

Accounting for non-accountants

Trainer:

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Objectives

1. Introduce / refresh basic accounting **concepts**
2. Introduce / refresh **elements** of accounting
3. Present an overview of **how** these concepts are applied in our Campus

Accounting

Accounting is defined by the [American Institute of Certified Public Accountants](#) (AICPA) as "the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof."

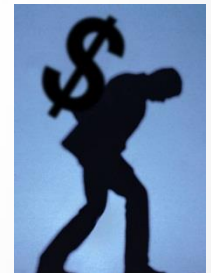
Accounting is a "language"



Accounting concepts

Basic elements - Definitions

1. **Asset:** An asset is a resource controlled by the organization from which future benefits are expected
2. **Liability:** A liability is a present obligation of the organization arising from the past events
3. **Equity:** Equity is the residual interest in the assets of the organization after deducting all the liabilities.



Accounting concepts

Basic elements - Definitions

4. **Revenues:** increases in economic benefit during an accounting period in the form of inflows or enhancements of assets



5. **Expenses:** decreases in economic benefits during an accounting period in the form of outflows



Accounting concepts

Accounting information system

An accounting information system **collects** and **processes** transaction data and then **disseminates** the financial information to interested parties.



Accounting concepts

In our Campus - PeopleSoft

4107	205090	SB001	9002		2138	10000000000	5/23/2013	5/23/2013	2138	(1,058.00)	SF00349429	Tuition Fee
4107	103815	RS013	9002		2138	11000000000	5/23/2013	5/23/2013	2138	5.00	SF00349429	ID Fee
4107	205090	RS013	9002		2138	11000000000	5/23/2013	5/23/2013	2138	(5.00)	SF00349429	ID Fee
4107	103815	RN001	9002		2138	12000000000	5/23/2013	5/23/2013	2138	32.00	SF00349428	Associated Student Fee

4107	205090	SB001	9002		2138	10000000000	5/23/2013	5/23/2013	2138	(1,058.00)	SF00349429	Tuition Fee
4107	103815	RS013	9002		2138	11000000000	5/23/2013	5/23/2013	2138	5.00	SF00349429	ID Fee
4107	205090	RS013	9002		2138	11000000000	5/23/2013	5/23/2013	2138	(5.00)	SF00349429	ID Fee
4107	103815	RN001	9002		2138	12000000000	5/23/2013	5/23/2013	2138	32.00	SF00349428	Associated Student Fee
4107	205090	RN001	9002		2138	12000000000	5/23/2013	5/23/2013	2138	(32.00)	SF00349428	Associated Student Fee
4107	103004	RS066	9002		2138	12500000000	5/23/2013	5/23/2013	2138	11.00	SF00349429	ASI Grants-In-Aid
4107	206700	RS066	9002		2138	12500000000	5/23/2013	5/23/2013	2138	(11.00)	SF00349429	ASI Grants-In-Aid
4107	103815	HDD01	9002		2138	13000000000	5/23/2013	5/23/2013	2138	126.50	SF00349429	Student Union Fee
4107	205090	HDD01	9002		2138	13000000000	5/23/2013	5/23/2013	2138	(126.50)	SF00349429	Student Union Fee

4107	206700	RS066	9002		2138	12500000000	5/23/2013	5/23/2013	2138	(11.00)	SF00349429	ASI Grants-In-Aid
4107	205090	SB001	9002		2138	10000000000	5/23/2013	5/23/2013	2138	(1,058.00)	SF00349429	Tuition Fee
4107	103815	RS013	9002		2138	11000000000	5/23/2013	5/23/2013	2138	5.00	SF00349429	ID Fee
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4107	103815	RN001	9002		2138	12000000000	5/23/2013	5/23/2013	2138	32.00	SF00349428	Associated Student Fee
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4107	103004	RS066	9002		2138	12500000000	5/23/2013	5/23/2013	2138	11.00	SF00349429	ASI Grants-In-Aid
4107	206700	RS066	9002		2138	12500000000	5/23/2013	5/23/2013	2138	(11.00)	SF00349429	ASI Grants-In-Aid
4107	103815	HDD01	9002		2138	13000000000	5/23/2013	5/23/2013	2138	126.50	SF00349429	Student Union Fee
4107	205090	HDD01	9002		2138	13000000000	5/23/2013	5/23/2013	2138	(126.50)	SF00349429	Student Union Fee

Double-entry bookkeeping system



Debits and Credits

Account



Left Side = Debit

Right Side = Credit

Debits and Credits

In PeopleSoft:

Debit = positive amount

Credit = negative amount

Ledger Amount by Currency						Find \
Period	Activity	Detail	Account	Account Description	Period Balance (in Transaction Currency)	Customize Find
11	Activity	Detail	101900	Cash in Bank - Wells Fargo	-434,617.05	
12	Activity	Detail	101900	Cash in Bank - Wells Fargo	102,856.07	

Debits and Credits

Because we use a double-entry bookkeeping system:

Debits = Credits

ALWAYS !



Trial Balance

Category

PS Account	Debit	Credit
---------------	-------	--------

101900 Cash in Bank - Wells Fargo	10,202.06	
	-----	-----
	10,202.06	0.00

ASSETS

201800 Accounts Payable		923.02
	-----	-----
	0.00	923.02

LIABILITIES

305002 FndBal-Continuing Approp		3,216.59
	-----	-----
	0.00	3,216.59

EQUITY

501110 Misc.Fees		17,791.89
	-----	-----
	0.00	17,791.89

REVENUES

601301 SupStaffsSal-Overtime	1.53	
601302 SupStaffsSal-Temp Help	94.05	
603012 Ben-Medicare	196.24	
606808 Travel-In State	3,167.80	
616002 InfoTech-Hardware	923.02	
660003 Supplies&Srvcs-General	5,204.89	
660803 Postage-Postage & Freight	2,081.51	
660816 Duplicating	60.40	
	-----	-----
	11,729.44	0.00
	-----	-----
	21,931.50	21,931.50

EXPENSES

Trial Balance

DEBIT

CREDIT

Category



Inc



Dec



Dec



Inc



Dec



Inc



Dec



Inc



Inc



Dec

PS Account	Debit	Credit
101900 Cash in Bank - Wells Fargo	10,202.06	
	-----	-----
	10,202.06	0.00
201800 Accounts Payable		923.02
	-----	-----
	0.00	923.02
305002 FndBal-Continuing Approp		3,216.59
	-----	-----
	0.00	3,216.59
501110 Misc.Fees		17,791.89
	-----	-----
	0.00	17,791.89
601301 SupStaffSal-Overtime	1.53	
601302 SupStaffSal-Temp Help	94.05	
603012 Ben-Medicare	196.24	
606808 Travel-In State	3,167.80	
616002 InfoTech-Hardware	923.02	
660003 Supplies&Srvc-General	5,204.89	
660803 Postage-Postage & Freight	2,081.51	
660816 Duplicating	60.40	
	-----	-----
	11,729.44	0.00
	-----	-----
	21,931.50	21,931.50

ASSETS











LIABILITIES

EQUITY

REVENUES

EXPENSES

Debits and Credits

	<u>Asset</u>	=	<u>Liability</u>	+	<u>Equity</u>		<u>Revenue</u>	-	<u>Expense</u>
Debit									
Credit									

Chartfield string

Our accounting information system uses a Chart of Accounts (COA) . A COA is designed to:

- Comply with external financial reporting requirements (Chancellor's Office, GAAP, State, Federal Government, etc.)
- Improve access to financial info in support of faculty and staff
- Provide flexibility for future growth
- Make available information needed for benchmarking and decision making (IPEDS, Budget, Surveys, etc)

In Peoplesoft, the Chart of Accounts is comprised of information fields that provide the basic structure to segregate and categorize transactional and budget data. **Each informational field is called a "CHARTFIELD".**

Combining a series of chartfields makes up a Chartfield String. **A Chartfield String is used to define, identify, categorize and sort transactions.**

Chartfield string Account

Assets: 1xxxxxx

Liabilities: 2xxxxxx

Equity: 3xxxxxx

Revenues: 5xxxxxx

Expenses: 6xxxxxx

PS Account		Debit	Credit
101900	Cash in Bank - Wells Fargo	10,202.06	
		10,202.06	0.00
201800	Accounts Payable		923.02
		0.00	923.02
305002	FndBal-Continuing Approp		3,216.59
		0.00	3,216.59
501110	Misc.Fees		17,791.89
		0.00	17,791.89
601301	SupStaffSal-Overtime	1.53	
601302	SupStaffSal-Temp Help	94.05	
603012	Ben-Medicare	196.24	
606808	Travel-In State	3,167.80	
616002	InfoTech-Hardware	923.02	
660003	Supplies&Srvc-General	5,204.89	
660803	Postage-Postage & Freight	2,081.51	
660816	Duplicating	60.40	
		11,729.44	0.00
		21,931.50	21,931.50

Chartfield string Fund



GENERAL FUND



CAPITAL OUTLAY



TRUST



LOTTERY



ENTERPRISE

Chartfield string Dept ID

View All	
Department	Description
A0100	President's Office - Admin
A0101	Institutional Research
A0110	Pres. Off - Comm Relations
A0120	Pres. Off - Exec. Assistant
A0130	Web-Based Instr/Tech
A2000	Pres. Off - Central Budget
A4100	AS Corp Personnel
A4101	ASI-Corp Personnel-Schlrshps
A4200	AS Corp Operating
A4300	AS External Affairs
A4400	ASI Box Office
A4500	A S I Service Board
A4600	College Legal Clinic
A4700	Grant & Service Prog
A4701	ASI-Grant & Svc Prq-Schlrshps
A4800	Internal Affairs
A4900	Public Relations Com
A5000	Club Allocation Bud
A5100	ASI-Activities Committee

Admissions

Athletics

Colleges

Library

Majors & Programs

CSUSB Colleges

Five academic colleges at Cal State San Bernardino offer more than 70 undergraduate degrees, graduate degrees and certificates, giving students the opportunity to find the right major for them. CSUSB also provides access to university degrees, certificate programs, professional development and personal enrichment programs through its College of Extended Learning.



College of Arts and Letters

- Art
- Communication Studies
- English
- Liberal Studies
- Music
- Philosophy
- Theatre Arts
- World Languages And Literatures



College of Business and Public Administration

- Accounting And Finance
- Information And Decision Sciences
- Management
- Marketing
- Public Administration
- M.B.A. Program
- M.P.A. Program
- All Majors & Programs

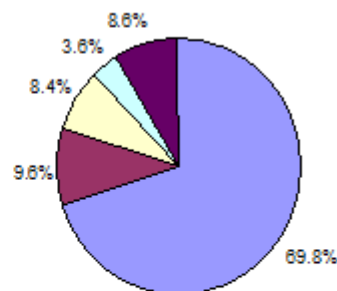


College of Education

- Teaching Credentials
- Specialist/Service Credentials
- Educational Leadership And Curriculum
- Educational Psychology And Counseling
- Language, Literacy And Culture
- Science, Mathematics And Technology
- Doctor Of Education
- All COE Programs & Credentials

Chartfield string Program Code

Operating Expenses				
Year ended June 30, 2010				
Instruction		\$ 69,479,188		31.8%
Research		599,609		0.3
Public service		1,046,525		0.5
Academic support		13,833,123		6.3
Student services		17,345,969		7.9
Student grants and scholarships		50,222,700		23.0
Total instruction and educational support activities		152,527,114		69.8
Institutional support		20,912,134		9.6
Operation and maintenance of plant		18,264,716		8.4
Auxiliary enterprises expenses		7,871,289		3.6
Depreciation and amortization		18,667,249		8.6
Total operating expenses		\$ 218,242,502		100.0%



- Instruction and educational support activities
- Institutional support
- Operation and maintenance of plant
- Auxiliary enterprise expenses
- Depreciation and amortization

Program Code	Description
0100	Instruction
0101	General Academic Instruction
0102	Vocational/Technical Instructi
0103	Special Session Instruction
0104	Community Education
0105	Preparatory/Remedial Instructi
0106	Instructional Information Tech
0200	Research
0201	Institutes and Research Center
0202	Individual and Project Research
0203	Research Information Technolog
0300	Public Service
0301	Community Service
0302	Cooperative Extension Service
0303	Public Broadcasting Services
0304	Public Service Information Tec
0400	Academic Support
0401	Libraries
0402	Museums and Galleries
0403	Educational Media Services
0404	Academic Computing Support
0405	Ancillary Support
0406	Academic Administration
0407	Academic Personnel Developme
0408	Course and Curriculum Develop
0409	Academic Support Information T
0500	Student Services
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Chartfield string

So we said accounting is a language:

"The Biology department

purchased equipment

that will be used for instructional purposes

using funds allocated from the state"

619002-SB001-C0910-0101

\$15,230

Account

Fund

Dept ID

Program

Chartfield string

So we said accounting is a language:

"The Printing department
provided services to campus
that are revenues
to a specific Trust fund"

580094 - RT0180 - D08100 - 5000

(\$5,000)

Account

Fund

Dept ID

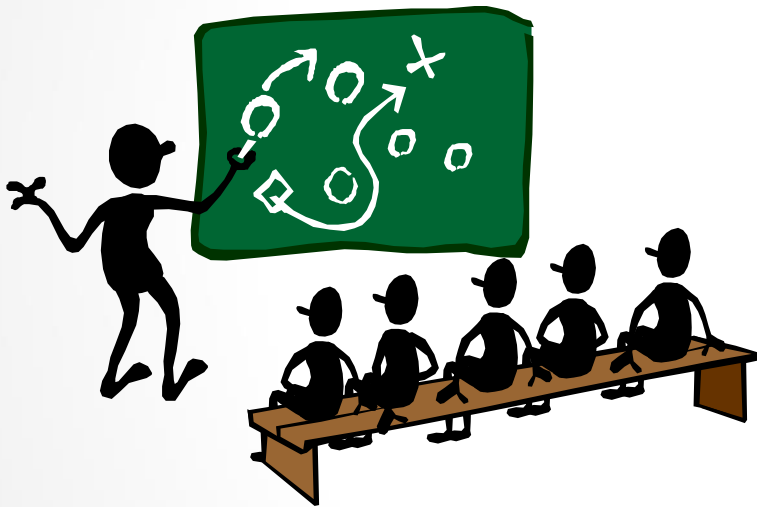
Program

Audits



- Financials - GAAP
- IRS
- Auxiliaries
- Financial Aid
- Athletics
- .
- .
- .

Budget vs Actuals



Balance available

Fund Fdescr	Acct Fdescr	Rev Budget	Tot Actuals	Tot Enc	BBA	% Used
SB001 - TF-GENERAL FUND SUPPORT	601302 - SupStaffSal-Temp Help	846.00	3,237.30	0.00	(2,391.30)	388%
	601303 - SupStaffSal-Student Assistant	5,459.00	0.00	0.00	5,459.00	0%
	601822 - MgmtSprvsrSal-Salaries	331,258.00	113,713.95	0.00	217,544.05	34%
	601826 - SupStaffSal-Salaries	650,703.00	29,371.87	0.00	621,331.13	5%
	603001 - Ben-OASDI	9,121.03	9,121.03	0.00	0.00	100%
	603003 - Ben-Dental Insurance	1,816.34	1,816.34	0.00	0.00	100%
	603004 - Ben-Health And Welfare	18,085.57	18,085.57	0.00	0.00	100%
	603011 - Ben-Life Insurance	215.10	215.10	0.00	0.00	100%
	603012 - Ben-Medicare	2,133.18	2,133.18	0.00	0.00	100%
	603013 - Ben-Vision Care	176.59	176.59	0.00	0.00	100%
	603014 - Ben-Long-Term Disab Insurnce	79.31	79.31	0.00	0.00	100%
	603808 - Ben-PERS	31,010.08	31,010.08	0.00	0.00	100%
	603815 - Ben-Benefits-Others	1,364.00	1,364.00	0.00	0.00	100%
	606808 - Travel-In State		169.33	0.00	(169.33)	
	613820 - Contract Svcs-Collection Costs		24,473.74	0.00	(24,473.74)	
	616002 - InfoTech-Hardware	2,000.00	0.00	0.00	2,000.00	0%
	616003 - InfoTech-Software		4,500.00	0.00	(4,500.00)	
	619001 - Equip Other		8,655.58	0.00	(8,655.58)	
	619801 - Equip Other-Furniture	16,530.57	17,349.15	0.00	(818.58)	106%
	660003 - Supplies&Srvcs-General	437.56	3,065.02	0.00	(2,627.46)	700%
	660895 - ExpOthr-CurrYr One-Time	54,000.00	0.00	0.00	54,000.00	0%
SB001 - TF-GENERAL FUND SUPPORT Total		1,125,235.33	268,537.14	0.00	856,698.19	24%
Grand Total		1,125,235.33	268,537.14	0.00	856,698.19	24%

If you use manual spreadsheets, MAKE SURE YOU RECONCILE!

Balance available

Fund Fdescr	Acct Fdescr	Actuals
SF098 - TF544-Facilities Svcs Reimbrsmt	101900 - Cash in Bank - Wells Fargo	285,424.44
	103004 - A/R-Oper Rev	38,768.88
	103826 - AR/BI Control Suspense	0.00
	305002 - FndBal-Continuing Approp	(11,940.03)
	580841 - OthFinSrc-Revenue-Others	(652,502.08)
	660003 - Supplies&Srvcs-General	340,248.79
	660814 - Chargeback	0.00
SF098 - TF544-Facilities Svcs Reimbrsmt Total		0.00
Grand Total		0.00

Questions

Which of the following statements is true regarding debits and credits?

- ☐ Debits and credits work just like debit and credit cards
- ☐ Credits are good, debits are bad
- ☐ Debits and credits are used to separate transaction using the double-entry bookkeeping system

Questions

What should be your main concern when managing trust funds?

- ☐ Revenues should be greater than expenses
- ☐ Cash should be positive
- ☐ Accounts receivable + Cash should be positive

Questions

Why do chartfields strings need to be accurate?

- ☐ To have audit findings
- ☐ For data integrity, compliance, better decision making
- ☐ Not really, I can always submit a transfer of expense

Questions

What is the difference between budget and actuals?

- ☐ Budgets are for planning purposes, actuals reflect what actually happened
- ☐ Budgets are rigid, actuals are flexible
- ☐ Budget and actuals are always the same

Accounting for non-accountants

