

Terminology Used at UMass

Account – The chartfield used to classify the nature of the balance sheet, revenue, expenditure, transfer or budget financial transaction.

Account Administrator – The authorized person responsible for all activity within a chartfield string including authorization of all Budget Changes for that account.

Accounts Payable – Money which the university owes to vendors for products and/or services purchased on credit.

Accounts Receivable – Money which is owed to the university by a student/customer for products and/or services provided on credit.

Accrual Basis - An accounting term for how financial data is reported. Our financial statements are on an accrual basis (vs. cash basis). This means adjustments are made to actual cash basis expenses and revenues to match when revenue was earned or expenses were incurred. For example, if we made a large purchase of heating oil because the cost was very low, we could only count as expense on the financial statements (accrual basis) that heating oil that was used in the current fiscal year, while a cash basis budget would reflect the full amount that was expended in the department chartfield string.

Administrative Overhead (AO) – A charge to revenue operations for central campus administrative costs. This is in accordance with Trustee policy which states that “University trust funds...shall be required to be self-supporting. In order to be considered self-supporting, a trust fund must bear an allocable share of the direct and indirect costs of central services provided university-wide and by the campuses.”

Agency Funds – Funds held by the institution as custodian or fiscal agent for individual student, faculty, staff members and organizations per NACUBO fund accounting principles.

Allocation – The distribution of incremental funding (in the form of additional budget) to executive areas, MBUs or departments. Allocations are typically given out to fund collective bargaining increases or following a favorable response to a request for additional funding.

Annuity Funds – Gift funds acquired by the institution subject to agreements whereby assets are made available to the institution on the condition that the institution bind itself to pay stipulated amounts periodically to designated individuals.

Appropriation Budget (APPROP) – A type of PeopleSoft budget which strictly controls expenditures and encumbrances against budgeted amounts. Expenditures and encumbrances cannot exceed the amount of the appropriation budget for the budget period. If the amount of the expenditure or encumbrance exceeds the remaining Appropriation budget, the journal will fail to post. However, Amherst has set some types of expenditures, such as payroll and fringe, to override the Appropriation Control.

Associated Revenue – A type of PeopleSoft budget which strictly controls expenditures and encumbrances against the sum of an Appropriation budget and the fiscal year revenue received to date.

Auxiliaries – A revenue-based operation providing external services, which contribute to the basic academic mission of the university. Auxiliaries are managed as self-supporting activities through revenue generated from either student fees or the sale of goods or services to the campus community. Some examples of auxiliary operations on this campus are Residence Halls and Family Housing, Health Services, and Boarding Halls.

Balance Available – Amount in a chartfield string that is available for spending. Balance available is equal to revenue and/or budget less expenditures to-date less encumbrances to-date.

Balance Brought Ahead (BBA) – The balance in a chartfield string at the end of the previous fiscal year (excluding encumbrances) that is carried forward into the next fiscal year and is available to be spent. BBAs are posted for Gen Ops funds only.

Base Budget – General Funds budgets that support recurring costs and thus remain in the budget from one fiscal year to the next.

Batch – Information grouped together in an orderly fashion for data entry. Batch often refers to reports that are generated automatically using a batch process. Batch can also be used to post a group of transactions.

Block Grants – General Funds base budget allocations assigned to a specific executive area. The Vice Chancellor and EFO have discretion over how the block grant is utilized within their area.

Board of Higher Education (BHE) – The Board of Higher Education is the statutorily created agency in Massachusetts responsible for defining the mission of and coordinating the Commonwealth's system of public higher education and its institutions. Among its many responsibilities are setting the amount of tuition charged and tuition waiver guidelines. The board is comprised of 11 voting members: the commissioner of education, the commissioner of early education

and 9 members appointed by the governor. One appointed member must be an undergraduate student enrolled in a public institution. Board members serve a 5-year term, except the undergraduate who serve a 1 year term.

Board of Trustees – The governing body of the university. The BOT functions as a legislative body dealing mainly with policy questions. The BOT approves mandatory student fees and room and board fees. The current Board has delegated approval of all other fees to the President. The BOT consists of 19 voting members and 3 ex-officio non-voting members. Two voting members and the three ex-officio members are students (one from each campus); voting membership rotates among the campuses. The other 17 members are appointed by the governor.

Budget Account – The accounts used when posting the budget for a fund. All expenditure budget accounts begin with 700 and all revenue budget accounts begin with 600. The actual budget accounts used for a fund are determined by the Budget Key Translations chosen for that fund.

Budget Change System (BCS) – The windows application created and maintained by the Budget Office that enables users to move, realign and revise budgets within each fund.

Budget Checking – See Budget Control Module.

Budget Class (Journal Class) – Type of budget loaded. Types include ORIG (original base), BASE, NON_BASE and QUASI.

Budget Control – Option to enforce budgetary control at a specified level by limiting spending to the budgeted amount.

Budget Key Translations – The process used in PeopleSoft to indicate the level at which budget checking will be performed. This allows for the “roll up” of budget checking.

Budget Year (Budget Period) – The chartfield used to define valid budget years when establishing budgets.

Budgetary Control Module (BCM) – Referred to as the BCM and also called Budget Checking; allows you to ensure that your commitments and expenses do not exceed total budgets, that revenues match estimates, and that appropriations correctly reflect dedicated revenues. The BCM is the component of PeopleSoft Financial for E&G that enforces budgetary control on financial transactions by verifying the following:

- The account requires budgetary control;
- The transaction date falls within a valid fiscal period;
- The transaction type is valid;

- The transaction account is not listed as a budgetary account only;
- There is an existing budget;
- The transaction chartfields translate to the budget chartfields as specified on the Budget Checking Definition panel;
- The total committed and/or expended amount of each transaction does not exceed the budgeted amount.

Business Unit – The chartfield that identifies a fundamental, high-level entity. In General Ledger, it defines a financial reporting entity for reporting purposes. For the Amherst campus the Business Unit is UMAMH.

Cash Basis – An accounting term for how financial data is reported. Our budgets are handled on a cash basis (vs accrual basis). This means revenue is recorded when collected and expenses are recorded when paid. For example, if we made a large purchase of heating oil because the cost was very low, we would count the full expense in the current budget year, however, the financial statements would show the expense for only that heating oil that was used in the current fiscal year.

Chartfield String (CFS) – The combination of fund and Dept ID and, if desired, project as well as Program Code used to track financial activity.

COA (Chart of Accounts) – The fields and values that provide the common language for identifying the University’s financial transactions.

Credit – An accounting term used to represent a decrease in expenditures or an increase in revenue. For budget journals, a credit is an increase to the budget.

Crosswalk – A list of valid chartfield strings.

Current Funds – Funds available for the daily operation of the campus.

Debit – An accounting term used to represent an increase in expenditures or a decrease in revenues. For budget journals, a debit is a decrease to the budget.

Debt Service Ratio – Debt service (principal and interest payments) as a percentage of total annual expenditures. This figure should not exceed 8% per Board of Trustee policy.

Deficit – A negative balance. Expenditures have exceeded budget or revenue (depending upon the type of fund).

Department – A campus area of responsibility designating an administrative or an academic entity within the campus organization. These are noted on the campus organization tree beginning with the characters “ADPT”.

Depreciation – Depreciation records a non-cash expense that represents the reduction of the value of the equipment over its useful life. Depreciation is recorded at the campus wide level for financial statement purposes. Depreciation is not recorded at the chartfield string level.

Dept ID – The ten digit chartfield at the lowest level of the organizational hierarchy used to track financial transactions. Each Dept ID is noted on the campus organizational tree under the Department responsible for its financial transactions.

Direct Cost – The cost of materials and labor that can be directly related to a product or service.

Download – The process of moving data from one computer application to another. This can be used in PeopleSoft and the Salary Forecasting System to move reporting results from the application to EXCEL.

Drilldown – The act of moving from the summary level to the detail level; drilling down presents the data underlying any summarized form of information in the PeopleSoft General Ledger.

Earmark – A specific initiative identified with our State Appropriation that must be funded through the appropriation. This is NOT additional money for our campus, but rather a redirection of some of our unrestricted state monies to a specific purpose.

Encumbrance – A management tool used to reflect commitments in the accounting system and attempt to prevent overspending. Encumbrances allow organizations to recognize future commitments of resources prior to an actual expenditure.

Endowment Funds – Funds for which donors or other external agencies have stipulated that the principal of the fund is not expendable.

Executive Area – A grouping of campus departments reporting to the same campus vice chancellor or other senior administrator. On the Amherst campus we have:

- Chancellor (AEXE100000)
- Chancellor's Executive Area Admin (AEXE151000)
- Information Technology (AEXE152000)
- Athletics (AEXE153000)
- Academic Affairs (AEXE200000)
- Student Affairs & Campus Life (AEXE300000)
- Administration & Finance (AEXE400000)
- Human Resources (AEXE403000)
- Advancement (AEXE500000)
- Research & Engagement (AEXE600000)

- University Relations (AEXE000000)
- Diversity, Equity & Inclusion (AEXE800000)

Executive Financial Officer (EFO) – The person who has overall budget responsibility for an executive area on campus.

Expendable – A chartfield string whose fund balance may be used in its entirety. For example, all operating funds are expendable.

Expenditure – A financial transaction noting the payment of costs incurred for goods and services used in the conduct of the institution’s operations.

Fiscal Year (FY) – The operating cycle time period under which the university operates. Our fiscal year is the same as the state’s; it begins July 1 and ends June 30 of the following year.

Fringe Benefits – benefits of employment beyond salary including health insurance, workers’ compensation, retirement plans, paid family medical leave and sick leave bank.

Fund – The chartfield that contains all accounting and budgeting transactions for a group of activities similar in purpose.

Fund Balance (or Net Asset) – The cumulative net balance of all revenue and expenses for a chartfield string since inception.

Generally Accepted Accounting Principles (GAAP) - A set of widely accepted accounting standards, set by the Government Accounting Standards Board (GASB) for governmental institutions, and used to standardize financial accounting and reporting. Non governmental organizations standards are set by the financial Accounting Standards Board (FASB).

General Funds/Gen Ops – Central funds allocated to Executive Areas for campus funded operating expenses. These funds include GOF2 and GOF.

General Ledger (G/L) – The integrated financial database for the campus with accounting, budgeting, financial analysis and reporting features; the “storage” unit for the university’s record of financial transactions.

General Operating Funds (GOF) – Funds generated from unrestricted non-state revenue sources such as the mandatory student fees, trust fund interest and administrative overhead.

GEO – Graduate Employee Organization. The union for graduate employees at UMass Amherst. This group consists of teaching assistants, teaching

associates, research assistants, project assistants, assistant residence directors, as well as some graduate interns and fellows.

Gift Tax - The common term for the Gift Management Fee assessed to all cash gifts received for current operations, capital projects and endowments. Proceeds from the fee partially fund the campus advancement program and its capital campaigns.

Governmental Accounting Standards Board (GASB) – The independent agency established as the official body designated to set accounting and financial reporting standards for state and local governments.

HR Account Code – A seven digit code corresponding to a specific chartfield string used for HR transactions. The HR account code is A plus the speed type.

Indirect Cost – Cost not easily associated with the production of a product or service; for example, utilities or administrative expenses. Sponsored grants are charged an indirect rate in accordance with OMB Circular A-21.

Journal Class (Budget Class) – Type of budget loaded. Types include ORIG (original base), BASE, NON_BASE and QUASI.

Journal Entry – A two-sided entry recording financial transactions.

KK (Commitment Control) – The Budget portion of PeopleSoft

Ledger Group – Indicates the type of budget. Either ORG, APPROP, REVEST or PROJ/GRT.

Life Income Funds – Gift funds acquired by the institution subject to agreements whereby assets are made available to the institution on the condition that the institution binds itself to pay stipulated amounts periodically to designated individuals.

Loan Funds – Funds to account for the resources available for loans to students, faculty and staff. Loan funds are derived from many different sources.

Major Budgetary Unit (MBU) – A further grouping of departments within an Executive Area.

MMars (Massachusetts Management Accounting and Reporting System) – The statewide accounting system. Currently, only statewide appropriated monies are recorded on the MMars system.

Node – A level on a tree. For example, the Executive Area is node 2 (second level) on the Dept tree.

Non-Base Budgets – Budgets that are allocated for one-time expenditures. These budgets will not be available in the next fiscal year.

Non-Expendable – A chartfield string in which the principal may not be expended. For example, endowment funds are non-expendable.

Operating Margin (OM) – Financial parameter (ratio) utilized by the Board of Trustees to measure total campus financial results. The operating margin is a percentage of annual surplus or deficit (operating revenues less operating expenses) over annual operating expenses. The goal for the university is to achieve at least a 2% operating margin each year.

Organization Budget (ORG) – An organization budget tracks or controls spending of a budget at a more detailed level than an appropriation budget. A tracking budget – expenditures not stopped if budget exceeded.

Organizational Unit (OU) – A 10-digit number that identifies the financial management organizational entity associated with a particular financial transaction.

- **Campus Level:** First Digit is A for the Amherst Campus
- **Executive Area Level:** Digits 2-4 are EXE. The other six digits identify the particular Vice chancellor's executive area.
- **Major Budgetary Unit Level:** Digits 2-4 are MBU. The other six digits identify the particular MBU.
- **DPT Level:** Digits 2-4 are DPT. The other six digits identify a group of individual departments.
- **Segment (SEG) Level:** Digits 2-4 are SEG. The other six digits identify a group of individual departments.
- **Department Level:** Digits 2-10 are numeric and identify specific departments within an MBU.

Original Base Budgets – The initial General Funds base budget loaded each fiscal year. This is equal to your ending General Operating Funds base budget for the previous fiscal year.

Pay Period (PP) – Each fiscal year is broken up into two week pay periods. Pay periods begin on a Sunday and end on a Saturday. In a non-leap year there are 26.0714 pay periods.

PeopleSoft – An integrated software package that provides a wide variety of business applications to assist in the day-to-day execution and operation of business processes. The PeopleSoft database functions as the auditable system of record for the university's human resources, financial and student business process operations.

Plant Funds – Funds set aside for the renewal and replacement of institutional properties and funds set aside for debt service charges and retirement of indebtedness on the institutional plant.

Post – To record a transaction in PeopleSoft. General Ledger or Budget journals are not recorded until they are posted. Posting does not occur until the journal has passed budget and edit checks. This is a distinct process in the creation of these records. Journals can be entered but not yet be posted.

PPB – Pay Period Beginning date. The beginning date for each two week pay period. The pay period begins on a Sunday.

PPE – Pay Period Ending Date. The end date for each two week pay period. The pay period ends on a Saturday.

Pre-Encumbrance - A management tool used to reflect commitments in the accounting system. Pre-encumbrances draw down the budget and in doing so help managers to avoid overspending. A pre-encumbrance, or requisition, allows an organization to recognize future commitments of resources prior to achieving all the required approvals necessary to issue/dispatch an encumbrance or purchase order to a vendor.

President's Office – Office for the UMass System. Handles administration of the five campuses.

Principal Investigator (PI) – An individual who is directly responsible for the administration of a grant or contract. It is usually a faculty member.

Program Code – The chartfield used to capture financial transactions for groups of related activities directed toward the accomplishment of a set of objectives. This code is assigned at the chartfield string level by the central administration using nationally standardized codes.

Project/Grant – The chartfield used to capture and control projects or grant financial transactions, in a hierarchical structure, across budget years, funds and departments.

Project/Grant Budget (PROJ_GRT) – Project/Grant budgets can be established at different levels. Using project levels, you can establish a structure that records and reports direct and indirect costs for each level. You can enforce budgetary control at these levels, or track activity without budgetary control.

Quasi-Base Budgets – Non-Base budgets that have been approved for more than one fiscal year. This budgets will be allocated each fiscal year for the approved number of years.

Quasi Endowment Funds – Funds internally designated by the campus or the Board of Trustees as endowment.

Query – A report writing tool in PeopleSoft which allows you to select specific criteria to narrow a set of data points with a record. There are public queries that have been written by Administrative Systems that can be run by anyone with PeopleSoft Query access. If access is granted you can also save your own private queries to your PeopleSoft library.

Recharge Revenue - Revenue received by a Revenue Operation for goods and services provided to campus departments. All expenses charged to other campus CFSs (both unrestricted and restricted) should post to the Revenue Operation as Recharge Revenue using one of nine available Recharge Revenue accounts (699900 to 699909 and 699911).

Research Trust Funds (RTF) – Funds accumulated through the recovery of indirect costs incurred by the campus in support of sponsored agreements. 70% of the indirect cost recovered is retained by the campus as RTF funds and becomes part of the General Funds Budget.

Research Trust Fund % (RTF%) – The portion of the indirect recovery directed to the PI and the related department and Dean for their spending. 26% of the indirect cost recovered is classified as RTF% funds, usually divided as follows: 10% to the PI, 8% to the Department, and 8% to the Dean.

Restricted Funds – Fund expendable for operating purposes but restricted by donors or outside agencies as to the specific purpose for which they may be expended. Some examples are: Grants and Contracts, Gifts, Federal Appropriations and Special State Appropriations.

Revenue – A financial transaction noting the amount earned/collected in the conduct of the institution's operations during a certain time period.

Revenue Based Budgets (RBB) or Revenue Operations – An operation established for activities that are self-supported through fees or charges for products and services, consistent with the University's mission, and appropriate with regard to the normal activities of the department associated with the operation. Revenue Operations include Auxiliary, Student Fee and Sales and Service operations.

Revenue Estimate Budget (REVEST) – A revenue estimate budget tracks revenues recognized and cash collected against estimated revenues for the budget period.

Sales and Service Operation– A revenue-based operation established for the purpose of providing goods and services to the university community and, in certain limited circumstances, the general public. Some examples of sales and service operations are Geology Microbe, Central Mail, Research Support Services, and the Communications Disorders Clinic.

Speed Type – A six digit code that identifies a chartfield string combination. Used for ease of data entry.

Sponsored Research – Activities of the campus that are funded by external funds that the campus manages on behalf of the external sponsor.

State Appropriation/Funds – Funds appropriated by the State Legislature – both unrestricted and restricted.

Student Fee Operation – A revenue-based operation that provides services to students for various educational and ancillary purposes. These operations are primarily student supported through fees that may be either mandatory or non-mandatory. Some examples of student fee operations include Graduate Student Senate and Student Activities.

Subsidiary – Refers to the budget or expenditure breakdown into major categories (AA through RR). (See Budget Account)

Surplus – A positive balance. Expenditures are less than budget and/or revenue received.

Tree – The hierarchical structure in the PeopleSoft system that visually represents a set of summarization rules for a particular chartfield. This is similar to an outline. Example: Dept Tree – all Dept IDs roll up to a specific department, all departments roll up to a specific MBU which in turn rolls up to a specific Executive Area which all roll up to the total campus level.

Tuition Retention –Net Tuition Revenue (tuition less tuition waivers) from Out-of-State students that we retain on our campus. Since FY04, we have been allowed to keep tuition for out-of-state students.

UMBA (University of Massachusetts Building Authority) – Finances and undertakes construction projects for the UMass system as requested by the Board of Trustees.

UMPLAN – Budget planning tool utilized for the annual operating budget.

Unrelated Business Income Tax (UBIT) – The income from a trade or business that is regularly carried on by a tax exempt organization that is not related to its mission or function. In the University's case, a business that is regularly carried

on outside the campus community and does not add to our mission of teaching or research may be subject to income taxes similar to a trade or business operated privately. There are many rules and exclusions imposed by the IRS. If your organization sells goods and services to the general public, please contact the Controller's Office for more information. Recharge income is **not** subject to UBIT.

Unrestricted Funds – Funds received for which no stipulation was made by the donor or other external agency as to the purposes for which they should be expended, except for the limitations imposed by law and by the budget. We use the resources in this group for the purpose of performing the primary missions of the institution.

Upload – The process of moving data from one computer application to another. Can be used to process batch journal entries created in EXCEL and then uploaded into PeopleSoft for posting.

UPST – United Procurement Services Team. A UMass system shared service created to provide purchasing, accounts payable, bid execution (sourcing), contracts and supplier management services to each of the five UMass campuses.

Where is My Budget – Table created each fiscal year showing the budget key translations for each fund (at what level you budget is loaded and where budget checking will occur).