

Southwestern College

Basics Accounting-Budget 101

TRAINING FOR NEW BUDGET MANAGERS

PREPARED BY OLIMPIA REYES, FINANCE OFFICE –STUDENT AFFAIRS AREA

07.18.2017



QUOTE of the day...

“The Budget is not just a collection of numbers, but an expression of our values and aspirations”

-Jacob Lew (Former United States Secretary of the Treasury)



SWC Basics Accounting-Budget 101

SUBJECTS/TOPICS

- **General Ledger (GL) Structure**
- **Roles and Responsibilities of the FINANCE Department**
- **Frequently Asked Questions (FAQs)**
- **Exhibits: Work-flow Processes & Sample forms**

Let's Begin with Fund Accounting Types of Transactions:

- **Assets** (Accountants handle these)
- **Liabilities** (Accountants handle these)
- **Fund Balance** (Accountants handle these)
- **Revenue** (Accountants handle these)
- **Expenditures** (Budget Manager is responsible to monitor these)

Example: Basic Accounting Types of Transactions

General Budget Accounting

Assets

- Treasury Deposits
- Other Deposits
- Securities
- Suspense payments
-

Liabilities

- Suspense receipt
- Borrowing
-

Receipts

- General Budget Receipts
- Fund Receipts
- Grant Receipts
-

Expenditures

- General Budget Expenditures
- Fund Expenditures
- Grant Expenditures
-

GENERAL LEDGER (GL) STRUCTURE

GENERAL LEDGER ACCOUNT (25 Characters)

11-810001-672000-55110-10

XX-XXXXXX-XXXXXX-**5XXXX**-XX (Managers only deal with expenditures)

- I. FUND** (Unrestricted or Restricted, 2 digits, XX)
- II. COST CENTER** (Department, 6 digits, XXXXXX)
- III. ACTIVITY** (Discipline by BAM, 6 digits, XXXXXX)
- IV. OBJECT** (Type of Exp. Class, 5 digits; always begins with a 5, 5XXXX)
- V. LOCATION** (Campus or Center Location, 2 digits, XX)

I. FUND XX-XXXXXX-XXXXXX-XXXXX-XX



The **FUND** describes the type of funds, whether restricted or not. We only have one unrestricted fund -which is **Fund 11**. Every other fund is restricted.

11-Unrestricted: A sub-fund of the General Fund (GF); Unrestricted

12-Restricted: A sub-set from GF-Restricted: fund for Grants, Categorical Funds, and/or Special Projects that are restricted in nature, and have to be spent according to their strict guidelines.

79-Trust Funds: All trust funds begin with a “79” (Not for operating Expenditures)

II. COST CENTER XX-XXXXXX-XXXXXX-XXXXX-XX



The **COST CENTER** refers to the area or department that you supervise. We structure the cost center **per the Vice-President's area**. Please remember that cost centers always have 6 digits.

VP AA: **000000-699999** (Departments under VP of Rene Kilmer)

S/I: **700000-799999** (Departments under S/I President, Dr. Murillo)

VP BFA: **800000-849999** (Departments under VP Tim Flood)

VP HR: **850000-899999** (Departments under VP Trinda Best)

VP SA: **900000-999999** (Departments under VP Dr. Suarez)

III. ACTIVITY XX-XXXXXX-XXXXXX-XXXXX-XX



The **ACTIVITY CODE** is provided by the state mandated Budget and Accounting Manual (BAM), and this refers to the **discipline and purpose of the expenditure**. In general, activity codes are classified as Instructional and Non-Instructional.

- Instructional Activity Codes begin with **000000-599999**-Expenses incurred for instructional activities are classified by these controlling accounts
- Non-Instructional Activity Codes begin with **600000-999999** –Expenses incurred for administrative and support activities for non-instructional services to students, faculty and the community

INSTRUCTIONAL ACTIVITIES

0100	Agriculture and Natural Resources
0200	Architecture and Related Technologies
0300	Environmental Sciences and Technologies
0400	Biological Sciences
0500	Business and Management
0600	Media and Communications
0700	Information Technology
0800	Education
0900	Engineering and Industrial Technologies
1000	Fine and Applied Arts
1100	Foreign Language
1200	Health
1300	Family and Consumer Sciences
1400	Law
1500	Humanities (Letters)
1600	Library Science
1700	Mathematics
1800	Military Studies
1900	Physical Sciences
2000	Psychology
2100	Public and Protective Services
2200	Social Sciences
3000	Commercial Services
4900	Interdisciplinary Studies
5900	Instructional Staff–Retirees’ Benefits and Retirement Incentives



ADMINISTRATIVE AND SUPPORT ACTIVITIES

6000	Instructional Administration and Instructional Governance
6100	Instructional Support Services
6200	Admissions and Records
6300	Student Counseling and Guidance
6400	Other Student Services
6500	Operation and Maintenance of Plant
6600	Planning, Policymaking, and Coordination
6700	General Institutional Support Services
6800	Community Services and Economic Development
6900	Ancillary Services
7000	Auxiliary Operations
7100	Physical Property and Related Acquisitions
7200	Long-Term Debt and Other Financing
7300	Transfers, Student Aid, and Other Outgo
7900	Appropriation for Contingencies (for budgetary purposes only)

IV. OBJECT XX-XXXXXX-XXXXXX-5XXXX-XX



The district **Expenditures** are classified by activity and by **object**. Expenditure classification by **OBJECT CODE** is **the accounting segregation of expenditures into seven major categories** provided by the Budget and Accounting Manual (BAM); however, at SWC, we add a “5XXXX” before each of these set of numbers.

1000-Academic Salaries (**51**XXX)

2000-Classified Salaries and Other Non-academic Salaries (**52**XXX)

3000-Employee Benefits (**53**XXX)

4000-Supplies and Materials (**54**XXX)

5000-Other Operating Expenses and Services (**55**XXX)

6000-Capital Outlay (**56**XXX)

7000-Other Outgo (**57**XXX)

Continuation of OBJECT

✓ Example of items generally **acceptable as expenditures** from the General Fund:

-Supplies, or services, including equipment *necessary to advance the educational purpose of the District.*

✗ -Examples of generally **Unacceptable expenditures** from the General Fund:

-Donuts, bagels, coffee for regular staff meetings

-Holiday celebrations, cards, decorations

-Individual personal occasions such as birthdays and retirements

-Any item of clothing that is not required to be worn as a uniform

-Flowers for condolences, thank you or congratulations

V. LOCATION XX-XXXXXX-XXXXXX-XXXXX-XX



This is an internal code for Southwestern College. SWC has six locations, although most of my managers only use Chula Vista code which is code number “10”. The following are all the locations available. Location codes have two digits.

10-Chula Vista

20-HEC National City

30-HEC San Ysidro

40-HEC Otay Mesa

50- Crown Cove Aquatic Center (Coronado)

60-COC



FINANCE: Staff Roles & Responsibilities

FINANCE TEAM	TITLE	ROLE/RESPONSIBILITY
Wayne Yanda	Director	Supervises and oversees Finance Department and Cashiering Area. He has to approve/authorize (sign) most of the external reporting
Olimpia Reyes	Accountant	Handles all Unrestricted and Restricted Accounts under Student Services Programs and Non Academic Depts such as: VP of HR, S/I President area, and VP of Business Financial Affairs
Rizza Dela Cuadra	Accountant	Handles all Unrestricted and Restricted Accounts under academic area; anything under VP of Academic Affairs
Betty Keys	Sr. Account Technician	Handles Accounting for Bookstore and for the Association Student's Organization (ASO); plus, Cash accounts recons for all SWC Bank Accounts; plus, other Supportive Services
Kim Houang-Nguyen	Account Technician	Handles Cafeteria Services Accounting -Invoices, payments, checks; plus, other supportive services
Martha Estrada	Account Technician	Handles Financial Aid Disbursements on Student's side and Trust Funds
Hilda Carey	Sr. Account Clerk	Handles Payroll and Cash reconciliation, and posting of the state allocation revenues; plus, other reporting and supportive services
Angelica Preciado	Sr. Account Clerk	Process Inservice-Leave Forms, Mileage Claims, Flight; Plus, other supportive services
Veronica Howard	Sr. Account Clerk (A/P)	Process vouchers and payments to the Invoices entered in the Mercury System; issue disbursements
Maria Morett	Sr. Account Clerk (A/P)	Process vouchers and payments to the Invoices entered in the Mercury System; issue disbursements
Carl Gapusan	Sr. Account Clerk (A/P)	Process vouchers and payments to the Invoices entered in the Mercury System; issue disbursements
Cashiering Area	Cashiers and Supervisor	Provide Services to SWC Students and staff for many cashiering related issues, such as: Student's account balances and other supportive services

Accountant's Responsibility by VP-Division (Departments = Cost Centers):

COST CENTER XX-XXXXXX-XXXXXX-XXXXX-XX

VPAA: *All Academic Departments* are handled by *Rizza Dela Cuadra 100%*.

S/I: S/I President Depts. are handled by *Olimpia & Wayne*

VPBFA: Business and Financial Affairs Depts. are handled by *Olimpia & Wayne*

VPHR: Human Resources Depts. are handled by *Olimpia & Wayne*

VPSA: *All Student Affairs Depts.* are handled by *Olimpia Reyes 100%*.

NOTE: Auxiliaries such Bookstore, Food Services, and ASO are handled by Betty Keys and Kim Hoang.

List of Restricted Programs under Olimpia's Responsibility:

Department	Director/Admin	Department	Director/Admin	Department	Director/Admin
1. SSSP	Dr. J. King Ama Derringer	10. BFAP	Patti Larkin Vonnie Arellano	19. AEGB	Mia McClellan Myesha Jackson
2. DSPS	Patricia Charter-Fl. Monica Rodriguez	11. VETERANS	Patti Larkin Vonnie Arellano	20. STRONG WORKFORCE	Mia McClellan Myesha Jackson
3. EOPS & CARE	Omar Orihuela Veronica Cadena	12. STUDENT DEV.	Brett Robertson Jenny Marasigan	21. DATA ACCOUNTABILITY	Mia McClellan Myesha Jackson
4. CalWORKs	Fabiola Beck Omar Orihuela	13. HEALTH SERVICES	Brett Robertson Jenny Marasigan	22. DLA	Rachel Fisher Luz Velasco
5. WORKABILITY II	Jenny Nominni	14.I-PROGRAMS	Dr. Angelica Suarez Irene Plummer	23. PARKING & POLICE	Michael Cash Rene Aguilar
6. FRESH SUCCESS	Omar Orihuela Leticia Diaz	15. STUDENT EQUITY	Dr. G. Corona Veronica Jauregui	24. TANF	Omar Orihuela
7. BASIC SKILLS	Dr. Joel Levine Claudia Gavaldon	16. TITLE V	Martha Garcia Charlene Franco	25. HR STAFF DIVERSITY	Marvin Castillo Elsa Gerena
8. PERKINS	Mia McClellan Mary Waters	17. CTE TRANSITION	Mia McClellan Mary Waters	26. City of San Diego	Rachel Fisher Luz Velasco
9. FWS	Nelson Riley Sergio Soriano	18. CTE DATA UNLOCK	Mia McClellan Mary Waters	27. IEPI	Linda Gilstrap

Frequently Asked QUESTIONS...

- **Budget Transfers:** Accountants process Budget transfer into the system within 2-3 business days.
- **Journal Entries:** An expenditure that needs to go to another account; processed within 3-7 business days.
- **Items that are only approved by accountants:**
 - Mileage Claims
 - In-Service Leave Forms (ISLF)
 - ESM-Mercury Requisitions
 - Human Resources Transaction (HRT)
 - Timesheets by exception only (Go directly to PR unless grant requires Accountant Approval)

NOTE: Accountants do not keep duplicates nor copies; please keep copies for our c



FAQ's Continued...

- **How can I see my budget in the system?** This is a two steps process...**First step**, request your log-in to Ellucian to Institutional Technology (IT). IT has a form that needs to be filled out by your supervisor. **Second Step**, once you received your Login ID, proceed to contact your accountant to setup your GL roles.
- **Financial Reporting for external parties (Agency, Grantor, Auditors, and/or State) is a responsibility for the accountant to handle with your input.** Reporting could be Monthly, Quarterly, Annually (All reporting has to be reviewed by the Budget Manager; as it is a shared responsibility)
- **Need to set up New Accounting/Budget for a new grant or program**(for new grants and/or new program, this is post award) Contact your accountant.
- **I need the Payroll Detail for a specific GL account.** Contact Hilda Carey in the Finance area. Hilda supports the Finance Team with Payroll detail requests

FAQ's Continued...

- **What budget code and or/object code do I use when ordering items?** Please contact your accountant. It is very important to use correct **object code (5XXXX)** classification of expenditure type. For reference see BAM.
- **I received a notification that our funds will be decreased or increased; what do I need to do?** Please contact your accountant. Your budget will have to be adjusted by the increased or decreased amount.
- **I need someone to do a journal entry to correct an expense (charge) posted to my account (account was charged by mistake).** You can either contact your accountant, or Hilda Carey in the Finance area. She supports the Finance Team with journal entries. She does more than this, but she is a great resource. Please send her an email request for this type of transactions and copy your accountant.

FAQ's Continued...

- **Should I get concerned about the district receiving the cash for my program before I start spending funds...** Once you have a commitment certificated document (Award letter, Allocation from the State, etc.), this shows how much funds you will get for FY. We will help you set up the Budget for the funds. Once the budget is set up, you can start spending the funds (no need to worry about if funds have been received. We will notify you if there are any problems).
- **For In-Service Leave Forms (ISLF) status, payments, questions, plus, flight accommodations...** please contact our Senior Account Clerk, Miss Angelica Preciado, in the Finance Department. She processes ISLF and mileage claims.

NOTE: Ms. Angelica Preciado can only process them once they have the proper authorization completed and a complete & valid –GL Budget account. For Mileage Claims, you need to submit a copy of your proof of insurance.

FAQ's Continued...

- **I have an emergency and I need to pay something right away and/or I need a check issued immediately....** Contact the Director of Finance, Mr. Wayne Yanda. These type of situations need to be avoided. An Accounts payable process is in place and needs be followed.
- **Follow up on HRTs to see if these are posted to the system...** please contact our Human Resources Technician, Ms. Shelly Frazier in the Human Resources Department. She handles all HRTs and the Position Control for SWC, also called Authorized Position List (APL).
- **My requisition -purchase order, is taking too long....** please contact the Purchasing Department, Cecilia Almaraz, Rosa Deertz or Efren Audelo to follow up on this; please allow 2-3 weeks for these to be processed.

FAQ's Continued...

➤ **How do I request my Mercury routing and approval process for my program?**
Please Contact Purchasing Department. They're the administrators of the Purchasing system, **ESM** commonly known as **Mercury**. Accountants don't have administrative rights –They only can approve Requisitions

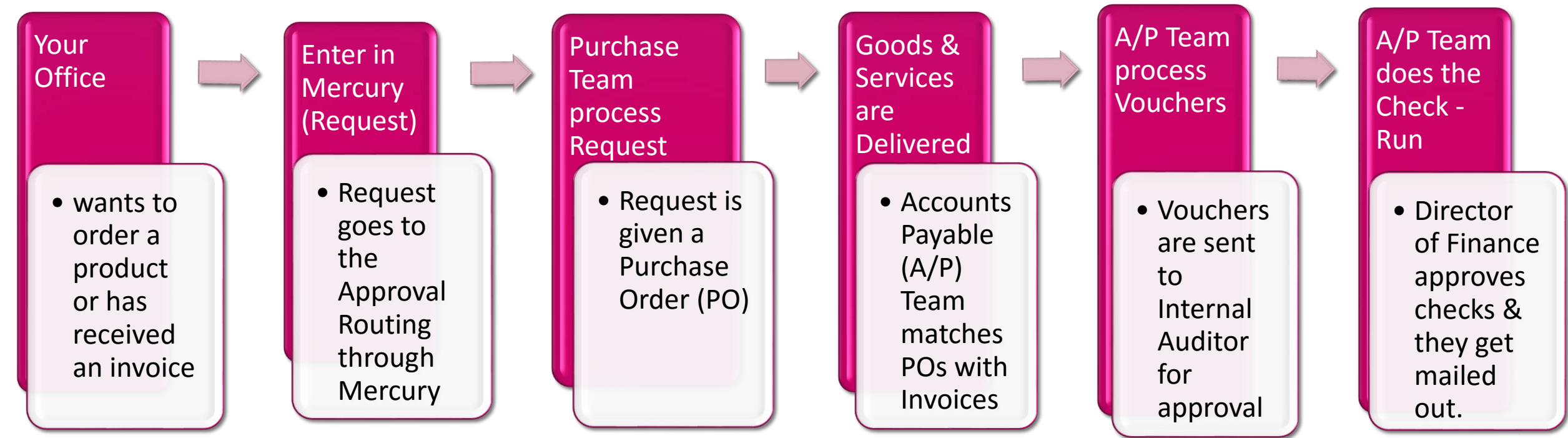
➤ **When a full time contract employee is on leave and a Hourly Temp will cover, yet, I don't have a budget for hourly employees, where do I request funds to cover for Hourly-Temp's salary?** Please request a budget transfer from salary account to the hourly account.

-For hourly employees **covering for classified** employees, please use hourly **object code 52326**.

-For hourly employees **covering for academic** contract employees, please use hourly **object code 51410**.

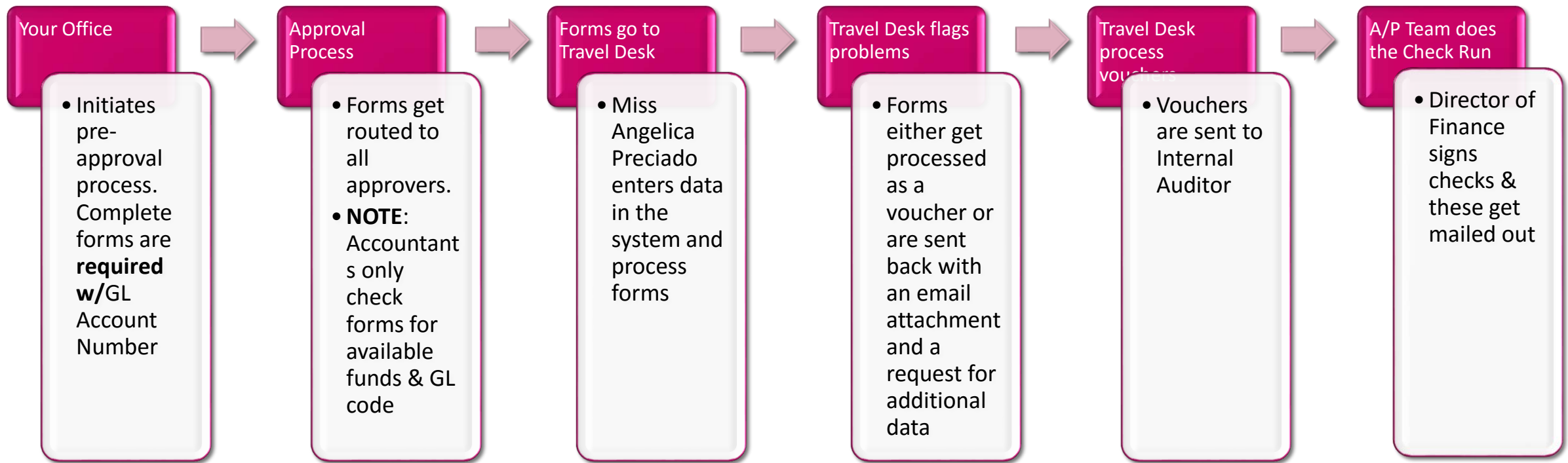
EXHIBITS: Work-flows & Sample Forms

Exhibit A: Accounts Payable (A/P) Process (Invoices, Consultants, Check-Payments, etc.)



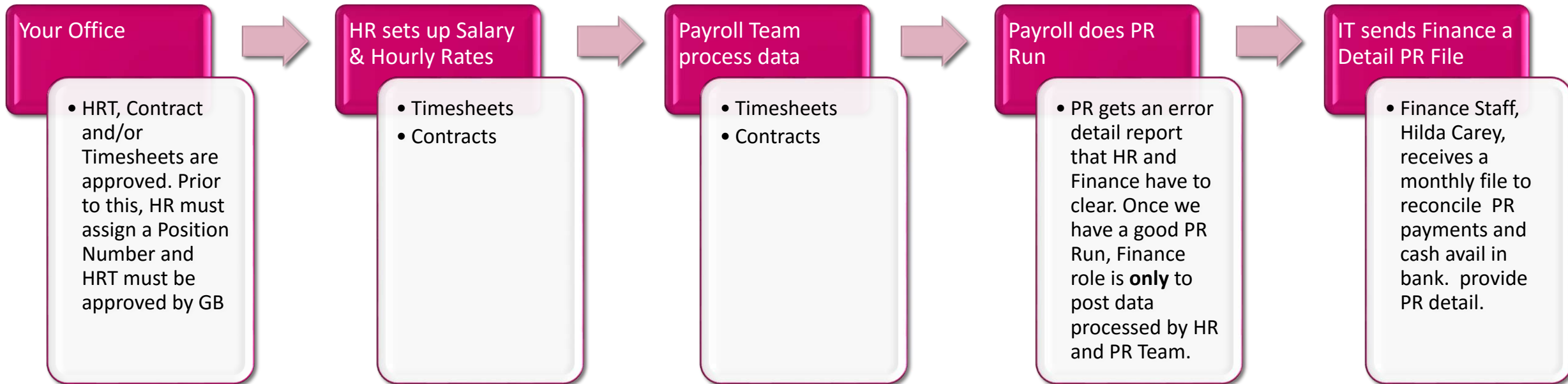
NOTE: Complete Process may take up to 2-3 weeks

Exhibit B: Reimbursement Process: Travel Mileage & In-Service Leave Forms (ISLF)



NOTE: All forms need to be sent to your accountant prior to sending them to Travel Desk- Angelica Preciado. Complete process may take up to 2 weeks. In addition, original receipts need to provide proof of insurance.

Exhibit C: Payroll Process (Payment of Labor: Contract, Hourly & Student Workers)



NOTE: The Student workers are set up by Student Employment Office (acting as the HR)

Exhibit D: Budget Transfer Request (Budget Adjustment Form)

BUDGET ADJUSTMENT FORM												
<i>(Please print form and submit to Finance Office for approval)</i>												
Use the "Tab" button to navigate through the form. Enter data only in the white areas. Total 'FROM' and Total 'TO' amounts must equal in order for the form to be processed. See number (#) below the budget components to know how many digits you should type in each white area.												
FY17												
FROM						TO						JUSTIFICATION <small>(A required field for each transfer line.)</small>
FUND (2)	COST CENTER (4)	ACTIVITY (6)	OBJECT (5)	LOCATION (2)	AMOUNT	FUND (2)	COST CENTER (4)	ACTIVITY (6)	OBJECT (5)	LOCATION (2)	AMOUNT	
12	902020	119900	51310	10	2,600.00	12	902020	119900	52326	10	2,600.00	To cover hourly Clerical Aid
Restricted SubFundudy Abroad Intl Prer Foreign Langua Other Hourly Chula Vista						Restricted SubFundudy Abroad Intl Prer Foreign Langua Hourly Employees Chula Vista						
#N/A	#N/A	#N/A	#N/A	#N/A		#N/A	#N/A	#N/A	#N/A	#N/A		
TOTAL FROM →					\$ 2,600.00	TOTAL TO →					\$ 2,600.00	
1	DEPARTMENT/REQUESTER USE ONLY (SIGNATURE NEEDED)			2	FINANCE USE ONLY (SIGNATURE NEEDED)			3	FINANCE DIRECTOR USE ONLY (SIGNATURE NEEDED)			
DEPARTMENT:	VPSA_International Program			TRANSFER NUMBER:				DEPARTMENT:	FINANCE			
BUDGET MANAGER:	Dr. Suarez			ACCOUNTANT:	OLIMPIA REYES			DIRECTOR:	WAYNE YANDA			
DATE CREATED:	4/25/2017			DATE POSTED:				DATE REVIEWED:				

Exhibit E: Journal Entry Request

[illegible]

Exhibit F: Timesheet

TIMESHEET																																		
NAME:	Jane Doe										COLLEAGUE I.D.											PAY PERIOD: From:	6/1/2017					to:	6/30/2017					
DEPARTMENT:	FINANCE/STUDENT SERVICES										BUDGET #	XX-XXXXXXX-XXXX-XXXX-XX																						
AREA SUPV:	DR. ANGELICA SUAREZ																				PAYABLE ON:	7/31/2017												
	HOURS WORKED PER DAY																															TOTAL	O/T	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	HOURS	RATE	
* OVERTIME HOURS																							4	2.5								6.5		
** DOUBLE TIME																																		
* Overtime hours are any hours worked over 8 hours a day (except when working a 4 day 10 hour a day schedule) AND over 40 hours a week.																															TOTALS	6.5		
** Double time hours are hours worked over 12 hours a day (except when working a 4 day 10 hour a day schedule).																																		
ALL OVERTIME TIMESHEETS MUST BE ATTACHED TO A CLASSIFIED OVERTIME REQUEST FORM.																																		
Timesheets are due to Payroll Services no later than the first working day following the last day of the payroll period. (Check payroll periods with your Supervisor)																																		
Timesheets not received by the due date may result in employees not receiving their paychecks on time. Timesheets must be completed in ink.																																		
By signing this timesheet, the hours worked and amount earned are acknowledged.																																		
Verification of timesheet:		Employee's Signature															Date															6/26/2017		
		Supervisor's Signature															Date																	
TIMESHEETS WILL NOT BE PROCESSED WITHOUT PROPER SIGNATURES.																																		

NOTE: All timesheet go directly to Payroll (PR). All Overtime (OT) has to have a timesheet approving OT

Exhibit G: In-Service Leave Form (Travel-Hotel Conference/Training, Reimbursements)

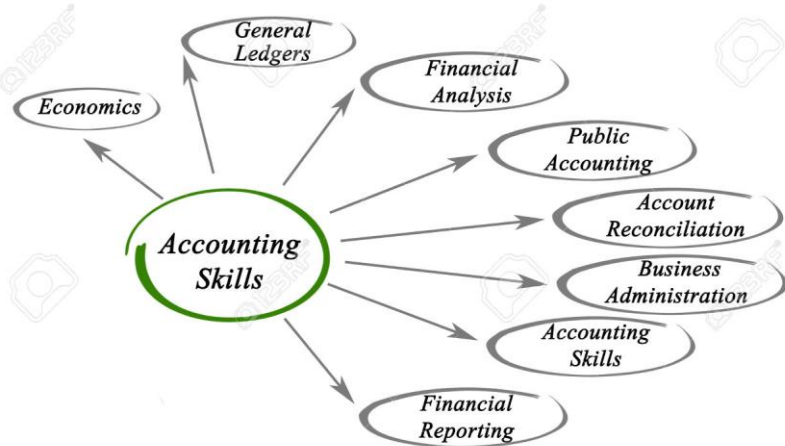
SOUTHWESTERN COLLEGE IN-SERVICE LEAVE FORM			
COLLEGE I.D. #:		FUNDING SOURCE: <Select>	
<small>All PC and Mac users please note: This form is intended to be filled out electronically; therefore, must be downloaded to your desktop and must be opened with Adobe Reader. Any forms opened/used in "Preview Mode" will not function properly.</small>			
NAME:		DEPARTMENT:	
(1) MEETING/CONFERENCE TITLE:			
DATE(S):		CITY/STATE:	TIME(S):
REFER TO TRAVEL PROCEDURES IN PUBLIC FOLDERS			
(2) No Receipts Required	ESTIMATE (*BEFORE TRAVEL)		
	Mileage	x _____ \$ per mile	\$ 0.00
	Meals: Breakfast	x \$ 8.00 ea	0.00
	Lunch	x \$12.00 ea	0.00
	Dinner	x \$25.00 ea	0.00
Original Receipts Required	Airfare <input type="checkbox"/> Purchased by District		
	Airfare <input type="checkbox"/> Purchased by Self		
	<input type="checkbox"/> Parking <input type="checkbox"/> Shuttle		
	Lodging: _____ Nights @ \$	0.00	
	Registration Fee District Paid? <input type="checkbox"/> No		
**Submit Requisition ** <input type="checkbox"/> Yes			
Other: _____			
TOTAL ESTIMATED EXPENSES		\$	0.00
(3) No Receipts Required	ACTUAL CLAIM (**FOLLOWING TRAVEL)		
	Mileage (55210)	x _____ \$ per mile	\$
	Meals (55224): Breakfast	x \$ 8.00 ea	
	Lunch	x \$12.00 ea	
	Dinner	x \$25.00 ea	
Original Receipts Required	Airfare <input type="checkbox"/> Purchased by District (55220)		
	Airfare <input type="checkbox"/> Purchased by Self (55220)		
	<input type="checkbox"/> Parking <input type="checkbox"/> Shuttle (55220)		
	Itemized Hotel Statement Lodging (55224): _____ Nights @ \$		
	Registration Fee District Paid (55214)? <input type="checkbox"/> No		
**Submit Requisition ** <input type="checkbox"/> Yes			
Other: _____			
TOTAL EXPENSES		\$	
I certify that the above amounts were actual and necessary incurred expenses for this leave.			
X _____ (DATE) _____ (APPLICANT'S SIGNATURE)		X _____ (DATE) _____ (APPLICANT'S SIGNATURE)	
X _____ (DATE) _____ (DEAN OR SUPERVISOR'S SIGNATURE)		X _____ (DATE) _____ (DEAN OR SUPERVISOR'S SIGNATURE)	
X _____ (DATE) _____ (PRESIDENT'S/VICE PRESIDENT'S SIGNATURE)			
\$ _____ (MAXIMUM AUTHORIZED ALLOWANCE)			
COST CENTER: _____ <input type="checkbox"/> Check here if not applicable			
(OPTIONAL) ADVANCE FUNDS I REQUEST ADVANCE PAYMENT OF \$ _____			
_____ (REQUESTOR SIGNATURE)			
		FINANCIAL SERVICES OFFICE USE ONLY	
		Total Expenses	\$
		LESS DISTRICT PAID AIRFARE	\$
		LESS DISTRICT PAID REGISTRATION	\$
		LESS ADVANCE FUNDS	\$
		Total DUE Applicant	\$
		Total DUE District	\$

Exhibit H: Mileage Claim (for mileage only)

[illegible]

This is it Folks...Finito!

QUESTIONS ?



GRACIAS

Olimpia Reyes, MBA

Finance Office -Student Services area, EXT 6465, Room S104N

