Understanding Financial Structure at DU: "FOAP"

The University of Denver is a private University, governed by a Board of Trustees that delegates to the Chancellor, other leadership, and the faculty broad responsibility for management and daily operation of the University. The University operates on a modified responsibility-centered management structure and philosophy, with most transactions and daily operation managed by professionals embedded in individual units. These units can be broadly categorized into three areas: academic (tuition-generating areas); non-academic and auxiliary; and institutional support.

The University uses Banner as its Enterprise Resource Planning (ERP) tool. Banner employees a financial structure commonly referred to as "FOAP" or more precisely, "FOAPALE." This is an acronym for the following:

• F: Fund

- o The fund refers to the fund source. The largest most commonly used fund is number 10000-Current Operating Fund. This fund source generates 95% of all activity at the university, including tuition revenue and salary expense. There are many fund types at the University:
  - **1xxxx and 2xxxx**: general ledger funds that are found on the balance sheet, like cash balance.
  - **3xxxx**: grant funds related to funded-research and sponsored programs.
  - **4xxxx**: restricted gift or spendable/income endowment funds.
  - **5xxxx**: student loan funds utilized by the central Office of Financial Aid.
  - **6xxxx**: endowment principle/corpus funds.
  - **7xxxx**: plant funds for capital projects and building renovations.
  - **8xxxx**: designated funds ear-marked for specific projects or purposes by university leadership (not by donors or grantors).
  - **9xxxx**: agency funds used by student organizations or other legal entities that conduct business on the DU campus, often utilizing DU payroll and financial systems.

• O: Organization

- o The organization number refers to the unit. There are four hierarchical tiers of organization structure:

- **Division**: four-digit number unique to a major financial unit. There are currently 47 financial divisions at DU. Also seen as DIV code or DV in Banner screens.
    - **Responsibility Center**: five-digit number and one letter unique within a financial unit. Next level of categorization within a division. Also seen as RC or Resp on Banner screens or the Purchasing Card website. Some divisions may separate Administrative areas from Instructional areas within their division utilizing difference responsibility center codes.
        - **Department**: six-digit number that serve as the next level of categorization within a responsibility center. Some divisions may have different academic programs or majors under an "Instruction" responsibility center, for example.
            - **Sub-Department or Org**: six-digit number that is the most detailed level of organization stricture, and where all budget and actual transactions reside. These sub-department or org numbers are unique to individuals programs, projects, scholarships, initiatives. They can be created or eliminated as requested by the division business officer.

● A: Account

- Accounts are six-digit named for types of expenses, and are shared across the University. These answer the questions of "what" was budgeted or spent. There are many accounts used at the University:
    - 1xxxx and 2xxxx: general ledger accounts found on the balance sheet for items like accounts receivable, deferred income, and accounts payable.
    - 5xxxxx: revenue accounts. These include tuition, scholarship, sales, gift and endowment release.
    - 6xxxxx: labor expense accounts. These include payroll and fringe accounts.
    - 7xxxxx: materials and operating accounts. These include supplies, travel, advertising, outside services, equipment.
    - 8xxxxx: transfer accounts. These are most often for transfers to/from plant funds and designated funds.

● P: Program

- Program codes are used to group activities for consolidated financial reports, external reporting, and peer benchmarking. Sub-department/Org codes have

program codes defaulted to them. It is always requested that transactions keep the default program codes.

● A: Activity

- o Activity codes group transactions based on type of activity. The University currently uses four main types of activity codes:
  - ▪ Dxxxxx: Fundraising/Alumni relations activity.
  - ▪ GSxxxx: gainshare activity. For expenses funded by gainshare designated fund. See the Gainshare and Institutional Priority module for more information.
  - ▪ IPxxxx: institutional priority activity. For expenses funded by central reserve funds. See the Gainshare and Institutional Priority module for more information.
  - ▪ CSxxxx: cost share codes. These are unique to individual grant funds that require the University to share in the expense relating to a specific grant.

● L: Location

- o Location codes must be used on all expense that is paid to a foreign entity.
  - ▪ **CACAR**: Central America and the Caribbean
  - ▪ **EAPAC**: East Asia and the Pacific
  - ▪ **EUROP**: Europe (Including Iceland and Greenland)
  - ▪ **MENTA**: Middle East and North Africa
  - ▪ **NTHAM**: North America
  - ▪ **RUSSI**: Russia and the Newly Independent States
  - ▪ **STHAM**: South America
  - ▪ **STHAS**: South Asia
  - ▪ **AFRIC**: Sub-Saharan Africa

● E: Enclosure

- o The enclosure field notifies the Payment Services team when a document must accompany a check to a vendor.