

OFFICE OF THE CONTROLLER

Policy and Procedure Updates

Chart of Accounts

August 2025





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Policy and Procedure Purpose



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Purpose

Last fiscal year, the Controller's Office undertook a comprehensive policy and procedure update project.

This webinar series will provide a high-level overview of Controller's Office policies and procedures, including updates.



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University Policies and Procedures

The University-Wide Policies and Procedures Manual is maintained by the Office of the Provost.

Controller's Office policies are captured in the Administrative and Finance section (FINA) and are also included in our Resources and Training Toolbox (Policies & Procedures section) along with accompanying procedures and appendices.



Policy and Procedure Basics



Policy

Details what is required by federal, state, local, and/or University requirements and best practices



Procedure

Accompanies policies and details how compliance with those requirements is achieved

Additional supplemental policies and procedures can be developed internally at the unit or departmental level, but they cannot contradict the overarching policies and procedures of the University.



Policies and Procedures

Policy	Procedure
<u>FINA 1.00 – Chart of Accounts</u>	<u>Chart of Accounts</u>
<u>FINA 1.20 – Custodial Funds (Z Funds)</u>	<u>Custodial Funds</u>
<u>FINA 1.21 – Sales & Services Funds (E Funds)</u>	<ul style="list-style-type: none">• <u>Sales and Services Funds</u>• <u>Recharge Centers</u>
<u>FINA 1.22 – Loan Funds (T Funds)</u>	N/A
<u>FINA 1.23 – Internal Funds (N Funds)</u>	<u>Internal Funds</u>
<u>FINA 1.24 – Local Appropriations (H Funds)</u>	N/A
<u>FINA 1.25 – State Funds (G Funds)</u>	N/A

FINA 1.00 – Chart of Accounts



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FINA 1.00 – Chart of Accounts

- All departments, units, and campuses must use proper account codes when recording transactions to ensure accurate financial statements and tax reporting.
- Major account code categories include:
 - ❖ Assets (1XXXX Account Series)
 - ❖ Liabilities (2XXXX Account Series)
 - ❖ Fund Balance (3XXXX Account Series) – **Should not** be used by units/departments on the **ACTUALS** ledger
 - ❖ Revenues (4XXXX Account Series)
 - ❖ Expenditures (5XXXX Account Series)
 - ❖ Contra Expenses (6XXXX Account Series)
 - ❖ Budget Model Allocations (7XXXX Account Series) – **Should not** be used by units/departments
 - ❖ Transfers (8XXXX Account Series)

Incorporates and consolidates topics previously covered in **former** policies: FINA 2.00 (Object of Expenditure Classification Codes) and FINA 2.03 (Revenue Classification Codes)



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FINA 1.00 Procedure – Chart of Accounts

Refer to procedure for a listing and description of common account code subcategories.

Refer to the following resources for additional information:

- [Review the PeopleSoft Chart of Accounts](#)
- [Funding Sources Matrix](#)
- [General Ledger Queries and Job Aid](#)

PeopleSoft Finance Queries:

- SC_CF_ACCOUNT_LIST
- SC_CF_OPER_UNIT_LIST
- SC_CF_DEPT_LIST
- SC_CF_FUND_LIST
- SC_CF_CLASS_LIST
- SC_CF_PRODUCT_LIST
- SC_CF_PROJECT_LIST
- SC_CF_COSTSHARE_LIST

FINA 1.20 – Custodial Funds (Z Funds)



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FINA 1.20 – Custodial Funds (Z Funds)

- Used as custodial accounts for funds not owned by the University.
- The Controller's Office reviews all requests to establish Z Funds and regularly monitors all Z fund activity to ensure continued custodial treatment is appropriate.

Z Fund Criteria



Is it for an outside entity with its own EIN?

Is it appropriate according to the reporting and accounting principles involved?



Are the terms of the agreement governing the custodial relationship acceptable?



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FINA 1.20 – Custodial Funds (Z Funds)



- Funds held on behalf of closely related organization, such as USC Foundations, or on a temporary basis for professional organizations holding outside conferences.
- Agreements must be reviewed by General Counsel and are kept on file with the Controller's Office.



FINA 1.20 – Custodial Funds (Z Funds)

Fund Review Criteria

- Custodial funds must represent activity that is related but not fundamental to the University's primary mission.
- The following are considered during the Controller's Office review of Z Funds:
 - Any changes in the nature of activities or functions of the organization
 - Deficit balances that are not remedied timely
 - Failure to adhere to University policies and procedures
 - Inactive or zero-dollar balances of 18 months or longer
 - University administration's judgement that suspension or revocation is in the best interest of the University



FINA 1.20 Procedure – Custodial Funds (Z Funds)

Establishing Z Funds

All Z Funds must be requested by completing the [Chartfield Request Form](#) and [Custodial Fund Questionnaire Form](#), which the Controller's Office will review on a case-by-case basis.



If approved, the Controller's Office will create the needed chartfields in PeopleSoft Finance and notify the parties when the account has been established.



If denied, the Controller's Office will contact the requestor to discuss alternatives.



FINA 1.20 Procedure – Custodial Funds (Z Funds)

Use of Z Funds

- All Z Funds must be used in accordance with the following terms:



Deposits are not considered tax-deductible gifts to the University



Expenditures are subject to sales tax unless the fund administrator provides documentation of exemption



Funds with a negative cash balance will be invoiced to the outside organization

Accounting Principles for Revenues and Expenses

- Transactions may be recorded using the University's established revenue and expenditure account codes but **will not** be included in the University's Statement of Revenues, Expenses, and Change in Net Position statement.
 - Agency funds will be reported using "Funds Held for Others" and "Funds Due from Others" within the University's Statement of Net Position



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FINA 1.21 – Sales & Services Funds (E Funds)



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FINA 1.21 – Sales & Services Funds (E Funds)

- Used for the unrestricted, self-sustaining, and on-going activities of University units, primarily from sales and services.
- Units retain the revenues generated through these activities to cover the costs of operations.
- The Controller's Office periodically monitors all E funds and will contact units to resolve identified concerns.
- Some E Funds are subject to a general administrative fee.

Formerly FINA 3.30 (Other Educational and General Program Accounts [E Funds])



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FINA 1.21 Procedure – Sales & Services Funds (E Funds)

Establishing E Funds

- All E Funds must be requested by completing the [Chartfield Request Form](#) and [E Fund Questionnaire](#), which the Controller's Office will review for appropriateness prior to establishing.
- If approved, the Controller's Office will create the needed chartfields in PeopleSoft Finance and notify the requesting unit when the account has been established.

Types of E Fund Activities

- Refer to the procedure for a listing of example activities.



FINA 1.21 Procedure – Sales & Services Funds (E Funds)

Maintaining E Funds

- Units must maintain detailed records supporting all charges. Refer to the procedure for minimum requirements.
- There should not be continued deficits in E Funds.
- Units are expected to review E accounts quarterly for inactivity and take steps to deactivate accounts as necessary.
- Cash collections and expenditures must be deposited and processed timely and recorded using established revenue and expenditure account codes.
- Revenues received from outside entities must be deposited timely and recorded using the appropriate detailed revenue account code (4XXXX Account Series).
- Expenses related to earning internal and external revenues should be recorded in the E fund using the appropriate expense account codes (5XXXX Account Series).



FINA 1.21 Procedure – Sales & Services Funds (E Funds)

Monitoring E Funds

- The Controller's Office monitors funds to ensure a positive balance is maintained and identify accounts with:
 - ❖ Deficit spending
 - ❖ Continual operating deficit status
 - ❖ Limited annual activity
 - ❖ Excessive fund balance.
- Following their review, the Controller's Office will provide units with a list of E funds requiring further review and action.

Deactivating E Funds

- A completed Chartfield Maintenance Form must be submitted to the Controller's Office to close an E fund. The cash balance should be **zero** upon submission, with the steps detailed in the procedure completed before deactivation occurs.



FINA 1.21 Procedure – Recharge Centers



Recharge centers represent units/departments that offer specific services and/or products for a fee to the University community and/or external (non-University) customers.

Establishing a Recharge Center

- Recharge center activity is segregated and tracked in PeopleSoft Finance through a distinct E Fund.
- Refer to the procedure for the criteria and factors that should be considered when requesting the establishment of a recharge center. Also refer to University Policy [ACAF 2.01](#).

FINA 1.21 Procedure – Recharge Centers

Rate Setting

- All rates must be requested and approved through the University's standard user fee solicitation process.
- Rates must be consistently charged across all users and designed to recover actual costs ([2 CFR 200.468](#)).
- Rates must be readily determinable and easily measurable based on the amount of the service or product used.
 - Refer to the procedure for rate development considerations.
- All established rates are subject to review by the Controller's Office or external parties (e.g., sponsors). Rates are required to be reviewed at least on a biennial basis and adjusted as appropriate.



FINA 1.21 Procedure – Recharge Centers

Roles and Responsibilities

- Ultimate responsibility for the recharge center rests with the respective Department Head or Operating Unit Business Officer. Refer to the procedure for other roles and responsibilities.

Tax Implications

- Recharge center activity may be subject to unrelated business income tax (UBIT). Such activity should be documented on the [E Fund Questionnaire](#) to ensure the Controller's Office Tax Team can complete the appropriate analysis.



FINA 1.22 – Loan Funds (T Funds)



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FINA 1.22 – Loan Funds (T Funds)

Aside from the limited instances detailed in this policy, no unit, department, campus, or other entity within the University is authorized to lend funds to employees, students, or external parties.



TF Loans – Federal Loan Programs

- Loans from the federal government (e.g., Perkins Loans) managed and recorded by the University Bursar's Office only.



TN Loans – Institutional Loan Programs

- Emergency, short-term loans for students experiencing financial hardship managed by the University's Student Success Center only.

FINA 1.23 – Internal Funds (N Funds)



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FINA 1.23 – Internal Funds (N Funds)

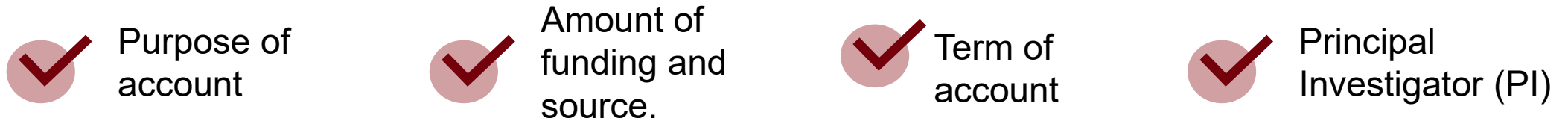
- Unrestricted departmental funds set aside for specific internal purposes and projects.
- The Controller's Office reviews all requests to establish N Funds.
- The Controller's Office monitors funds to identify accounts with:
 - ❖ Operating deficits
 - ❖ Limited annual activity
 - ❖ Excessive fund balance (unspent funds)
 - ❖ Expired project end dates
- Following quarterly reviews, the Controller's Office will provide units with a list of N funds requiring further review and action.



FINA 1.23 Procedure – Internal Funds (N Funds)

Requesting and Establishing N Fund Projects

- All N Funds must be requested by completing the [Chartfield Request Form](#), which must include:



- Once approved, an internal project number will be established, and the committed funds must be immediately transferred by the department requesting the project.

Common N Funds Projects

- Refer to the procedure for a listing of example activities.

FINA 1.23 Procedure – Internal Funds (N Funds)

All N Fund Projects must:



Spend in accordance with any research guidelines



Maintain a positive cash balance



Promptly address any issues identified during the Controller's Office review

Accounting Principles for Revenues and Expenses

- Transactions **must** be recorded using the University's established revenue and expenditure account codes.



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FINA 1.24 – Local Appropriations (H Funds)



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FINA 1.24 – Local Appropriations (H Funds)

Funds received from local appropriations (Account 48681) may be designated and received in the following forms:

Type/Purpose		Accounting/Use
Legislatively Appropriated	General E&G Operating Purposes	A Funds – Approved and published in the annual budget. Once recorded, the unit may transfer funds as necessary to support operations.
Legislatively Appropriated	Designated for Specific Purposes	H Funds – Restricted by the local government’s legislation. A designee will be assigned to each account to ensure compliance.
Non-Legislatively Appropriated	Restricted in Use	H Fund USCSP Project – Outside of legislation, local governments may seek assistance or service from the University for goods and/or services through the establishment of a grantee or contractual relationship.

FINA 1.24 – Local Appropriations (H Funds)

- For legislatively appropriated purposes (non-grant purposes), the Controller's Office is responsible for the establishment, amendment, and deactivation of H funds.
 - The Chartfield Request Form must be completed and submitted to the Controller's Office to establish H funds.
 - Unit requesting H fund is responsible for any invoicing required to the governmental entity for funding.



FINA 1.24 – Local Appropriations (H Fund USCSP Projects)

- Any unit, department, center, or campus seeking to establish a grantee or contractual relationship with another governmental entity **must** obtain approval from the SAM Office.
 - For grant-related purposes, in coordination with the SAM Office, GFM is responsible for establishment, amendment, and deactivation of H funds.
 - Controller's Office (GFM) is responsible for any invoicing required to the governmental entity.



FINA 1.25 – State Funds (G Funds)



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FINA 1.25 – State Funds (G Funds)

Funds received from the state, including state agencies, may be designated and received in the following forms:

Type/Purpose		Accounting/Use
Legislatively Appropriated	General E&G Operating Purposes	A Funds – Contained in the State’s annual Appropriations Act and identified as General Funds of the State.
Legislatively Appropriated	Designated for Specific Purposes	G Funds – Designated in the State’s annual Appropriations Act or through state proviso, received either directly or indirectly through another state agency. May be notified through other agencies (e.g., Executive Budget Office).
Non-Legislatively Appropriated	Sponsored Awards Restricted in Use	G Fund USCSP Project – Outside of legislation, state entities may seek assistance or solicit service from units within the University for the provision of goods and/or services.

Formerly FINA 3.20 (State Grant and Legislatively Appropriated Non-Operating Funds [“G” Funds])



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FINA 1.25 – State Funds (G Funds)



- Designated appropriation and proviso funding will be set up as a separate non-project G fund.
- Once disbursed by the Controller's Office, the respective unit is responsible for managing the funds in accordance with the designated purpose and complying with applicable requirements.



FINA 1.25 – State Funds (G Fund USCSP Projects)


- Any unit, department, center, or campus seeking to establish a grantee or contractual relationship with another state entity **must** obtain approval from the SAM Office.
 - For grant-related purposes, in coordination with the SAM Office, GFM is responsible for establishment, amendment, and deactivation of G funds and invoicing state agencies and completing financial reporting.
 - All invoicing financial reporting will be completed by GFM in the Controller's Office.



Training and Communication



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Office of the Controller

General Accounting

Grants and Funds Management

Compliance and Tax Management

Payroll Department

Operational Management and Reporting

External Financial Reporting and Transparency

Resource and Training Toolbox

Business Manager

Grant Administration

Principal Investigator

➤ Policies & Procedures

Tax Cuts and Jobs Act 2017

Forms

Newsletters

PeopleSoft Finance Training Schedule

Policies and Procedures

The University-wide [Policies and Procedures Manual](#) is maintained by the Office of the Provost. The Controller's Office is the owner and designated administrative office for many of those policies, which are detailed below along with any accompanying procedures.

Policies detail what is required by federal, state, local, and/or University requirements and best practices, whereas accompanying procedures detail how compliance with those requirements are achieved. Additional supplemental policies and procedures can be developed at the unit or department level, but they cannot contradict the overarching policies and procedures of the University.

Chart of Accounts

General Accounting

Treasury Management

Compliance

Travel and Reimbursement

Capital and Assets

Sponsored Awards

Payroll

Expand all

Where to Find the Resources

For Policy and Procedure resources, visit the [Policies and Procedures](#) page found in the Resource and Training Toolbox section.



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Office of the Controller

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Grants and Funds
ManagementCompliance and Tax
Management

Payroll Department

Operational Management
and ReportingExternal Financial Reporting
and TransparencyResource and Training
Toolbox

Business Manager

Grant Administration

Principal Investigator

Policies & Procedures

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Business Manager

The role of each Business Manager at the University of South Carolina varies across each college and department. Each Business Manager handles several responsibilities that directly influence the success of their departments and the University overall. They provide business expertise on a variety of topics including, but not limited to budget, expenses, supplier onboarding, transaction corrections, and University policies and procedures.

Below is a list of tasks a Business Manager may be responsible for within their college/department. Sections include links to training resources that support each task.

Note: Each year the Controller's Office provides refresher trainings starting the month of February thru the end of April. Registration links for all scheduled trainings are sent to our BIZMANAGER listserv end of January, provided in our monthly newsletter, and in a prior week reminder email. On demand training can be found in the sections below.

Account Funding Change

AP Uploads

Business Expense Prepaid Cards

Cash Advances

Cost Transfer

Departmental Deposits

Employee Reimbursement (Non-travel)

Endowments

Finance Intranet

Expand all



Where to Find the Resources

For training resources, visit our Business Manager page in the Resource and Training Toolbox section.



Questions



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Controller's Office Contact List

General Accounting (JEs, JVs, Apex, GL issues/Questions)	Email Address
General Email Address	genacctg@mailbox.sc.edu
Cash Advance Settlement	cashadvsc@mailbox.sc.edu
Payroll Retro Journal Entries	retroje@mailbox.sc.edu
Chartfield Maintenance	cfmaint@mailbox.sc.edu
Moving & Relocation Mailbox	moving@mailbox.sc.edu
PeopleSoft Finance Security Requests	pssecure@mailbox.sc.edu
Accounts Payable	Email Address
General Email Address	ap@mailbox.sc.edu
AP Uploads	apupload@mailbox.sc.edu
Supplier Maintenance	apsupplr@mailbox.sc.edu
Travel Office	Email Address
General Email Address	teoffice@mailbox.sc.edu
Student/Non-employee Travel Authorizations and Travel Reimbursement Vouchers	tesubmit@mailbox.sc.edu

Controller's Office Contact List

Capital Assets	Email Address
Physical Inventory	physinv@mailbox.sc.edu
Capital Leases	lease@sc.edu
Cash Management and Treasury	Email Address
General Treasury Email Address	treasury@mailbox.sc.edu
Program Expense Card	cards@mailbox.sc.edu
Team Card	teamcard@mailbox.sc.edu
Travel Card	travelcard@sc.edu
Compliance and Tax	Email Address
General Compliance Email Address	controllercompliance@sc.edu
General Tax Email Address	tax@mailbox.sc.edu
Research/Development Sales/Use Tax Exemptions	rdequip@mailbox.sc.edu
Time and Effort Reporting	timeandeffort@sc.edu

Controller's Office Contact List

Grants and Funds Management	Email Address
Sponsored Award Specific Questions	Contact your Post Award Accountant (PAA)
Payroll	Email Address
General Email Account	payroll@mailbox.sc.edu



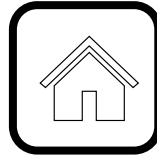
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THANK YOU!

Office of the Controller



Alone, we can do so little; together,
we can do so much.

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