



UNIVERSITY of
LOUISIANA
L A F A Y E T T E

GENERAL ACCOUNTING POLICY

This form shall be used for the adoption, revision, or withdrawal of all “University-wide” polices at the University of Louisiana at Lafayette. Any policy developed or revised in any format (print or online) that is inconsistent with this format is not an official UL Lafayette policy.

1. To begin the policy development and adoption process, the Responsible Officer is to replace the *italicized* text with proposed policy information. This form along with a Policy Action Form (Appendix “B”) must then be submitted to the appropriate authority.
2. For additional guidance on drafting University Policy, see the Policy Development Checklist and the Guidelines for Drafting University Policy.

Check the appropriate classification

<input checked="" type="checkbox"/> Policy Adoption	<input type="checkbox"/> Policy Revision	<input type="checkbox"/> Policy Withdrawal	<input type="checkbox"/> Interim Policy
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Check the appropriate Functional Field

<input type="checkbox"/> Academics	<input type="checkbox"/> Enrollment	<input type="checkbox"/> Research
<input checked="" type="checkbox"/> Administration & Finance	<input type="checkbox"/> General University	<input type="checkbox"/> Safety & Risk
<input type="checkbox"/> Advancement	<input type="checkbox"/> Human Resources	<input type="checkbox"/> Student Affairs
<input type="checkbox"/> Athletics	<input type="checkbox"/> Information Technology	



GENERAL ACCOUNTING POLICY

Policy # AF.005.1

Vice President for
Administration
and Finance

Responsible Executive:

Responsible Office: Financial Services

Originally Issued: 6/29/2021

Latest Revision: 6/29/2021

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I. Policy Statement

This Policy governs the accounting and financial reporting of University of Louisiana at Lafayette (“University”) in accordance with the generally accepted accounting principles of Fund Accounting as prescribed by the National Association of College and University Business Officers (“NACUBO”), the American Institute of Certified Public Accountants (“AICPA”), and the Governmental Accounting Standard Board (“GASB”).

II. Purpose of Policy

The purpose of the Policy is to define the University’s general accounting policies and to outline the procedures to be followed. For the purpose of this Policy, the University’s fiscal year ends on June 30th.

A. Fund Accounting

Fund Accounting is the manner of organizing and managing accounting transactions by which resources for various purposes are classified for financial accounting and reporting purposes in accordance with activities or objectives as specified by donors, with regulations, restrictions, or limitations imposed by sources outside the University, or with directions issued by the University of Louisiana System. Separate accounts are maintained for each Fund to ensure observance of limitations and restrictions placed on the use of the resources. All Funds of the University are classified into major Fund groups.

Current Funds are used for transactions in support of instruction, research (including restricted purpose contracts and grants), public service and auxiliary enterprises, which provide services to the student body, faculty, staff, and general public.

Other Major Fund of the University include:

1. Student Loan Funds;
2. Endowment and Similar Funds;
3. Plant Funds; and
4. Agency Funds.

Within these major Fund groups, the University has established Fund types to further account for activities. The following are the Fund types currently in effect:

Predecessor Numbers	Fund Type
Current Funds - Unrestricted	
11	Unrestricted Funds – State
21	Unrestricted Funds – Other
41	Auxiliary Funds
42	Athletic Funds
Current Funds – Restricted	
31	Restricted Student Fees
32	Grant Funds
33	Financial Aid Funds
34	Other Restricted Funds
35	NIRC Funds
Loan Funds	
51	Student Loan Funds
Endowment and Similar Funds	
61	Quasi Endowment Funds
71	Endowment Funds
Plant Funds	
91	Restricted-Expendable Plant Funds
92	Unrestricted Plant Funds
97	Investment In Plant Funds
Agency Funds	
81	Agency Funds

B. Financial Reporting and Audit and Internal Control

An Annual Financial Report (“AFR”) is prepared on the Accrual Basis of Accounting. The University is required to submit its AFR to the University of Louisiana System (“ULS”) annually on the date specified by the ULS. The University’s AFR is consolidated by ULS with the other eight (8) institutions in the University of Louisiana System. ULS’s financial statements are audited and an opinion is provided by the Louisiana Legislative Auditor (“LLA”) on an annual basis. Since the University is the largest institution in the ULS, the LLA audits segments of the University’s financial transactions every year to assist them in providing an opinion on the ULS’s financial statements. For federally funded grants and contracts, the LLA performs internal control and compliance testing as required by the Office of Management and Budget (“OMB”) Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”).

The University's internal audit staff performs continuous reviews of financial procedures and policies and reports the results of their audits at the conclusion of each audit to the President and the ULS Board of Supervisors.

C. Financial Management Systems

The University uses the Banner Enterprise Resource Planning System developed by Ellucian ("Banner") as a financial management system. Banner is a fully integrated on-line financial management system incorporating the following components:

1. Students;
2. Human Resources;
3. Finance; and
4. Financial Aid.

Banner provides all the capabilities necessary to support the accounting and reporting requirements of state and federal agencies.

D. Capitalization of Property, Plant, and Equipment

Capital Equipment / Assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed one hundred thousand dollars (\$100,000). Any infrastructure exceeding three million dollars (\$3,000,000) must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense incurred. Depreciation is computed using the straight-line method over the estimated useful life of assets, generally:

1. Forty (40) years for buildings and infrastructure;
2. Twenty (20) years for depreciable land improvements,
3. Three (3) to ten (10) years for most movable property,
4. Three (3) years for software with an acquisition cost of one million dollars (\$1,000,000) or more; and
5. Three (3) to ten (10) years for internally generated software with development costs of one million dollars (\$1,000,000) or more.

The University capitalizes all Moveable Property with a unit acquisition cost of five thousand dollars (\$5,000) or greater and a useful life of one (1) year or more. Acquisition value includes the cost of the equipment and any associated costs incurred to make the equipment usable for the purpose for which it was intended, including installation costs.

E. Capital Equipment Acquired with Federal Funds

The University is required by Uniform Guidance to ensure that equipment, including but not limited to Capital Equipment / Assets, acquired with federal Funds is properly accounted for and used for its intended purpose.

If the equipment is purchased with federal restricted Funds, the purchase order indicates that restricted Fund number, which represents a federal restricted Fund or nonfederal restricted Fund. The property is accounted and inventoried like that of other movable property, with the exception that the restricted Fund number is also included. The computer system can categorize movable property by restricted Fund number if necessary. If federal property is disposed of, the Property Control Manager requests grant information to ensure disposition is in accordance with grant provisions.

III. Applicability

This Policy is applicable to all University departments and offices who are involved with the preparation and reporting of the University's financial statements.

IV. Definitions

1. **Accrual Basis of Accounting**: is an accounting method where revenues are recorded when earned and expenses are recorded when incurred.
2. **Agency Funds**: are a Fund group of the University whereby the Funds are held as custodian or fiscal agent for other University departments and groups, such as student organizations.
3. **Annual Financial Report (“AFR”)**: is the audited annual financial statements for any fiscal year which includes a statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and accompanying notes to the financial statements.
4. **Capital Equipment / Assets**: are property acquired by the University that is expected to generate value over a long period of time, which includes all items with a unit cost of five thousand dollars (\$5,000) or more and an estimated life greater than one (1) year.
5. **Current Funds**: are a major Fund group of the University whereby the resources will be expended in the near term and that the resources will be used for the operating purposes of the University.
6. **Endowment and Similar Funds**: are a Fund group of the University whereby the transactions are related to gifts which allow only the income to be expended or reinvested.
7. **Fund**: is an accounting entity with a self-balancing set of accounts consisting of assets, liabilities, and a Fund balance.
8. **Fund Accounting**: is the manner of organizing and managing accounting transactions by which resources for various purposes are classified for financial accounting and reporting in accordance with activities or objectives as specified by donors, with regulations, restrictions, or limitations imposed.
9. **Movable Property**: is Capital Equipment / Assets in which the location can be changed (i.e. laptops, printers, automobiles, etc.).
10. **Plant Funds**: are a Fund group of the University whereby the transactions are related to investments in institutional properties, included financing indebtedness.
11. **Student Loan Funds**: are a Fund group of the University whereby the resources will be used for transactions relating to loans to students.

V. Policy Procedure

The specific procedures related to this Policy are maintained at the departmental levels within Office of Administration and Finance.

VI. Enforcement

The University's Office of Financial Services is responsible for enforcement of this Policy.

VII. Policy Management

Upon adoption, the Vice President of Administration and Finance shall be the Responsible Executive for this Policy. The Assistant Vice President of Financial Services shall be the Responsible Officer for this Policy. The Office of Financial Services is the Responsible Office for this Policy.

VIII. Exclusions

This Policy shall have no exclusions.

IX. Effective Date

This Policy shall be effective as of the date of adoption of this Policy.

X. Adoption

This Policy is hereby adopted on this 6/29/2021.

DocuSigned by:
Joseph Savoie
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Dr. E. Joseph Savoie
President

XI. Appendices, References, and Related Materials

- ✦ [National Association of College and University Business Officers](#)
- ✦ [American Institute of Certified Public Accountants](#)
- ✦ [Governmental Accounting Standards Board](#)
- ✦ [University of Louisiana System Board Rule C-IV](#)
- ✦ [OMB Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

XII. Revision History

- ✦ Original adoption date: 6/29/2021.