Chart of Accounts Values Workshop
Agenda

• Project Update
• Definitions
• Location Segment
• Activity Segment
The purpose of this workshop is to reach agreement on:

- Segment Definitions
- Location Segment Values and Definitions
- Activity Segment Values and Definitions

Further workshops will be required to deal with the account segment values and use of internal transaction account codes and transfer accounts.
• The project segment is used to capture financial transactions for operations that are at a more specific (or lower) level than a cost centre but are subject to financial control.

• An optional subset of a cost centre. Used to record transactions for:
  ▪ formal projects where expenditure is required to be recorded and reported on separately (eg. research, consulting, central initiatives);
  ▪ informal projects where a cost centre wishes to separately record a type of expenditure.

• Projects must at all times be attached to a cost centre but are able to move between cost centres.
Definitions – Cost Centre

• This segment will maintain the organisational hierarchy. Cost centres reflect the major University financial management structure.

• A clearly defined area of managerial responsibility to which costs that relate to that centre are charged and financial controls administered.

• A subdivision of an organisation with which costs are identified for purposes of managerial control.

• Used to identify the business or organisation unit where transactions are controlled.

Within ECU, cost centres are typically allocated for Schools, Administrative Centres, Research Centres and Institutes and self-funding operations.
Definitions – Account

- Used to identify a transaction as income, expenditure, assets, liabilities and equity.

- The account segment provides a standard classification to facilitate uniform internal and external reporting.
An accounting entity where all costs associated with a particular type of activity can be recorded.

The purpose of this segment is to primarily satisfy reporting requirements.

ECU has four approved major (or “Parent”) activities:

- Teaching and Learning
- Research
- Commercial
- Services and Administration
• An independent segment used to determine the assignment of physical locality to transactions. Can be Campus, interstate or international.
The Company segment represents the legal entity or company that consolidates or “summarises” the activities of the entity. Known as the balancing segment as the Balance Sheet is maintained at this level.

Company segment values will represent core University activity, trusts (?), semi autonomous bodies and subsidiaries.

The criteria for the establishment of a company will be based on the requirement to produce a Balance Sheet for that entity.
• Less is best.

• Fewer values within each segment provides for
  – Less confusion
  – More consistent use and therefore comparability
  – Reduced chance of data error
  – Reduced maintenance
• Should cater for *regular* reporting and enquiries.

• Ad hoc queries are just that and the Chart cannot deliver on every foreseeable query (at the “press of a button”)

• The General Ledger is not a costing system and so the Chart will not collect data at the same level of detail as an Activity based Costing System.
Location Values

(refer to handout)
(refer to handout)
Next Steps

- Circulate Outcomes
- Review Account Codes
- Establish Working Party to Review Internal Charging/Transfers
- Mapping – Current values to new