Chart of Accounts Policy

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Policy Overview
The Chart of Accounts (CoA) is a listing of accounts in the Oracle financial system using numeric characters to designate the transactions that comprise the Balance Sheet (Assets, Liabilities, Equity) and Income Statement (Revenue and Expenses).

The Seven Segments
Harvard’s CoA consists of seven segments and 33 digits. Each segment has a numerical value and a text description that follows a standard naming convention. These segments provide the organizing framework for budgeting, recording and reporting on all University financial transactions.

<table>
<thead>
<tr>
<th>Tub</th>
<th>Org</th>
<th>Object</th>
<th>Fund</th>
<th>Activity</th>
<th>Sub-Activity</th>
<th>Root</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>11030</td>
<td>6750</td>
<td>000001</td>
<td>520007</td>
<td>000</td>
<td>000</td>
</tr>
</tbody>
</table>

(Sample 33-digit chart of accounts coding)

Tub (3-digits)
The Tub identifies one of the highest financial reporting levels at Harvard. It is usually a school or major department (for example, Central Administration is Tub 610 and Harvard Law School is Tub 265). A complete list of University Tubs can be found here. Tub “175” should be used for all HUIT transactions.
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Org (5-digits)
The Org identifies the unit to which income and expenses are assigned. It is usually a department, business unit, project or direct cost grouping with the Tub. (For example, University Telephone is Org 11030, HUIT CAADS is Org 11272. The Org range for the entire HUIT tub is 11000 to 12999.

Object (4-digits)
The Object identifies the nature of the transaction such as salaries, wages, rent, equipment, etc.. The University has over 900 different expense and revenue object codes; however, HUIT only uses a small fraction of them. Please refer to the annual HUIT “FY16 Chart of Accounts” publication for an abbreviated listing.

Fund (6-digits)
The Fund identifies the source of the money. For most Revenue and Expense transactions, HUIT primarily uses fund “000001”, which is the University-wide fund for unrestricted-undesignated spending. University policy requires fund “000000” be used for most Balance Sheet transactions. A small number of transactions (e.g., depreciation and use of reserves) are posted to other funds. However, those transactions are restricted to the Central Finance group.

Activity (6-digits)
Each local unit has created activities to differentiate lines of business within a department, project or loans (as well as may be used to track capital loans by fiscal year).

Subactivity (4-digits)
The Subactivity is activity dependent (i.e., it must be associated with a specific activity). The Subactivity helps to identify sub-categories within an activity such as project phases, types of revenue, categories of reserves, and business services. Not all activities need to be broken down into subactivities, in which case “0000” is used.

Root (5-digits)
The Root identifies the building or faculty member related to a transaction where needed. Since HUIT does not have faculty, the root is used exclusively in HUIT to track building expenses by property location. When this type of tracking is not needed, the root value used is “00000”.

Tools to Assist in Coding Transactions

HUIT Chart of Accounts Publication
HUIT publishes and distributes a more concise listing of chart of accounts values specifically for use in Tub 175 transactions annually in late summer. A copy can be obtained from your Financial Partner. Budget managers may also find the HUIT’s Chart of Accounts Publication on the HUIT Web Site.

Cross Validation Rules & Restricted Object Codes
Local units can set up “Cross Validation Rules” which prevent certain coding combinations from being used to help prevent miscoding. Additionally, some object codes are restricted and may only be used by specific University units, such as Central Administration.

Chart of Accounts Validator
A tool called the Chart of Accounts Validator is available to check the validity of any 33-digit account combination. It will inform the user if the 33-digit string is invalid for any of the following reasons:

- Activity Not valid with the Org. This is an example of a Cross Validation Rule error. A restriction was setup to prevent one of the entered segments from being used with the
other chart segment. The requestor should contact the person who provided the coding or his/her Financial Partner to resolve the issue.

- **Restricted Object Code.** The object code cannot be used by anyone but the specified group (usually Central Administration). The requestor should either select another appropriate object code or contact Central Administration's General Accounting office to complete the transaction.

- **CCID: Not Yet Created.** This is a warning that the particular 33 digit string entered has not been used before. This warning alone does not mean that the code is invalid.

Some local billing systems (e.g., MySoft) have a built-in chart validator, which will work similarly.

**Purchase Authorization and Transaction Coding**

Prior to purchasing on behalf of your business unit, please be sure you have the proper authorization. Become familiar with the [HUIT Procurement Policies](#) as well as see your Financial Partner for the process for your local unit.

**Additional Information and Training**

A full copy of the University’s Chart of Accounts Policy as well as on-line Chart of Accounts Training can be found [here](#). Your [Financial Partner](#) can provide additional training as well as help you with any coding questions.