

UNIVERSITY OF LOUISVILLE

**ASSIGNMENT OF
PROGRAM CLASSIFICATION
STRUCTURE CODES
MANUAL**

2012

UNIVERSITY OF LOUISVILLE
ASSIGNMENT OF PROGRAM CLASSIFICATION STRUCTURE CODES

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UNIVERSITY OF LOUISVILLE

Assignment of Program Classification Structure Codes

History

In 1987, internal concerns were expressed about the accuracy of PCS code reporting and a work group was established from staff in the Office of Planning and Budget and the Controller's Office for the purpose of reviewing and updating the university's procedure on the assignment of Program Classification Structure (PCS) codes. Based on their review of the university's accounting system and current literature on PCS code assignment systems, the work group developed new guidelines establishing a framework for PCS code assignments. These guidelines provide specific clarification and background for usage in the proper classification of accounts. They are also the foundation for the additional follow-up needed to achieve the objectives identified by the work group. These objectives include:

1. Development of PCS code assignment guidelines,
2. Assessing the impact, financial and statistical, of the PCS code assignment process,
3. Developing an on-going process for reviewing and updating PCS code assignments,
4. Enhancement of PCS code reporting capabilities.

The preliminary review and evaluation of PCS code assignments from the Financial Records System (FRS) provided the basic data needed to develop these guidelines.

Recent Modifications

In an effort to more appropriately and accurately reflect the PCS code assignments in relation to the impact on the university's instruction, research, and service missions, a decision was made in early 1999 to apply data derived and calculated from the Faculty Activity Report - a State Accountability reporting mandate itemized in KRS 164.095 during the 1992 legislative session and subsequently ratified by House Bill 1 during the 1997 legislative session - to each PCS code assignment. These weights will apply solely to the PCS codes of academic units with full-time, permanent faculty members.

University of Louisville

Assignment of Program Classification Structure (PCS) Codes

Policy and Procedure Statement

Assigning PCS Codes - Responsible Offices

The **Office of Budget and Financial Planning (BFP)** is responsible for assigning PCS codes for all new general fund programs and many non-general fund programs (some PCS codes are assigned by other University offices).

This policy covers the following program codes:

General Funds-Home Programs	0xxxx
Program Budgets	1xxxx
Other General Funds	3xxxx
Auxiliaries	4xxxx
Athletics	Axxxx
Clinics	Cxxxx
Hospitals	Hxxxx
Academic Support Programs	Pxxxx
Service Centers	Sxxxx
UofL Foundation	Uxxxx
Cardiovascular Institute	Vxxxx
General Institutional Expense	X0xxx
Metropolitan College	Y0xxx
Projects	Jxxxx

The procedure to assign PCS codes for new program requests (shown above) is as follows:

- Unit will use the “Request for New Program or Project Form” on-line form to request the establishment of a new program. As part of the request, the Unit will request specific PCS codes for revenue and expense. The “Request for New Program or Project Form” is located on the BFP website.
- The appropriate BFP Analyst will review the request including the PCS codes, and if no changes are necessary, the Analyst will forward to the Controller’s Office for input (creation of a new program) into the University financial system.

If changes are necessary, the BFP Analyst will contact the unit to discuss and modify the request as needed. Once the changes have been completed satisfactorily, the Analyst will forward to the Controller’s Office for input.

The **Controller's Office** is responsible for assigning PCS codes for the following program types:

Residual Funds, Sponsored Funds	Dxxxx
Agency Funds	Y1xxx
Dental Faculty Practice Plans	Y2xxx
UofL Research Foundation	Zxxxx
Loan Programs	Lxxxx

The **Office of Foundation Accounting and Reporting** is responsible for assigning PCS codes for the following program types:

Endowments	Exxxx
Gifts	Gxxxx

The **Office of the Executive Vice President for Research and Innovation** is responsible for assigning PCS codes for the following program types:

Facilities Enhancement	Fxxxx
Research Incentive Grants	5xxxx
Research Scholars	X3xxx

UNIVERSITY OF LOUISVILLE

Assignment of Program Classification Structure Codes

Guidelines

I. General Information

"The Program Classification Structure (PCS) is a set of categories and related definitions which allows its users to examine the operations of an institution as they relate to the accomplishment of that institution's objectives. Specifically, the PCS is a logical framework for arraying information in a common language and a comprehensive and compatible framework for higher education."¹ PCS provides a hierarchical disaggregation of programs and the levels are as follows:

Program: an aggregation of activities serving a common set of objectives.

Subprogram: the lowest level of disaggregation that shows how the activities are related to objectives. The definition provided in each subprogram serves as a further disaggregation of information and is not necessarily unique to a particular subprogram. One type of activity, in fact, may be carried out within more than one subprogram. "Retail services and concessions," for example, may be conducted both for faculty and staff (thereby contributing to the objectives of the Institutional Support program) and for the students (thereby contributing to the Student Services program).

Hegis Taxonomy: the use of the additional four digit Hegis codes to identify specific programs, within the PCS structure, was discontinued at the University of Louisville.

¹ 'Collier, Douglas J. Program Classification Structure-Second Edition (Technical Report 106) 1978. National Center for Higher Education Management Systems. Boulder, Colorado. 5

The Program Classification Structure for the University of Louisville includes the following major programs:

<u>Code</u>	<u>Program</u>
1.0	Instruction
2.0	Research
3.0	Public Service
4.0	Academic Support
5.0	Student Services
6.0	Institutional Support
7.0	Maintenance and Operation of Physical Plant
8.0	Student Financial Aid
9.0	Transfers
12.0	Auxiliary Enterprises/Enterprise Activities
14.0	Hospital

The assignment of activities to the various program and subprogram categories within the PCS should be based on the primary intent of the program element (i.e., the basic purpose or primary reason for carrying out the activity). When multiple objectives are clearly apparent by the same activity, separate codes should be used to appropriately classify the actual objectives served by the activity.

The information beginning on the next page focuses on each level of disaggregation (program and subprogram) with definitions provided to make it a useful tool for ensuring the most compatible collection of information.

II. Definition of PCS Programs and Subprograms

The following information was taken from The College and University Administrator published by NACUBO in 1982 and the second edition of the Program Classification Structure published by NCHEMS in 1978.

1.0 INSTRUCTION

This program includes expenditures for all activities that are part of an institution's instructional program, which includes expenditures for credit and non-credit courses, academic, vocational, technical, remedial, tutorial, regular, special, and extension sessions. This category excludes expenditures for academic administration when the primary assignment is administration, for example, academic deans. However, expenditures for department chairpersons, in which instruction is still an important role of the administrator, are included in this category.

01.01 General Academic Instruction (degree-related): Organized and/or separately budgeted instructional activities that are: 1) carried out during the academic year, 2) offered for credit as part of a formal postsecondary education degree or certificate program. Home study activities offered for credit are also included in this subcategory. However, this subprogram does not include instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher education level, such as adult basic education.

Examples: Liberal Arts programs at a college or university.
Academic associate degree programs at a community college.

01.02 Vocational/Technical Instruction (degree-related): Instructional offerings intended to prepare learners for immediate entry into a specific occupation or career if offered as part of one of the institution's formal degree or certificate programs. However, this subprogram does not include instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher education level, such as adult basic education.

Examples: Degree/certificate programs of vocational and technical schools.
Occupationally related certificate programs of proprietary schools.

01.03 Requisite Preparatory/Remedial Instruction: Instructional activities that give the student the basic knowledge and skills required by the institution before they can undertake formal academic coursework leading to a postsecondary degree or certificate. These offerings, supplemental to the normal academic program, typically are designated as preparatory, remedial, developmental, or special education services.

Examples: Preparatory/remedial summer programs offered for students accepted under a conditional admission agreement.
Foreign language offered specifically to satisfy doctoral-level requirement.

01.04 General Studies (non-degree): Instructional offerings that do not generally result in credit toward any of the institution's formal postsecondary degree or certificate programs, but are intended to provide the learner with knowledge, skills, and attitudes typically associated with an academic discipline (such as literature, mathematics, or philosophy). This subprogram should also be used for the classification of non-credit offerings that are part of the adult basic education programs.

Examples: Non-degree offerings in: great books; painting and sculpture; fine arts; foreign languages for travel; and general education development programs.
Adult Basic Education Program.

01.05 Occupation-Related Instruction (non-degree): Offerings that are not carried out as part of a formal certificate or degree program, but are offered to provide the learner with knowledge skills and background related to a specific occupation or career. The instructional offerings classified in this category focus on the role of the individual as a worker rather than upon his or her role as a member of society, part of the family, or as a user of leisure time.

Examples: Non-degree-related continuing education offerings for physicians, nurses, or teachers.
Non-degree-related career/vocational courses.
Corporate programs designed to teach the sales force about new products.

01.06 Social Roles/Interaction Instruction (non-degree): Instructional offerings not carried out as a part of a certificate or degree program, but offered to provide the learner with knowledge, skills, and background needed to function as a member of society or to interact with the variety of social institutions. This subprogram also includes those offerings that deal with the person as a member of a particular social organization or institution.

Examples: Civil-defense orientation program.
Non-degree offerings in: citizenship, current events/community problems, consumerism, community action, environmental.
Church-sponsored program dealing with its religious teachings.
Languages program for persons seeking U.S. citizenship.

01.07 Home and Family Life Instruction (non-degree): Instructional offerings that are not offered as part of a certificate or degree program, but are carried out to provide the learner with knowledge, skills, and capabilities related to the establishment, maintenance, and improvement of a home, and to the carrying out of those functions typically associated with the conduct of a household or to the person's responsibilities as a member of the family unit.

Examples: Childcare development
 Gardening
 Do-it-yourself building and repair skills
 Household budgeting
 Homemaking
 Sewing and cooking (if not offered as a recreational pursuit such as gourmet cooking)

01.08 Personal Interest and Leisure Instruction (non-degree): Instructional activities that are not offered as part of a certificate or degree program, but are carried out to support an individual's recreational or avocational pursuits or to improve his or her daily living skills.

Examples: Training of pets
 Personality development
 Recreational folk dancing
 Leadership development
 Speed reading
 Yoga

2.0 RESEARCH

This program includes all activities specifically organized to produce research outcomes whether commissioned by an outside agency or separately budgeted within the institution. Subject to those conditions, it includes expenditures for individual or project research as well as those of institutes and research centers.

02.01 Institute and Research Centers: A center whose specific purpose is to manage a number of research efforts.

Examples: Agricultural Experiment Station
 Center for Behavioral Science
 Center for Opinion Research
 Center for Study of the Aging
 Institute for Behavioral Science

02.02 Individual or Project Research: Research activities undertaken as a result of a grant contract or a specific allocation of the institution's resources for research. Departmental research activities should be included in this subprogram when they are conducted for the express purpose of producing research outcomes.

3.0 PUBLIC SERVICE

This program includes all funds expended for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services.

03.01 Direct Patient Care: Patient care services for the community including prevention, diagnosis, treatment, education, rehabilitation, and so forth. These services are typically rendered under the auspices of a teaching hospital or health sciences center and are provided for the benefit of a clientele in the community at large rather than for the institution's own student body or faculty and staff.

03.02 Health Care Supportive Services: Services that support the provision of health care, but cannot themselves legitimately be considered part of the provision of direct patient care.

Examples: Pharmacy
Blood bank
X-ray services
Medical records

03.03 Community Services: Services that are not part of regular instruction, research, or support programs of the university.

Examples: Consulting with businesses, public school system, and local government agencies.
Public service-related instruction.
Community use of services or facilities.
Provision of coaches for community summer camps.
Faculty/staff participation on community-action committees.

03.04 Public Broadcasting Services: Operation and maintenance of broadcasting services outside the context of instruction, research, and academic support programs. Thus, excluded from this subprogram are broadcasting services conducted primarily in support of instruction, broadcasting services that are primarily operated as a student service activity, and broadcasting services that are independent operations.

4.0 ACADEMIC SUPPORT

This program includes all activities specifically designed and carried out to provide direct support for the institution's primary missions: instruction, research, and public service.

04.01 Library Services: Expenditures for activities that directly support collection, cataloging, storage, and distribution of published materials in support of one or more of the institution's primary programs. To be included in this subprogram, library services should be separately funded.

Examples: Setting acquisition policy
 Searching
 Cataloging
 Shelving
 Binding
 Indexes
 Reference services, etc.

04.02 Museums and Galleries: Expenditures for activities associated with the collection, preservation, and exhibition of historical materials, art objects, scientific displays, and so forth, that support one or more of the institution's primary programs. Activities classified in this subprogram should be separately funded.

Examples: Materials acquisition
 Materials preparation
 Materials identification/access services
 Museum specimen identification services
 Information dissemination/promotion

04.03 Educational Media Services: Expenditures for activities providing audio, visual, and other technological services related to transmission of information. This subprogram includes only those activities intended to provide or make available media services.

Examples: Materials acquisition
 Production services
 Materials distribution
 Educational media research
 Information dissemination/promotion

04.04 Academic Computing Support: Expenditures for activities providing computer support for one or more of the institution's primary programs. Administrative data processing services and computing support should not be included in this subprogram.

Examples: Data entry
Production control
Development of the operating system
Development of generalized software packages
Development of language compilers

04.05 Ancillary Support: Expenditures for activities that cannot be classified as educational media services or academic computing support. Ancillary support activities often provide a mechanism through which practical experience can be gained by the student.

Examples: Demonstration school
Planetarium
Radio station
Television station
University press
Animal laboratory facilities
Electronic-design facility

04.06 Academic Administration: Expenditures for activities providing administrative and management support to academic departments. The activities of administrative officers whose responsibilities are institution-wide and include some duties outside the academic realm (i.e., the Provost) should not be included.

04.07 Course and Curriculum Development: Expenditures for activities of formal planning and development either to improve or add to the institution's curriculum.

04.08 Academic Personnel Development: Expenditures for activities that allow for personal and professional growth and development of the faculty. Includes rewards and recognition programs.

Examples: Staff development
Professional meetings
Recitals
Publishing
Monetary awards
Awards banquets

5.0 STUDENT SERVICES

This program includes all activities established to contribute to the physical and emotional well-being of the students as well as to their intellectual, social, and cultural development outside the formal instructional program.

05.01 Student Services Administration: Expenditures for organized administrative activities which provide assistance to student needs and interests. Excluded from this subprogram are the chief administrative officers for student affairs whose activities are institution-wide.

Examples: Administrative activities typically associated with: Dean of Men,
Director of Student Personnel Services, Dean of Students.

05.02 Social and Cultural Development: Expenditures for organized activities that provide for student's social and cultural development outside the formal academic program.

Examples: Cultural events
Student newspapers
Intramural athletics
Student organizations

05.03 Counseling and Career Guidance: Expenditures for formally organized placement, career guidance, and personal counseling services for students. Excluded from this subprogram are formal academic counseling activities and informal academic counseling services provided by the faculty in relation to course assignments.

Examples: Career counseling and guidance
Vocational testing
Student counseling service (personal counseling)

05.04 Financial Aid Administration: Expenditures for activities that provide financial assistance and aid services to students. This subprogram does not include outright grants to students, which should be classified as scholarships and fellowships.

Examples: Financial aid counseling and evaluation
Records maintenance and reporting
Student employment services

05.05 Student Recruitment and Admissions: Expenditures related to the identification of prospective students, promotion of attendance at the institution, and the processing of admission applications.

Examples: Recruiting trips
Providing admission catalogs to students
Communication with high schools
Advertising campaigns
Interviewing student applicants
Administrative admission procedures

05.06 Student Records: Expenditures for activities to maintain, handle, and update records for both previously and currently enrolled students.

Examples: Activities typically associated with the registrar's office, such as:
Student records maintenance
Correspondence related to student records
Maintenance of records for graduated students

6.0 INSTITUTIONAL SUPPORT

This program includes expenditures for executive-level activities concerned with the overall management, fiscal operations, general administration and logistical services, administrative computing services, and public relations/development for the entire institution.

06.01 Executive Management: All central, executive-level activities concerned with management and long-range planning for the entire institution. Included within this subprogram are the activities of the various administrators involved in policy formulation and executive direction, including, those of the governing board, the chief executive officer, and the senior executive officers. Legal activities conducted on behalf of the institution also are included here.

Examples: Board of Trustees
President/Vice Presidents/Provost
Budget
Planning
General counsel
Accreditation studies
Academic senate

06.02 Financial Management and Operations: Expenditures for operations related to fiscal control and investments.

Examples: Accounting office
Bursar
Internal and external audits
Endowment management
Grants accounting

06.03 General Administration and Logistical Service: Expenditures for general administrative operations and services.

Examples: Personnel administration
Facilities management
Purchasing and maintenance of supplies and materials
Communications
Transportation
Print shop
Safety services

06.04 Administrative Computing Support: Expenditures for computer services that provide support for institution-wide administrative functions.

Examples: Production operations
 Systems support
 Programming
 Information dissemination/promotion

06.05 Public Relations/Development: Activities to maintain relations with the community, alumni, or other constituents and to conduct activities related to institution-wide development and fund raising.

Examples: Internal newsletters
 News releases
 Governmental relations activities
 Alumni publications
 Alumni events
 Gift solicitation

7.0 MAINTENANCE AND OPERATION OF PHYSICAL PLANT

This program includes all expenditures of current operating funds for the maintenance and operation of the physical plant including services and maintenance related to grounds and facilities.

07.01 Physical Plant Administration: Expenditures of administrative activities that directly support physical plant operations. Activities related to the development of plans for plant expansion or modification, as well as plans for new construction, should also be included in this subprogram.

Examples: Activities typically associated with: director of physical plant, campus architects, and construction engineers.

07.02 Building Maintenance: Expenditures of routine repair and maintenance of buildings and other structures including both normal recurring repairs and preventive maintenance.

Examples: Maintenance of the interior and exterior of buildings.
Maintenance of classroom furniture not inventoried to a department.
Operating and replacement costs for equipment and material used in connection with building maintenance.

07.03 Custodial Services: Expenditures related to custodial services in buildings.

Examples: Cleaning activities
Elevator operations

07.04 Utilities: Expenditures related to heating, cooling, light and power, gas, water, and any other utilities necessary for operation of the physical plant.

Examples: Power plant equipment
Sewage disposal
Central air conditioning

07.05 Landscape and Grounds: Expenditures related to the operation and maintenance of landscape and grounds.

07.06 Major Repairs and Renovations: Expenditures related to major repairs, maintenance, and renovations. Minor repairs should be classified in the subcategory Building Maintenance. Major projects are defined as those costing in excess of \$10,000. However, this subprogram does not include the capital expenditures used to finance such projects.

8.0 STUDENT FINANCIAL AID

This program includes expenditures for scholarships and fellowships, from restricted or unrestricted current funds, given to students in the form of grants resulting from selection by the institution or from an entitlement program. It also includes trainee stipends, prizes, and awards, except trainee stipends awarded to individuals who are not enrolled in formal course work.

08.01 Scholarships: Includes awards, grants-in-aid, and stipends for undergraduate students.

Examples: Grants-in-aid (undergraduate)
 Tuition/fee waivers

08.02 Fellowships: Includes stipend and grants-in-aid for graduate students.

Examples: Teaching assistants
 Research assistants

9.0 TRANSFERS

This program includes transfers from the current fund group to any other fund groups which have occurred due to:

- 1) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants in loan and other funds,
- 2) binding legal agreements related to the financing of educational plant, such as amounts for debt retirement, interest, and required provisions for renewals and replacements of plant which are not financed from other sources,
- 3) at the discretion of the governing board to serve a variety of objectives, such as additions to the loan funds.

09.01 Mandatory Transfers: Mandatory debt service provisions relating to academic buildings, including 1) amounts for debt retirement and interest, and 2) required provisions for renewals and replacements to the extent not financed from other sources. Also includes mandatory transfers to loan funds required to match outside gifts or grants, usually from the U.S. government and all other mandatory transfers not included in the above sub-categories.

09.02 Non-mandatory Transfers: Transfers from the current fund group to other fund groups made at the discretion of the governing board to serve a variety of objectives.

Examples: Plant additions
 Repayments of debt principal
 Renewal or replacement of plant

12.0 AUXILIARY ENTERPRISES/ENTERPRISE ACTIVITIES

This program includes all activities that furnish goods or services to students, faculty, or staff, and charge a fee directly related to, but not necessarily equal to, the cost of the goods or services.

- 12.01 Student Auxiliary Services: Expenditures for activities primarily intended to furnish services to students (other than health or athletic related).
- 12.02 Student Health Services: Expenditures for activities primarily intended to furnish health related services to students.
- 12.03 Intercollegiate Athletics: Expenditures for activities primarily intended to furnish intercollegiate athletic activities and services to students.
- 12.04 Faculty and Staff Auxiliary Services: Expenditures for activities primarily intended to provide a service to faculty and/or staff.
- 12.05 Other Auxiliary Enterprises: All other expenditures and transfers relating to auxiliary enterprises unrelated to 12.01, 12.02, 12.03, or 12.04.

14.0 HOSPITAL

This program includes all expenditures and transfers associated with the patient care operations of a hospital. This includes expenditures for nursing and other professional services, general services, administrative services, fiscal services, and charges for physical plant operations and institutional support. (For the University of Louisville, the amount of the University's contribution to the contract with the University Medical Center, Inc. is included in this program.)