is retained in the Comptroller's Office for future reference.

Completion of the Form for a New Department or Department ID

[Department Request Form](#) and [Add New Department ID](#)

These application forms are self-explanatory; please fill out all sections on the forms and return to the budget office.

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The Budget Office then completes a Request to Authorize a New Department and sends it to the Assistant Comptroller. The Assistant Comptroller reviews the request and approves what fund and program that the new Department is to be established in. The Accounting Manager then establishes the new Department in PeopleSoft Financials. The Accounting Manager notifies the Budget Office that the Department is established. The Budget Officer sets up the object codes and revenue sources needed and notifies the department that the new Department is complete and ready to use.

Establish new Sub-Department's

If the department desires to account for expenditures at a level of detail lower than the Department or account code, the department may establish sub-departments for use within the existing Department. The establishment of sub-departments should be discussed with the Budget officer in the Budget Office.

Facility Services

The Capital Project Request and Authorization Form trigger a new department request. All the information needed to set up the department is on the on-line form. As it is routed through the workflow, the Financial Accounting Services team receives the request and sets up the new department in PeopleSoft Financials. Once set up, the form moves through the workflow to the budget department where the accounting lines are set up.

CROSS-REFERENCES

For more university accounting systems information, see:

- [CMP 204-01](#), Additions/Changes/Deletions in Unit Managers/Authorized Signers
- [CMP 204-02](#), Additions/Changes/Deletions in Advantage User IDs
- [CMP 211](#), Sponsored Project Departments
- [CMP 303](#), Gift Deposits
- [CMP 430-01](#), Expenditure Object Codes