

Chart of Accounts



What is the Chart of Accounts?

The Chart of Accounts is the basis of any accounting system. The purpose of the Chart of Accounts is to:

- classify each financial transaction
- select or extract the financial data through account inquiry screens or reports
- report on (or enquire about) the sum total of financial transactions at various levels on the chart.

Accounts are made up of a string of numeric and alphanumeric fields that act as identifiers. The General Ledger is used to record and store each individual account and their transactions.

The University of Melbourne has defined eight segments (23 digits) to make up their Chart of Accounts:

Company	Budget Unit	Section	Account	Project	Group	Activity	Location
01	606	20	5554	78250	B10	12	01

When entering your account code details in Themis, the Chart of Accounts will display in various forms (e.g.: Descriptive FlexField, List of Values, etc). Whichever form is displayed, Themis enables you to type in the segment details, if known, or use the List of Values to search for and select the appropriate code.

The University of Melbourne

Company **01** University of Melbourne

Budget Unit **654** Zoology

Section **01** Animal behaviour and evolution

Account **5554** Stationery

Project **00000** OPERATING

Group **A03** Aquarium

Activity **11** Teaching

Location **01** Parkville

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There are two types of segment:

- **Independent segments** – values are not linked to other segments (e.g.: Company, Budget Unit, Natural Account)
- **Dependent segments** – values are determined by the segment's relationship with another segment (e.g.: Section is dependent on Budget Unit)

Company

The **Company** segment represents the legal entity or company that consolidates or summarises the activities of the entity. The University, Trusts, semi-autonomous bodies and subsidiaries have been allocated an individual company number.

This segment is a two digit numeric value (independent).

Segment	Example	
Company	01	The University of Melbourne
	77	Melbourne University Bookshop

Budget Unit

The **Budget Unit** segment defines the organisational unit (normally the Department number).

This segment is a three digit numeric value (independent) and is linked to Themis access for finance.

Segment	Example	
Budget Unit	600	Science, Faculty General
	601	Chemistry
	654	Zoology

Section

The **Section** segment defines the internal management structure or areas of responsibility within a Budget Unit.

To ensure consistency in reporting it is recommended that any set-up or changes to these values be undertaken at the beginning of the year, and alterations should not be made during the year.

This segment is a two digit numeric value (dependent on Budget Unit).

Segment	Example	
Section	01	Animal Behaviour & Evolution
	03	Conservation & Wildlife Biology
	05	Reproduction & Development

Example taken from: 654 Zoology.

Natural Account

The **Natural Account** segment is used to classify income, expenditure, assets, liabilities and equity. **Note:** please do not use 5555 – *Other consumable supplies* where a suitable code exists.

This segment is a four digit numeric value (independent).

- Income accounts 4000 – 4999
- Expenditure accounts 5000 – 6999
- Internal recoveries 7000 – 7199
- Internal expenses 7200 - 7999

Segment	Example	
Natural Account	4173	Sale of Publications
	5653	Staff Training & Development
	5554	Stationery
	7281	Internal Photocopying Expense

Project

The **Project** segment captures financial transactions for specific research projects. While this segment is used to identify activities with external reporting requirements (e.g.: ARC and NHMRC grants), it must always contain a value. As such, all expenditure that is not part of a specific project should be allocated to code *00000 – Operating*.

This segment is a five digit numeric value (independent).

Segment	Example	
Project	00000	Operating (default value)
	78250	ARC Research

Group Code

The **Group Code** allows Budget Units to capture and group information concerning their areas, and at levels that are relevant to them.

Before requesting the creation of additional group codes, Departments/Faculties should ensure this information cannot be captured in other segments of the Chart of Accounts string (e.g.: UoM departments located on different campuses should use the Location segment to track their information, and researcher specific transactions can be recorded using the Project segment, etc). In addition, areas should be aware that too much detail in the Group Code segment may significantly increase workload when entering transactions and/or analysing report data.

This segment is a three digit alpha or alpha-numeric value (dependent on Budget Unit).

Segment	Example	
Group Code	GEN	General (default value)
	A03	Aquarium
	A14	Wallaby Yards

Activity

The **Activity** segment is used to satisfy external reporting requirements (such as the University's research and teaching expenditure, etc). This segment may also be used by Faculty and Departments to report on information that is of interest to them (e.g.: research support expenditure, research income, etc).

This segment is a two digit numeric value (independent).

Segment	Example	
Activity	11	Teaching
	12	Research

Location

The Location segment is used to determine the assignment of a campus or physical locality to transactions.

This segment is a two digit numeric value (independent).

Segment	Example	
Location	01	Parkville
	14	Burnley