



# UC San Diego

## Policy & Procedure Manual

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### ACCOUNTING PROCEDURES - GENERAL

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### ACCOUNT CODE VALIDATION

#### I. REFERENCES

UCSD Policy and Procedure Manual (PPM)

[350-50](#) Guide to Reading the IFIS Chart of Accounts

#### II. BACKGROUND/SCOPE

The [Account Code Validation](#) (ACV) process is designed to identify Account Codes that are or may be out of compliance with applicable regulations. The scope of the validation process applies to prescribed [Rule Classes](#) for expenditures charged to federal and federal flow through sponsored projects. Departments can identify such transactions through the Account Code Validation process at the time of entry into IFIS.

#### III. POLICY

University of California policies prescribe that expenditures must comply with the policies and procedures associated with the funding source being charged. Incorporated in these policies is the requirement that only allowable expenditures can be charged to a funding source with available funds.

#### IV. PROCEDURES

##### A. New Awards

1. Office of Contract and Grant Administration (OCGA)

Upon receipt of a sponsored project award, OCGA reviews the award for any special financial terms and conditions. Based on this review, OCGA notifies Extramural Funds and the responsible department that:

- a. the award has been received, and
- b. any special terms and conditions that apply.

2. Extramural Funds (EMF)

As sponsored project award notifications are received from OCGA, EMF identifies exception Account Codes related to the financial terms and conditions of the award.

- a. EMF sets up the fund in IFIS for Account Codes to be classified with an ["E"](#).
- b. This Account Code classification blocks prescribed transactions under the Account Code Validation process in IFIS at the point of entry.

3. Departments

Upon receipt of the award notification from OCGA, responsible departments review the award to identify those Account Codes to be monitored on expenditure transactions for reconciliation reporting.

- a. Update the IFIS Account/Fund/XRef file for the new award with account codes to be classified with a ["W"](#).

This list identifies Account Codes that have proven to be troublesome in the past for expenditures charged to sponsored projects. A review of these Account Codes to determine which of them should be monitored for the department's sponsored projects is recommended.

Other Account Codes of concern to the department may also be added to this file for closer monitoring. The IFIS WARNACCT Screen is the screen template used to update the Error Type field with a "W" in the IFIS Account/Fund/XRef file. The ["W"](#) Account Code classification identifies the prescribed transactions for a fund\_organization\_program with a "W" in FinancialLink's Annotator.

- b. Review transactions identified with ["E"](#) or ["W"](#) warning indicators on the FinancialLink Annotator and take corrective action as required.

##### B. Exception Account Codes for Sponsored Projects

As regulatory conditions change for an award, the exception Account Codes related to that award (fund) may be amended with additions or deletions.

1. Office of Contract and Grant Administration (OCGA)

Based on changes to sponsored project regulations, OCGA will keep Extramural Funds apprised of these changes.

2. Departments

Departments may also request EMF to ["E"](#) Code other Account Codes. This action will increase their control by blocking specific expenditures at point of entry.

Note: These actions should apply to long-term conditions – several months and not a few weeks. It should also be noted that exception Account Codes are applied to all expenditures at the fund level.

3. Extramural Funds Division (EMF)

EMF determines how these changes apply to specific Account Codes used by the Account Code Validation process for blocking transactions at the point of entry. Based on their review, EMF performs the following:

- a. Notifies departments by e-mail of the changes to the Account Code table for "[E](#)" Account Codes. EMF will contact the department's Financial Manager unless otherwise designated by the department's MSO.
- b. Updates the exception Account Code table used by IFIS to block prescribed transactions in the Account Code Validation process.
- c. Updates list of [Standard Account Codes Requiring Expenditure Approval](#) for Federal Awards as applied to fund code ranges for federal awards.

This listing will not be updated for exception Account Codes requested by the Department, as these are limited to the requesting department's fund(s).

## V. RESPONSIBILITIES

### A. Extramural Funds Division (EMF) of Business and Financial Services

Maintains a table list used by IFIS for Account Codes requiring approval before they may be accepted as a direct charge to a sponsored project.

Note: This list is based on federal regulations common to most agencies. IFIS uses these Account Codes as an edit to block related expenditures at their point of entry. Refer to the exception list of [Standard Account Codes Requiring Expenditure Approval for Federal Awards](#).

### B. Campus Departments

1. Identify Account Codes for a specific fund/organization/program that are invalid in many cases.

Note: IFIS uses these account code/fund\_organization\_program combinations to tag an expenditure transaction with a "warning" code when a match is achieved. The tagged transactions are listed in the FinancialLink Annotator Report for the department's review.

2. Correct the transactions with "warning" messages in the Annotator Report (noted by a "[W](#)") if required.

Note: A *Non-Payroll Expense Transfer* usually achieves the needed corrective action. Until follow-up action occurs, IFIS treats these items as "accepted" transactions.

### C. Office of Contract and Grant Administration (OCGA)

1. Reviews financial terms and conditions of the award to determine if there are any additions to the list of [Standard Account Codes Requiring Expenditure Approval for Federal Awards](#).
2. Notifies EMF of specific award exceptions for "[E](#)" Code classifications.

### D. Administrative Computing and Telecommunications

1. Maintains the systems capability to block at the point of entry certain Account Code expenditure activity within specified fund ranges for federal awards as authorized by EMF Division
2. Maintains the systems capability to provide campus departments the ability to:
  - a. identify certain account codes for warning message application on a specific fund\_organization\_program's transactions, and
  - b. report these transactions on FinancialLink's Ledger Annotator for the departments' follow-up action.