Account Code Training for Purchases

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Please contact the Banner Helpline at 804-828-0388 if assistance is needed.

Account Coding Training for Purchases

Selecting the appropriate Account Code when making purchases is critical to VCU's financial reporting process. The Account Code, in combination with other factors, determines how transactions are reported in our audited financial statements.

The purpose of this training is to give you a resource to help you with Account Coding decisions. We do not expect you to memorize this information, or the chart of accounts. We want to make sure that you are aware of the content in this guide, and know how to read and interpret it, and also know where to find the guide.

Account Code

The Account Code is six digits. Accounts identify the type of activity. Banner accounts have nine categories determined by the first digit.
- **1 -** Asset Accounts for Funds
- **2 -** Liability Accounts for Funds
- **3 -** Fund Balances and Control Accounts for Funds
- **4 -** Revenue Accounts for Organization Codes
- **5 -** Labor (salaries, fringe benefits, etc.) Accounts for Organization Codes
- **6 -** Other Cost Accounts (supplies, services, non-labor) for Organization Codes
- **7 -** Equipment and Capital Project Construction Accounts for Organization Codes
- **9 -** Transfer Accounts for Organization Codes

Banner account 620012, for example, would identify a payment or transaction made for office supplies.

Index

An Account Code and Index are not the same. Account Codes are used to categorize the type of expenditure being made. For example, purchasing medical supplies will be coded to Account Code 620052, Medical Dental Supplies. So, the Account Code is based on the nature of the items being purchased.

The Index code is based on the funding source being utilized to pay for the expenditure. The index is the same six-digit code as the organization code. The index/organization is where the activity occurs in Banner Finance.

Coding Importance

Why is choosing the correct Account Code important? Incorrect coding can lead to:
- Inaccurate financial statements (can lead to required corrective action plans)
- Incorrect information sent to the VA Department of Accounts
- Incorrect information sent to SCHEV & The Department of Education
- Incorrect information posted in magazines and news articles

Budget funding sources should not drive Account Code selection. Account Code selection should be based on the nature of the purchase.

Most departmental purchases are made in Real Source or using P-Cards. The Account Code is selected at the requisition level in Real Source, and during the allocation process for P-cards. While this training is geared towards purchases made using these two systems, this guidance is applicable to any expense coding done in Banner (for example, through a Journal Voucher).

Quick Guide

How to select the right Account Code:
- Supplies and services go to the 6 series of accounts.
- Equipment should go to the 7 series.
  - Equipment costing $10,000 or more per item should be coded to the **700xxx** series.
  - Equipment that costs less than $10,000 per item should be coded to the **720xxx** series.
- Reference the chart below for a quick guide.

Account Code	Account Description
60xxxx	Services (Including Maintenance and repairs)
620xxx	Supplies
625xxx	Athletic Team Specific Costs
630xxx	Telephone and Network Costs
634002	Commercial Consulting
635xxx	Postage
63600x	Subgrant Payments
63601x - 63602x	Scholarships and Fellowships
637xxx	Leases & Installment Purchases (State plan)
6380xx	Travel and Education
6381xx	Insurance
6382xx	Energy and Utilities
6383xx-6387xx	Other Costs
660xxx-690xxx	Other Costs (Banner Only, not in Real Source/Worx)
639xxx - 640xxx	Facilities and Administrative Costs
653xxx	Internal Cost Allocation
70xxxx	Equipment Purchases over $10k (creates a tag)
72xxxx	Equipment Purchases under $10k (tag is not created)
700190	Equipment Purchases over $10k HEETF (creates tag)
720190	Equipment Purchases under $10k HEETF (creates tag)
75xxxx	Capital Outlay Costs
760000	Building Purchases

*Not all of the Account Code groupings listed above are available in RealSource/Worx.

This guide does not include coding of:
- Capital Outlay Projects
- Salaries/Wages/Fringe Benefits or other Payroll Related Expenses.
- Accounts in the 65xxxx series – used for internal VCU charges only. They would never be used to pay a vendor or be paid with a p-card

Equipment Purchases (Fixed Assets)

Fixed Assets are equipment, buildings, vehicles, land improvements, and other items that cost **more than $10,000** and have a **useful life of more than 1 year**. It also includes **donated equipment** with a **fair value of $10,000 or more**. Software that is owned by the University with a cost of $10,000 or more is also considered a fixed asset.

The purchase price includes any shipping, installation, site preparation, and other costs directly attributable to acquiring the asset.

Banner capitalizes equipment purchases as fixed assets based on **Account Coding**. That is why it is imperative to choose the correct **Account Code**. When you select an **Account Code** in the **700xxx** series, Banner will create a "tag".

Equipment vs Supplies

- Supplies are consumable items and should not be capitalized. They are coded to the 620xxx series of account codes.
- Equipment has a useful life of more than 1 year. For a complete definition of equipment, see the Fixed Asset Policy.
- Equipment should be coded to the 700xxx or 720xxx series of account codes
- Capital Equipment is equipment that costs $10,000 or more per item (including shipping and installation costs). This should be coded to the 700xxx series.
- Non-capital Equipment is equipment that costs less than $10,000 per item (including shipping and installation costs). This should be coded to the 720xxx series.

Equipment Purchases

Equipment should be coded to the 700xxx or 720xxx series of accounts.
- Capital Equipment is equipment that costs $10,000 or more per item (including shipping and installation costs). This should be coded to the 700xxx series.
- Equipment that costs <u>less</u> than $10,000 per item (including shipping and installation costs) should be coded to the 720xxx series.

- **Installation and shipping** costs for the equipment should be coded to the same account as the equipment itself.
    - Please **do not use the Installment Purchases** account (637xxx). This account is for leasing arrangements through the State's installment purchase financing program. This account is NOT for the installation of equipment.
    - In cases where the vendor requires a separate line for shipping, you should still use the same **Account Code** as the equipment or supplies. You can create a separate line in Real Source, use shipping as the description, but code it the same as the equipment or supplies.
    - For HEETF purchases, shipping and direct installation costs <u>are allowable</u>. See additional information in the HEETF section.
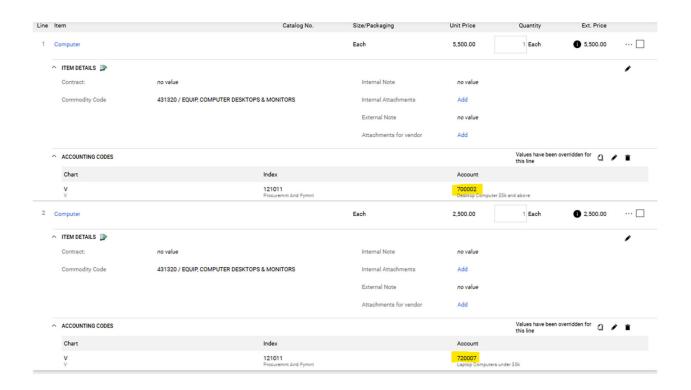
- **Training** is <u>not</u> capitalized and should <u>not</u> be coded to the 700xxx series or the 720xxx series.
  - When paying a vendor to provide training for the equipment being purchased, the appropriate service **Account Code** should be used (for example 600080 Technical and Computer Consulting).

- **Warranties** that are from the manufacturer and included with the equipment are capitalized and should be coded to the same account as the equipment itself (700xxx series or the 720 series).
- Standalone warranties that are purchased separately from the equipment should not be capitalized and should not be coded to the 700xxx series or the 720 series
  - Standalone warranties can be coded to 600122 Equip Repair/Warranties.

Split Coding in Real Source

Some purchases may include a combination of equipment, software, repairs, and services.
In those situations, the requisition in Real Source will need to have each line item coded individually.

If there is equipment being purchased with some items costing more than $10,000 per item and some are under $10,000 per item, it will need to be split coded.

- Equipment over $10,000 per item will go to the 700xxx series and equipment less than $10,000 per item will to the 720xxx series.

Line	Item	Catalog No.	Size/Packaging	Unit Price	Quantity	Ext. Price
1	Computer		Each	5,500.00	1 Each	5,500.00

ITEM DETAILS

Contract:	no value	Internal Note	no value
Commodity Code	431320 / EQUIP, COMPUTER DESKTOPS & MONITORS	Internal Attachments	Add
		External Note	no value
		Attachments for vendor	Add

ACCOUNTING CODES

Values have been overridden for this line

Chart	Index	Account
V V	121011 Procuremnt And Pymnt	700002 Desktop Computer $5k and above

Line	Item	Catalog No.	Size/Packaging	Unit Price	Quantity	Ext. Price
2	Computer		Each	2,500.00	1 Each	2,500.00

ITEM DETAILS

Contract:	no value	Internal Note	no value
Commodity Code	431320 / EQUIP, COMPUTER DESKTOPS & MONITORS	Internal Attachments	Add
		External Note	no value
		Attachments for vendor	Add

ACCOUNTING CODES

Values have been overridden for this line

Chart	Index	Account
V V	121011 Procuremnt And Pymnt	720007 Laptop Computers under $5k

Software

Note: Most Software purchases require preapproval from the I/T Governance Committee. Please refer to the [policy](#).

VCU has 5 active accounts that can be used for software purchases. Which one to use will depend on the nature of the software agreement. Below is a list of software accounts and what activity should be coded to them.

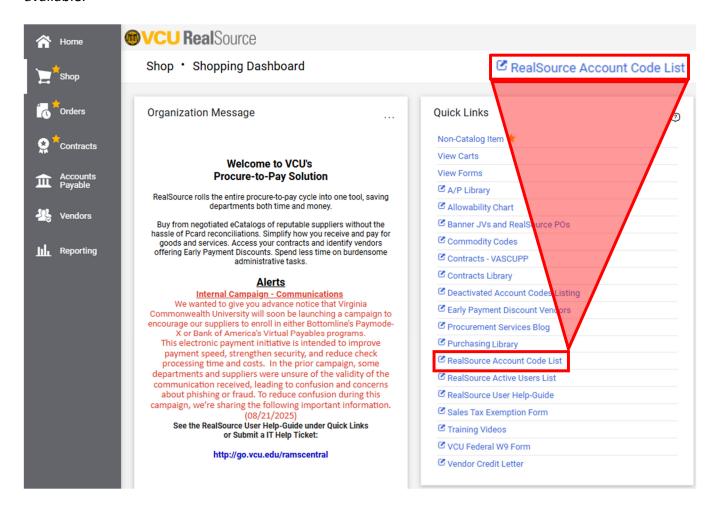| Account	Account Description	How to Use Account
600207	Computer Software Maintenance	When the vendor contract has a maintenance component, it should be coded here. This does <u>not</u> include user licenses.
600222	Software Development Services	For payments to 3rd party contractors who are helping VCU to develop "in house" software
637012	Inactive, do not use	
637037	Software/Cloud subscriptions	Subscription based software that is cloud hosted (i.e., VCU does not own the software or host on its own servers). This includes user licenses.
637072	Inactive, do not use	
700032	Inactive, do not use	
700034	Software VCU owned over $10k	Software that is purchased and owned by VCU with a cost of $10,000 or more. This type of software is usually hosted by VCU using its own servers.
720032	Software VCU owned under $10k	Software that is purchased and owned by VCU with a cost of less than $10,000. This type of software is usually hosted by VCU using its own servers.

HEETF Guidance

All HEETF purchases must be coded to 720190 (under $10k) or 700190 ($10k and over). Please use the index that was provided for your department for the specific fiscal year (new indexes are provided each year).

Shipping and Installation on HEETF purchases are allowable if it is included on the same invoice as the equipment.

Installation costs are also allowed, so long as it is a direct cost of setting up the equipment. Building modifications, new electrical outlets, etc., are not allowable costs. Unpacking and testing are allowable costs.

View Account Codes in RealSource

Use the quick links on the shopping dashboard in Real Source to see a complete list of accounts that are available.

View Account Codes in Banner (via Reporting Center)

Navigate to VCU's Reporting Center (available through myVCU)
VCU Reporting Center ->
     List Available Stored Processes and Reports ->
          click the "Finance" folder ->
               click Account Listing

It is also available in the "Staff" folder, in addition to the "Finance" folder.

This will pull all accounts that are in Banner. Refer to the chart above for ranges that are applicable to your purchases. Not all accounts that are in Banner are available in RealSource and Bank of America Works.

Equipment

Equipment $10k and above		Equipment under $10k	
Account	**Account Description**	**Account**	**Account Description**
700002	Desktop Computer $10k and above	720002	Desktop Computer under $10k
700007	Laptop Computers $10k and above	720007	Laptop Computers under $10k
700012	Mainframe Computers $10k and above	720012	Mainframe Computers under $10k
700017	Network Servers $10k and above	720017	Network Servers under $10k
700022	Network Components $10k and above	720022	Network Components under $10k
700027	Other Computer Equip $10k and above	720027	Other Computer Equip under $10k
700034	Software VCU owned over $10k	720032	Software VCU owned under $10k
700037	Development Tools $10k and above	720037	Development Tools under $10k
700100	Library Books $10k and above	720100	Library Books under $10k
700105	Educational Equip $10k and above	720105	Educational Equipment under $10k
700110	Exhibit Equipment $10k and above	720110	Exhibit Equipment under $10k
700115	Reference Equipment $10k and above	720115	Reference Equipment under $10k
700119	Audio Visual Equip $10K and above	720119	Audio Visual Equip under $10k
700120	Electronic Equipment $10k and above	720120	Electronic Equipment under $10k
700125	Photographic Equip $10k and above	720125	Photographic Equipment under $10k
700130	Voice Data Tran Equip $10k and above	720130	Voice Data Trans Equi under $10k
700135	Laboratory Equipment $10k and above	720135	Laboratory Equipment under $10k
700140	Medical Dental Equip $10k and above	720140	Medical Dental Equip under $10k
700145	Field Equipment $10k and above	720145	Field Equipment under $10k
700150	Motor Vehicles $10k and above	720150	Motor Vehicles under $10k
700151	Watercraft Equipment $10k and above	720151	Watercraft Equipment under $10k
700155	Power Repair Maint $10k and above	720155	Power Repr Maint Equiq under $10k
700160	Charge Card Equip $10k and above	720160	Charge Card Equipment under $10k
700165	Housing Room Equip $10k and above	720165	Housing Room Equipment under $10k
700170	Law Enforcement Equip $10k and above	720170	Law Enforcement Equp under $10k
700175	NonPower Repair Maint $10k and above	720175	Non Pwr Rer Maint Equi under $10k
700180	Recreational Equip $10k and above	720180	Recreational Equipment under $10k
700185	Firearms $10k and above	720185	Firearms under $10k
700190	HEETF $10k and above	720190	HEETF under $10k
700200	Built in Equipment $10k and above	720200	Built in Equipment under $10k
700205	Fixtures $10k and above	720205	Fixtures under $10k
700210	Mechanical Equipment $10k and above	720210	Mechanical Equipment under $10k
700215	Signage $10k and above	720215	Signage under $10k
700220	Dining Service Equip $10k and above	720220	Dining Service Equipment under $10k
700300	Office Appurtenances $10k and above	720300	Office Appurtenances under $10k
700305	Office Furniture $10k and above	720305	Office Furniture under $10k
700310	Office Incidentals $10k and above	720310	Office Incidentals under $10k
700315	Office Machines $10k and above	720315	Office Machines under $10k

Supplies

Supplies are consumable items and **should never be capitalized**.

Account	Account Description	Account	Account Description
620007	Employee Clothing	620048	VCUQ Equipment
620012	Office Supplies	620052	Medical Dental Sup
620014	Books Other Than Professional Devel	620062	Radioactive Material
620016	Library Subscriptions	620067	Hazardous Material
620022	Stationery and Forms	620072	Other Supplies
620027	Fuel University Vehicles and Equip	620073	Other Supplies-Genomic Arrays
620028	Transportation Supplies	620077	Food and Dietary Supplies
620029	Parking Enforcement Supplies	620082	Food Service Supplies
620030	Parking Special Events Supplies	620087	Laundry and Linen Supplies
620032	Manufacturing Suppli	620092	Agricultural Supplies
620039	Lab Supplies Animals	620096	Network and Data Supplies
620040	Lab Supplies Animal Bedding	620097	Computer operating supplies
620041	Lab Supplies Animal Food	620102	Educational Supplies
620042	Laboratory Supplies	620107	Law Enforcement Supplies
620043	Lab Supplies Veterinary Supplies	620112	Photographic Supplies
620044	Lab Supplies Veterinary Drugs	620117	Recreational Supplies
620045	Lab Supplies Personal Protectn Su	620190	Merchandise for Resale
620046	Lab Supplies Caging		

Subgrants

Account	Account Description	Account	Account Description
636000	Subgrant to Virginia Agencies	636009	Subgrant Greater Than 50,000
636002	Subgrant to Out of State Political		

Payments of subcontracts to other entities for grants should be coded as follows:

If the total value of the subcontract is less than $50,000, it should be coded to:
- 636000 - Subgrant to Virginia Agencies
- 636007 - Subgrant to Other entities

If the total value of the subcontract is $50,000 or more, it should be coded to:
- 636008 - Subgrant greater than $50,000

The encumbrance will be set up by Sponsored Programs. All payments must be aligned with the Account Code used for the encumbrance.

Services

Note: Even though **Skilled Services** can be a great fit for many services, always check the listing to see if there is an account that better describes the nature of the services being performed.

Account	Account Description	Account	Account Description
600002	Express Services	600107	Custodial Services
600007	Messenger Services	600112	Custodial Supplies
600008	Mailing Services	600117	Elec Repair Maint
600010	Media Services Recruitment Advertisi	600122	Equip Repair/Warranties
600011	Media Services Advertising	600127	Electrical Repair Maintenance Sup
600012	Printing Services	600128	Chemical Treatment Services
600015	Transportation Services	600130	Environmental Services
600017	Outbound Freight Ser	600131	Environmental Consultant
600018	Artist Fees	600132	Extermination Contl
600019	Photography	600137	Mech Repair Maint
600020	Videography/Audio Recording	600142	Mechanical Repair Maintenance Sup
600021	Design	600147	Plant Repair Maint
600022	Inbound Freight Ser	600152	Building Repair Maintenance Supply
600023	Security Services	600155	A E Fees Repairs
600024	Exhibition Services	600157	Motor Veh Rep Maint
600027	Clinic Services	600158	Motor Vehicle Towing
600032	Dental Services	600159	Vehicle Repair Maintenance Supplies
600037	Hospital Services	600167	Clerical Contractual
600042	Health Profes Serv	600170	Conference-Rental
600043	Health Professional Svcs CCTR/CRS	600171	Conference-Hotel
600047	Health Care Services	600172	Charge Card Contractual Services
600052	Lab Xray Services	600174	VCUCard RamBucks
600053	Lab Services CCTR/CRS	600175	Dining Services Meals Served
600057	Fmly Prac Special Py	600176	Dining Services Dining Dollars
600062	Pymt To Test Individ	600177	Dining Services Addl Dining Dollars
600067	Auditing Services	600178	Dining Services Special Events
600072	Fiscal Services	600179	Dining Services Other
600077	Attorney Services	600182	Laundry Linen Serv
600080	Technical and Computer Consulting	600187	Skilled Services
600081	VCUQ Non-Payroll Benefits	600192	VITA Info Mgt Design and Developmnt
600082	Mgt Conslt Svcs	600197	Non Vita Agency Info Mgt Dsgn Dev
600087	Personnel Mgmt Svs	600202	Computer Hardware Maintenance
600092	Pub Info Relatn Svcs	600207	Computer Software Maintenance
600094	Investment Management Fees	600212	VITA Computer Oper Services
600095	Bond Fees	600217	Non VITA Computer Oper Services
600097	Investment Counsel	600222	Software Development Services
600099	Legal Services	600227	Services by Other State Agencies

Travel and Education

This includes all travel, attending conferences, and hosting conferences. This does not include travel expenses for non-VCU employees or students. For example, a consultant's travel is charged to consulting. Most travel and education expenses are paid through Chrome River travel reimbursements.

Account	Account Description	Account	Account Description
638002	Professional Organization Membershp	638073	Fundraising Travel
638007	Professional Development Pub	638074	Business Meals
638012	Employee Training Course Conference	638075	Registration Fees
638017	Foreign Educational Conferences	638076	Lodging
638022	Domestic Educational Conferences	638077	Tolls and Parking
638032	Employee Training Consulting	638078	Car Rental
638037	Travel Employee Training	638079	Rail
638047	Employee Training Subsistence	638080	Taxi and Shuttle
638052	Employee Training Public Carrier	638081	Meal Per Diem
638057	Info Tech Training	638082	IRS reportable Meals
638058	Off-Campus Event Food / Meals	638084	Off-Campus Event Conference Space
638059	Off-Campus Event Lodging	638085	Off-Campus Event Alcohol
638061	Vehicle Fuel	638086	Off-Campus Event A/V Equipment
638062	Mileage Personal Vehicle	638087	Meals not IRS reportable
638063	Travel Services Fees	638088	Off-Campus Events Furniture / Decor
638064	International Airfare	638089	Off-Campus Event Staff Charges
638065	Domestic Airfare	638090	Event Staff Charges
638066	Airfare Charges	638091	Off-Campus Event Parking
638067	Public Carrier Travel Non Airfare	638092	Non Training Domestic Conventions
638068	Public Carrier Travel BOA	638093	Foreign Transaction Fees
638069	Charter Air Travel	638094	Off-Campus Event Business Center
638070	Internet and Phone Travel	638095	On-Campus Event Food/Meals
638071	Visa and Passport	638097	Non Training Foreign Conventions
638072	Travel State Vehicle	638099	Trainee Travel

Telephone and Networking Costs

Note: These accounts are not to be used for travel expenses (example-hotel internet). Those expenses belong in Travel and Education.

Account	Account Description	Account	Account Description
630002	Tele Wireless	630027	Tele System Maintenance
630012	Tele Toll Free	630032	Tele Miscellaneous
630014	Tele Cloud	630037	Tele VITA
630017	Tele Long Distance	630042	Tele Verizon
630022	Tele System Expense		

Insurance

Insurance is only typically paid by Central Units.

Note: Additional insurance for rental cars, educational and conference event spaces do not go here. Those expenses belong in Travel and Education.

Account	Account Description	Account	Account Description
638104	Automobile Insurance	638129	Medical Malpractice Insurance
638109	Marine Insurance	638134	Surety Bonds
638114	Property Insurance	638139	Workers Compensation Insurance
638119	Boiler Insurance	638144	Liability Insurance
638124	Money and Securities Insurance		

Property Lease & Installment Purchases

Installment purchases are **not** for the physical installation of equipment.

Installment Purchases are made using the state's Master Equipment Lease Program (MELP). These payments should be coded to the **637xxx** series of accounts. This should only be used for purchases made using the State's Master Equipment Lease Program. If you are making installment payments on equipment outside of this program, contact the Controller's Office for guidance.

Note: Hotel rentals while traveling or for conference do not belong here. Equipment rentals to put on a conference do not belong here. Those expenses belong in Travel and Education.

Account	Account Description	Notes
637027	Operating Lease Computer	Always associated with a contract
637032	Operating Lease Mainframe	Always associated with a contract
637037	Software/Cloud subscriptions	Always associated with a contract
637042	Operating Lease Equipment	Always associated with a contract
637044	Seat Management Services	
637047	Operating Lease Building	For use by Real Estate Services only
637052	Operating Lease Land	For use by Real Estate Services only
637053	Rentl Private Facility Admin by DGS	For use by Real Estate Services only
637057	Taxes and Insurance on Leased Build	For use by Real Estate Services only
637058	Rental Commissions	
637062	Other Computer Installment Purchase	Must be part of the Virginia MELP
637067	Mainframe Computer Installmnt Purch	Must be part of the Virginia MELP
637077	Equipment Installment Purchases	Must be part of the Virginia MELP

Other Costs

Other Costs are only typically paid by Central Units. We will highlight a few for discussion.

Account	Account Description	Account	Account Description
638310	EVA Penalties	638387	Test Individual Payments
638351	Alcohol Beverage IRS Reportable	638392	Training Aids for Disabled Persons
638352	Alcohol Beverage Not IRS Reportable	638511	CP Interest
638353	On-Campus Event Alcohol	638512	Lease Interest Expense
638357	Entertainment	638633	CPIC-NFLP Employ
638358	Civic Social Clubs	638700	Participant Support (BUDGET ONLY)
638370	Bank Charges	638701	Participant Support Stipends
638372	Contributions	638702	Participant Support Travel
638373	Sponsorship	638703	Participant Support Supplies
638377	Honorariums and Awards for Service	638704	Participant Support Miscellaneous
638382	Awards Prizes No Services		

Other Costs (Participant Support Costs)

Beginning July 1, 2023, Grants & Contracts Accounting introduced a process change regarding expenditures classified as participant support costs. Specifically, these expenditures will no longer be tracked via a separate index in Banner finance. Rather, a new series of Account Codes (detailed below) have been created that should be utilized with these expenditures. When these Account Codes are used, indirect costs will automatically be excluded.

Please contact gcavcu@vcu.edu with any questions.

Account	Account Description	Account	Account Description
638700	Participant Support (BUDGET ONLY)	638703	Participant Support Supplies
638701	Participant Support Stipends	638704	Participant Support Miscellaneous
638702	Participant Support Travel		

Athletic Team Specific Costs

These accounts are solely to be used by VCU Athletics.

Account	Account Description	Account	Account Description
625002	Guaranty Visiting Tea	625022	Athletic Clothing
625003	Student Athlete nontravel meal	625026	Recruiting Travel
625007	Athletic Promotion	625027	Athletic Scouting
625012	Athletic Recruiting	625030	Athletic Stipends
625017	Athletic Officials	625030	Athlete Revenue Share

Energy and Utilities

Energy and Utilities are only typically paid by Central Units.

Account	Account Description	Account	Account Description
638202	Natural Gas	638217	Refuse Services
638207	Fuel Oil	638222	Water and Sewer
638211	Energy Savings	638226	Storm Water
638212	Electrical Service	638228	Utility Services Other

Scholarships & Fellowships

Account	Account Description	Account	Account Description
636012	Stipend Graduate	636017	Stipend Undergraduate
636015	Health Insurance Post Doctoral	636022	Graduate Scholarships
636016	Health and Life Insurance Graduate	636027	Undergraduate Scholarships

Miscellaneous

Account	Account Description	Account	Account Description
634002	Commercial Consulting	639997	Fac Admin Cost Grant
635032	Postage Other		