

Basis for Accounting Policies and Procedures

Accounting is the means through which financial data necessary for the efficient administration of our university is recorded, classified and reported. Our financial management system must meet the dual requirements of our institution while still being governed by the principles and concepts of institutional accounting and finance. These generally accepted accounting principles (GAAP) have developed over time and gained acceptance throughout our industry allowing the consistent presentation of financial results and comparability to other institutions. Many of our policies and procedures currently in practice today are today taken from the "Fundamental Concepts" from the latest edition of College and University Business Administration as well as the basic principles and changes mandated by the [AICPA](#) Audit Guide, Federal Regulations of the [Office of Management](#) (OMB) Circulars [A-21](#), [A-110](#) and [A-133](#) as well as the [Uniform Guidance](#) effective December 2014 along with the statutes of the [State of Nebraska](#) comprise the basic accounting policies currently driving the operation of our financial management system. We recognize the need for proper ethics in handling State of Nebraska funds entrusted to UNO. We stress this need to our campus community through our [Fiscal Responsibilities](#) and [UNO Code of Professional Ethics](#) documents located on our [policies and procedures website](#) under the Financial Services section.

Leases

All leases will be recorded in accordance with [Financial Accounting Standards Board](#) (FASB) Statement No. 13. The purchasing department will coordinate the proper classification for new leases with the Controller's Office.

Capitalization of Plant Assets

Equipment acquisitions will be recorded in accordance with the [University of Nebraska Board of Regents](#), [OMB Circular A-110](#) and generally accepted accounting practices.

Equipment shall be capitalized, tagged, and maintained in the campus fixed asset inventory system in SAP. The dollar threshold minimum for campus equipment is \$5,000.

Control of Capital Assets

All equipment transferred off UNO grounds, surplus, or sold will be coordinated through Surplus Property and Accounting Services. UNO employees, staff, or faculty shall not receive any special consideration regarding sales of capital assets.

Department managers are responsible for coordinating capital asset activity. Equipment belonging to UNO must be located and properly secured on the UNO grounds. It is against UNO policy for any such equipment or property to be used by employees for their personal use or be located in their residences without proper authorizing documentation.

This policy does not apply to vehicles, communication equipment, or other types of equipment where the normal use necessitates an off-campus location.

Procurement

The University of Nebraska's stated purpose for existence per Executive Memorandum No. 2 issued January 9, 1976 is "providing educational opportunities for [Nebraska's] citizens, for discovering and disseminating new knowledge, and for extending educational public service to the people and the institutions of the State". All payment requests made by University programs and personnel NOT found to reasonably support this stated purpose will be denied.

Any payment for food expenses or award expenses must include list of names and a business purpose/agenda.

For additional information on purchasing policies and procedures, please visit the [Procurement website](#).

Accounts Payable

The primary function of the Accounts Payable Office is to facilitate the issuance of payments to vendors.

Overview of the Accounts Payable Process

The University of Nebraska at Omaha is an agency of the State Of Nebraska, and is bound by the regulations, policies and procedures set forth by the Nebraska legislature and administered by the Department of Administrative Services. Policies and procedures set forth by the University Nebraska Board of Regents and other University administrative entities govern issues specific to the University. Certain transactions are subject to Internal Revenue Service documentation and reporting guidelines. The following processing is required to prepare an invoice for payment:

1. A University department makes a purchase of goods and/or services, and subsequently prepares the documentation required to submit the payment request to the Accounts Payable Office.
2. The Accounts Payable Office receives and reviews department input, makes changes or corrections, as necessary, and posts the transaction in the University's financial system.
3. Prior to release of a payment, the payment request is reviewed by the Accounts Payable Office for compliance with University, State and IRS rules and regulations.
4. The payment request is transmitted to the State of Nebraska's accounting system for subsequent preparation of a Treasury Warrant (check) by the Nebraska State Treasurer.

For additional information on accounts payable policies and procedures, please visit the [Accounts Payable](#) website.

Grants Accounting

Grants Accounting is responsible for the collection of grant proceeds, the review and submission of post-award financial reports, and works closely with principal investigators to ensure that financial transactions comply with granting agency regulations. This department also works with the Department of Health and Human Services to negotiate UNO's indirect cost rate.

Department Responsibilities

The Principal Investigator (PI) is ultimately responsible for administering the grant. The PI must comply with the specific terms and conditions of the grant award and ensure that the program requirements of the award are fulfilled. The PI must make certain that any required project reports are submitted in a timely manner. The PI is also responsible for monitoring expense budgets to prevent cost overruns and for the certification of cost share/matching funds (if any).

Grants Accounting provides financial and administrative oversight for all external grants, contracts and agreements entered into by the University. Grant Accountant works closely with the Principal Investigator to ensure that financial transactions comply with the granting agency and the University's accounting requirements.

The Grant Accountant also enters and revises grant budgets in SAP, prepares billing documentation and cash requests, completes and/or reviews post-award financial reports, distributes Personnel Activity Reports (PARs), and prepares the campus Indirect Cost rate proposal.

Please visit [Grants Accounting](#) website for additional information.

General Accounting

The Controller's Office is responsible for the maintenance of the University's SAP financial system and coordinates, with the assistance of other departments, interfaces with other financial systems including the Student information System and the Nebraska Accounting System. This department is also responsible for external and internal audits, maintaining adequate internal control over financial transactions and ensuring that financial transactions are recorded in accordance with generally accepted accounting principles.

For more information, please visit the [Controller's Office](#) website.

Accounting Terminology

Accrual Adjustments - Fiscal year end accrual adjustments post unrecorded June transactions. These generally represent revenue earned (i.e. good or service has been provided) but not received as of June 30th and expenses incurred (i.e. good or service has been received) but not paid as of June 30th. The most common accrual adjustments include accounts payable invoices, travel reimbursements, biweekly payroll and faculty salaries for those faculty with 9-month contracts paid over 12 months.

Auxiliary Funds - (cost centers beginning with 43) fund activities which furnish goods and services to students, faculty and staff for a fee. Examples are food service, bookstore operations, and telecommunications.

Biennium - A biennium represents a budget cycle that covers two fiscal years. For example, the current budget biennium spans the period of July 1, 2013 to June 30, 2015.

Commitments - Commitments are contractual or scheduled commitments which are not yet reflected in actual expenditures but will lead to actual expenditures in the future. They can include salary commitments, purchase order commitments or manual department commitments. When departments follow predefined procedures, budget can be committed at the end of a biennium and carried forward to the next fiscal year.

Cost Centers - Cost Centers are used to plan, gather, and track costs for a University unit or department for state aided non-revolving funds (cost centers that begin 41), state aided revolving funds (cost centers that begin 42) and auxiliary funds (cost centers that begin 43). Cost centers are 10 digit numbers. Within a department, multiple cost centers may be set up to further break down expenses by project or activity. See below for an explanation of the structure of a cost center.

Cost Objects - Cost objects are used to plan, gather, and track revenues and costs. There are two types of cost objects, the cost center and the WBS element.

Document Type – Document type is an identifier in the document header that characterizes the type of financial transaction being performed. For example, a cash receipt has a document type of CR and a journal entry has a document type of JE.

Encumbrance - See commitment.

Fiscal Year - The 12-month period for which budgetary authority is granted and for which external financial statements are prepared. The University of Nebraska operates on the same fiscal year as the State of Nebraska: July 1 through June 30.

G/L Account - The G/L account is a six-digit number that identifies the nature of revenue/expense transactions (e.g. tuition, printing, office supplies) or balance sheet items (e.g. cash, deferred

income, etc.). The group of G/L accounts defined for the University as a whole is referred to as the University Chart of Accounts. G/L account numbers that begin with a 4 are used to record revenues from various sources. G/L account numbers that begin with a 5 are used to record disbursements for the procurement of goods or services.

Contact Accounting Services (402-554-2320) if you would like to receive a listing of revenue and expense accounts.

Journal Entry - A journal entry is used to move revenue or expense that was coded to an incorrect cost center, WBS element and/or G/L account to the correct cost center, WBS element and/or G/L account.

Please contact Teresa Carlson (402-554-4937) if you would like to be trained to complete journal entries. Training is required prior to gaining access in SAP to enter a journal entry.

Non-Revolving State Aided Funds - Non-revolving state aided funds represent annually budgeted funds supported primarily by tax appropriations and tuition and fee revenue. Non-revolving state aided cost centers begin with 41.

Plan - An SAP term for budget.

Posting Period - Generally, each calendar month represents a separate posting period within SAP. For example, period 1 would be July; period 2 would be August, and so on. However, the month of June is broken down into multiple posting periods.

Revolving State Aided Funds - Revolving state aided funds represent self-supporting activities where the balances roll forward from year to year such as lab fees and clinic/workshop revenues. Revolving state aided cost centers begin with 42.

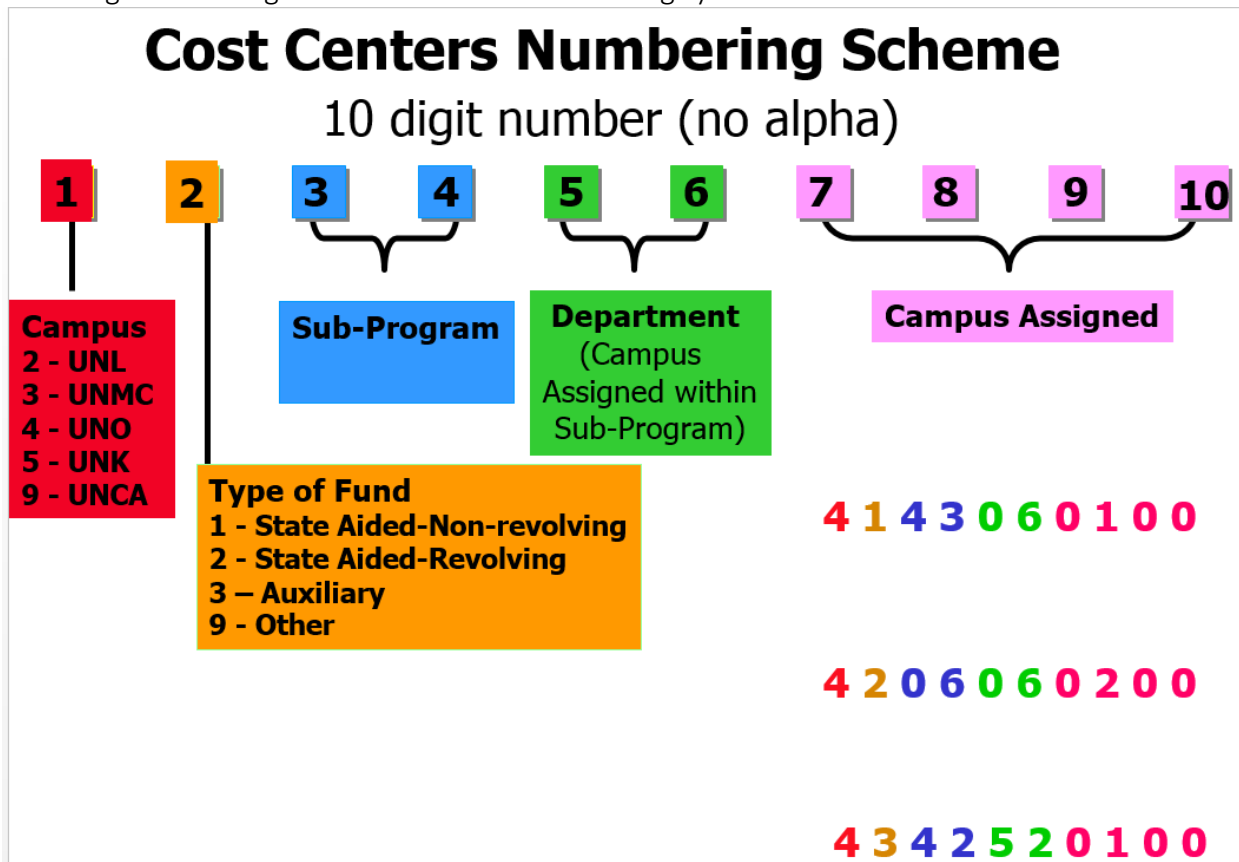
State Aided Funds - State aided funds are those that are under the control and discretion of the University to use in achieving its educational purposes. There are two types of state aided funds, non-revolving state aided funds and revolving state aided funds.

WBS Elements - WBS elements are used to plan, gather, and track costs for a grant or contract, agency or plant project. A Project can have one or many WBS elements depending on the degree of segregation or breakdown desired. WBS elements are 13 digit numbers and begin with 44, 45, 46, 47 or 49. See below for an explanation of the structure of a WBS Element.

Cost Centers

Cost centers are used to track revenue and expenses for state aided (non-revolving and revolving) and auxiliary funds. Within a department, multiple cost centers may be set up to break down expenses by project or activity.

State aided funds are those which are under the control and discretion of the University to use in achieving its educational purposes. Non-revolving state aided funds represent annually budgeted funds supported primarily by tax appropriations and tuition and fee revenue. Revolving state aided funds represent self-supporting activities where the balances roll forward from year to year such as lab fees and clinic/workshop revenues. Auxiliary funds are supplementary to the primary educational function of the University and include such activities as the student housing, food service, bookstore, and intercollegiate athletics. Cost centers are 10 digit numbers with the following visual recognition built into the numbering system:



WBS Elements

WBS elements are used to track revenues and expenses for a grant or contract, agency or plant project. A Project can have one or many WBS elements depending on the degree of segregation or breakdown desired.

Grant or contract funds are generally restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Agency funds include funds held by the University as custodian or fiscal agent for others. Plant funds are used to purchase, construct or renovate long-life assets such as land, land improvements, buildings and equipment. WBS elements are 13 digit numbers with the following visual recognition built into the numbering system.

