THE UNIVERSITY OF ALABAMA®

WHERE LEGENDS ARE MADE

Welcome!

Program Code Changes

Introduction

- Method of grouping expenses according to purpose for which the costs are incurred.

- *Why* an expense was incurred rather than what *was* purchased.

- Understand the various mission-related activities.

- KEY CONCEPT: what is the intended purpose of the transaction?

Objective

- Allow user designation of program code

- Support strategic initiatives to capture departmental research

- Accurate reporting of functional classifications

Importance

- Required for the IPEDS Finance Survey

- Project supports Research reporting
  - Impacts NSF HERD

- Urgency for FY 2022 which is the base year for the F&A rate

- Executive leadership goal is to increase various rankings

WHERE LEGENDS ARE MADE

Contract and Grant Funds

- NO change to any CGA funds (2xxxx; 7xxxx; 14xxx, 17xxx, 19xxx)

- These WILL continue to have default program codes that must be used on all transactions

UA Program Codes

- <mark>100</mark> Instruction
  - 150 Service and Academic Citizenship   NEW for Salaries Only
- <mark>200</mark> Research
- 300 Public Service
- <mark>400</mark> Academic Support
- 500 Student Services
- 600 Institutional Support
- 700 Operations and Maintenance
- 800 Scholarships
- 900 Auxiliary Services
- 990 Agency

AFR Footnote

2020 Operating Expenses
(by functional classification)

	Salaries, wages and benefits	Supplies and services	Depreciation	Scholarships and fellowships	Total 2020
Instruction	$ 288,748,543	$ 32,992,269	$ 18,343,614	$ —	$ 340,084,426
Research	44,343,117	27,852,109	7,710,179	—	79,905,405
Public service	39,302,941	11,862,236	1,954,394	—	53,119,571
Academic support	67,338,690	7,272,948	14,636,575	—	89,248,213
Student services	39,237,571	11,781,941	5,687,332	—	56,706,844
Institutional support	76,375,465	18,852,978	8,421,801	—	103,650,244
Operations and maintenance	70,632,805	21,100,092	—	—	91,732,897
Scholarships and fellowships	—	—	—	26,788,692	26,788,692
Auxiliary enterprises	85,132,466	73,735,184	24,941,974	8,647,041	192,456,665
Total operating expenses	$ 711,111,598	$ 205,449,757	$ 81,695,869	$ 35,435,733	$1,033,692,957

Instruction

- Expenses for all activities that are part of an institution's instruction program.

- Expenses for credit and noncredit courses; academic, vocational and technical instruction; remedial and tutorial instruction; and regular, special and extension sessions are included.

- Expenses for departmental research and public service that are not separately accounted for also are included in this classification.

Research

- Expenses for activities specifically organized to produce research
  - External funding
  - Separately accounted for <u>institutional funding</u>
- Expenses for individual or project research
- Institutes and research centers

Public Service

- Non-instructional services for the benefit of individuals and groups that are external to the institution.
  - Community Service activities include conferences and institutes; general advisory services and reference bureaus, consultation, testing services (soil testing, carbon dating, structural testing)
  - Cooperative Extension Service
  - Public Broadcasting Services

Academic Support

Support for the institution's primary programs of instruction, research and public service.

- The retention, preservation, and display of educational materials, such as libraries, museums, and galleries
- Services that assist academic functions associated with a department
- Audio Visual Services, technology and computing support
- Academic administration including deans, but not department chairpersons
- Separately budgeted support for course and curriculum development

Student Services

- Office of admissions
- Registrar
- Student aid administration
- Intellectual, culture and social development
- Emotional and physical well-being
- Counseling and career guidance
- Student newspapers
- Intramural sports

Institutional Support

- Expenses for central, executive-level activities concerned with management and long-range planning for the entire institution
  - Fiscal operations
  - Administrative information technology
  - Space management, employee personnel and records
  - Logistical activities for procurement, storerooms, printing and transportation services
  - Alumni relations, development and fundraising

Operations and Maintenance

Expenses for the administration, supervision, operation, maintenance, preservation and protection of the institution's physical plant.

- Janitorial and utility services
- Repairs and ordinary or normal alterations of buildings, furniture, and equipment
- Maintenance and operation of buildings and other plant facilities
- Care of grounds
- Security and disaster preparedness
- Environmental health and safety
- Property, liability and all other insurance relating to property
- Facility planning and management
- Central receiving

Redesign

- Review current default program codes for changes

- Add additional program codes to Concur

- Remove mechanical programs that correct program code to default

- Salary activity will be handled separately on an extension of the effort reporting platform

Graduate RESEARCH Assistants

- ePA's for GRAs going forward, should be charged to program 200

- Do not do any retroactive or superseding ePA's

- Start with any new ePA's

- Example:
  – Old: 11000-204411-602110-100 (GRA in Biology would have been program 100 because Org 204411 was a '100' Instruction default
  – NEW: 11000-204411-602110-<u>200</u>

New Program Code

- Program code 150 Service and Academic Citizenship
- Falls in Instruction
- Faculty Handbook

Service And Academic Citizenship

All faculty members are expected to engage in responsible service/academic citizenship activities appropriate to their appointment, rank, length of service, and discipline. External service/academic citizenship activities are those that extend the influence and expertise of the faculty to areas and populations external to the University. These activities may include, but are not limited to, education beyond the classroom, research partnerships and collaboration, professional leadership, community engagement, clinical service and training, and public/community leadership and consultation. The intent is to extend the knowledge and skills of the University faculty to the public in a manner that is mutually beneficial and that contributes to the University's tripartite mission, which includes service. Furthermore, internal service/academic citizenship are defined to include service to students and to the institution through effective governance. There is no presumption that service/academic citizenship are alternatives to 1. and 2. above. Flexibility in meeting the service/academic citizenship requirements of each department and division is critical, and consequently, individual responsibilities may vary from time to time.

Final Thoughts

- Don't overthink every transaction
- Do the best to identify the appropriate reason for the expenditure

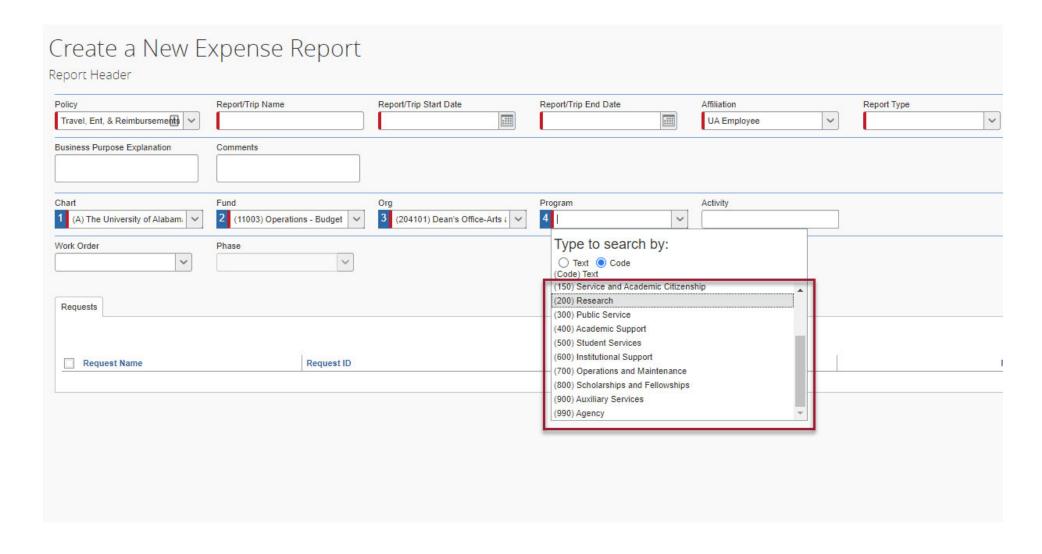- When in doubt, use the 'old' default program code

Concur

Program Code Changes

Example

Purchasing a piece of equipment for $17,000 from carryforward, where the intended purpose is research. The old way would have defaulted to program 400, but now we should charge that to carryforward but program 200.

Concur - OLD

Concur - NEW

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