

# Systems Training Tools

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## Financials Glossary

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#### A

##### **Account**

A six digit PeopleSoft Chartfield that tracks Asset, Liability, Net Asset, Revenue, Expense classifications. See LI-01 in the Financial Reports-Listings for a complete listing of accounts with descriptions.

##### **Account Type**

A name for one, of the different kinds of accounts, used in a PeopleSoft General Ledger. The fund types include Asset, Liability, Fund Equity, Revenue and Expense. See LI-01 in the Financial Reports-Listings for a complete listing of accounts with descriptions.

##### **Accounting Entry**

A set of related debits and credits.

##### **Accounting Period**

A period, of time, which transactions are posted. Peoplesoft has 12 periods, beginning with Period 1 (July) to Period 12 (June).

##### **Actuals Ledger**

Actuals is where detailed transactions are stored.

##### **Allocations**

A method of distributing revenues and expense to Chartfield combinations, which include the programs and the Project/Grants.

##### **AP**

Accounts Payable Module; A set of accounting entries that are eventually posted to the General Ledger, which consists of transactions that account for the money which the University owes to vendors for products and services purchased on credit. Accounts Payable Module facilitates voucher entry and payment processing.

##### **Appropriation**

Budgets distributed to Chartfield Combinations that include Programs.

##### **Appropriation Link**

The setup to join the revenue budgets to the 500000 pool of the appropriation budget. This setup is used for specific groups of programs.

**Asset**

The entries on a balance sheet showing all properties, both tangible and intangible, and claims against others that may be applied to cover the liabilities of a person or a business. Assets can include cash, stock and inventories.

**Associated Revenue**

Revenue which is linked to the 500000 pool of the appropriation budget, increasing the budget for expenditures. The Associated Budgets component provides this optional feature to be used with specific program groups.

**Available Budget**

For expenditure budgets, the amount available in the budget after deducting commitments and expenses from the budgeted amount. For revenue budgets, it is the revenue estimate amount less the recognized revenue amount.

**B****Blanket Order**

A purchase order used to cover multiple purchases.

**Budget**

Commitment Control ledger type (amount type) that records the total budgeted amount for a control budget. Budget amounts are entered in the Enter Budget Journals component.

**Budget Balance Available**

Total budgeted amount minus the pre encumbrances, encumbrances and expenses. If a program has associated revenue tied to the 500000 pool, the BBA will include the total amount of revenue.

**Budget Check Override**

Selective suspension of the Budget Checking Module(BCM). With this feature you can override the controlled budget for a transaction that failed budget checking due to insufficient funds.

**Budget Checking**

Process by which the system verifies that funding is available to allow a given transaction to be completed - e.g. budget transfer, encumbrance, pre-encumbrance, expense or revenue actual. Can be done at control or track levels.

**Budget Control**

Process in commitment control by which transactions are approved and posted only if sufficient funding is available.

**Budget Details Inquiry**

PeopleSoft delivered functionality found under Commitment Control > Review Budget Activities > Budget Inquiry > Budget Details. Provides simple view of Pre encumbrance, encumbrance and available balance which is live data.

**Budget Only Accounts (or Rollups)**

Account where funding is budgeted for a group of related expense/revenue accounts - e.g. "Supplies" is the Budget Only designation for several types of supply accounts (expendable, functional, computer) that will actually record expenditures.

**Budget Period**

Refers to the Budget Year as Chartfield.

**Budget Responsibility Matrix**

A grid that provides Program and Grant Budget Responsibility along with accounting guidelines on Appropriation Links, Budget and Departmental transfers, Chartfield changes and yearend rollover rules.

**Budget Revision**

A budget increase or decrease to a specific program and pool.

**Budget Status**

Field on budget journal indicating its current status, e.g. P for posted, E for error, N for not posted

**Budget Tracking**

Process in commitment control by which transactions are approved and posted only with verification of a valid chartstring value and regardless of budget balance available.

**Budget Transfer**

A transfer from one account pool to another, the transfer may be made between pools of a program or between programs. The rule of budget transfer is based on the Budget Responsibility Matrix.

**Budget Year**

12-month period, typically coinciding with the Fiscal Year (July 1 through June 30)

**C****Category**

A five digit alpha field, used in creating a requisition, which provides the description for the Expense. Selecting the category will automatically fill the account field of the requisition and define the buyer. See LI-12 in the Financial Reports-Listings for a complete list of Purchasing Categories.

**Chartfields**

The keys, by which financial data, are recorded in Peoplesoft General Ledger. Individual field that identifies the type of information you represent within you chart of accounts. Chartfields include such fields as Account, Fund, DeptID, Program, Class and Project/Grant.

### **ChartField Combination Editing (combo-edit)**

When you run the Journal Edit process, it is called the ChartField combination editing process. The ChartField Editing process compares the ChartField combination to the definitions and rules governing ChartField combinations that have been set up. Combinations can be set up as valid or invalid depending on how you set your options. For Expl: Fund 1110 - Restricted can only be used with Grants.

### **Commitment Control**

Peoplesoft Commitment Control is an optional feature that the university has chosen, to control transactions actively against predefined, authorized budgets. It provides real-time validation of activity against budgets, automatically updates the commitment control ledgers and alerts users to exceptions. Commitment Control includes budgetary control and commitment accounting functionality.

### **Commitment Control Ledger**

The commitment Control Ledger consists of Expense Budgets, Revenue Budgets, Expense Actuals, and Revenue Actuals and enables you to control expenditures against predefined budgets.

## **D**

### **DeptID (Department)**

A 10 digit Chartfield that defines academic departments, research units, or administrative offices having programmatic operational fiscal and budgetary responsibility. See LI-05 in the Financial Reports-Listings for a complete listing of university departments.

### **Drill Down**

Return to original source of transaction through various hyperlinks on PeopleSoft screens.

## **E**

### **Edit Table**

A table on the database, which has its own record definition, such as the Department table. As fields are entered into the PS application, they can be validated against an edit table to ensure data integrity throughout the system.

### **Effective Date**

Date on which a table row becomes effective; the date that an action begins. For example, if a program is created with an effective date of 01/01/06, transactions cannot be posted, successfully, with a journal date prior to that date.

### **Encumbrance**

A financial obligation against an approved budget. A commitment to pay for goods and/or services in order that funds are set aside in the system for this purpose only. The encumbrance transaction is associated to purchase orders.

**Endowment**

A pool of funds intended to be kept permanently and invested to generate income for the support of the University's educational research, and other related missions.

**Equity**

The residual interest in the assets that remains after deducting its liabilities. What you own less what you owe.

**F****F&A**

The Facilities and Administrative Cost Rate, or "F&A Rate", is a mechanism whereby the University can be reimbursed for expenses incurred in providing facilities and administrative support to sponsored research and other sponsored projects. These are calculated based on the individual grant F&A Rate Type (Organized research, Instruction/Training, Other Sponsored Activities, Clinical/Drug Studies, Private Industry Agreements) on the appropriate direct costs based on the F&A Base MTDC (Modified Total Direct Costs), TDC (Total Direct Costs), at the close of each month.

**Fixed Asset**

A category, of inventory, that will be above a certain dollar amount. Typical asset categories include furniture, equipment, fixtures, machinery, land, buildings and leases. These are subject to depreciation criteria.

**Fund**

An accounting entity established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds include General Fund, Restricted Fund, and Designated Fund among others. See LI-06 in the Financial Reports-Listings for a complete listing of Fund Codes.

**G****General Ledger**

The Ledger which is the official record of budgeting and financial transactions. The General Ledger includes budget transactions, revenue and expense transactions, encumbrances, assets, liabilities and fund balances.

**Grant**

An award of funds or other property by a sponsor to achieve some general or specific purpose(s). A grant is an alphanumeric Peoplesoft Chartfield used to identify and accumulate financial transactions associated with sets of limited time span activities. Used for identifying and tracking sponsored grants and contracts. See LI-11 in the Financial Reports-Listings for a complete listing of Grants.

## **H**

### **HR**

Department of Human Resources. The source used to post payrolls to the General Ledger.

## **I**

### **IUT**

Intra University Transfer is a journal debiting an account of a program to another account of the same or different program. Payroll transactions are not allowed without the permission of the payroll department or the controller's office. The miniform for this type of transaction exists on <http://uofl.louisville.edu/vpf/forms/>.

### **Interface**

A process that moves data from one system to another.

## **J**

### **Journal**

A batch of debit and credit accounting entries entered online or fed from a feeder system.

### **Journal Source**

A two or three digit identifier of the type, source or originator of a journal. The Source table stores valid journal entry and posting sources. Sources will include identifiers for Bursar, Payroll, and Departmental Feeds. For Expl: STK = Stockroom charges. See LI-07 in the Financial Reports-Listings for a complete listing of GL Journal Sources and descriptions.

## **K**

## **L**

### **Ledger**

The final book of record in business transactions, in which all debits and credits from the journal, etc., are placed under appropriate heads.

### **Liability**

The financial obligation entered in the balance sheet of a business enterprise.

### **Liquidation**

The process of liquidating (removing the original budgetary amount from) a requisition or purchase order from which you initiate liquidation.

## **M**

### **Miniforms**

Existing forms to request a number of actions. Examples: Request for Disbursements, Request for Stop Payment, Journal Expense Voucher Form, PS IUT Form.

[Link to forms](#)

## **N**

### **Node**

An individual item on a tree. Nodes summarize detail values or other nodes, and may or may not roll up into other nodes or levels.

## **O**

### **Object Code**

A code for recording and summarizing financial transactions such as expenditures, revenues, assets, liabilities, net assets.

## **P**

### **Parent**

A tree node linked to lower-level nodes or details that roll up into it. A node can be a parent and a child at the same time depending on its location within the tree. Used only with Grant Budgets and is the Overall Spending mechanism to prevent overspending on the grant total.

### **Period Allocation**

The percentage of yearly depreciation to be expensed to an accounting period.

## **PO**

Purchasing Module within the Peoplesoft system. The module in which Pre-encumbrances (Requisitions) are created and processed to Purchase Orders.

### **Posting**

The process by which accounting entries are created or updated based on user transaction input and accounting entry templates. Certain Peoplesoft ledgers are updated by this process.

### **Pre-encumbrance**

An imminent encumbrance equivalent to a requisition. This is a preliminary indication that a business unit intends to make a purchase. Requisitions were not encumbered in the FRS legacy system.

## **PI**

Principal Investigator - an individual who is ultimately responsible for the conduct of a sponsored project. This responsibility includes the intellectual conduct of the project, fiscal accountability, administrative organization, and the project's adhere

### **Program**

Defines groups of related activities, responsibility centers and/or academic programs. Programs include areas such as Agency, Athletics, Endowments, Gifts, Clinical, etc. Program is also a part of the Chartfield to which a budget is applied. See University Reports, Financials – Listings LI-10 for a complete list of Programs and Descriptions.



**Project**

Programs which are used to identify and accumulate financial transactions associated with construction or maintenance projects.

**Project ID**

A name or number, by which a Grant is to be identified, in all tables and panels in PS Projects.

**Project Period**

The total time for which the sponsor has approved support of a sponsored project. The project period may consist of one or more budget periods. The total project period comprises the original project period and any extensions the sponsor has allowed.

**Q****Query**

A PeopleSoft application for graphically looking up financial information. Queries produce raw data results that can be downloaded into Excel and manipulated using sorting, filtering, and Pivot Tables. Queries can be found under the navigation path Reporting Tools > Query > Query Viewer.

**R****Recognized Revenue**

Commitment Control ledger type (amount type) for revenue that has been posted.

**Recycle**

Marks journal containing an error as invalid and prevents you from posting them. Once you have made the corrections and reedited the journal, you can post the journal successfully.

**Remit Address**

The address the check need to be mailed to (usually a P.O. Box).

**Requisition**

Request for a purchase order

**RIFs - RESEARCH INFRASTRUCTURE FUNDS**

Individual or Departmental RIFs are to provide funds to invest in the infrastructure that supports efforts to secure and maintain extramurally funded research programs. The fund is equivalent to 10% of facilities and administrative costs (previously known as indirect costs) awarded on extramural grants & contracts. Departmental/Individual allocations are made by transferring funds to the departmental/individual RIF speed type at the close of the month in which the grant expenditures are made.

## **S**

### **Scholars**

The proposed University Scholar and Distinguished Scholar Program will play a key role in recruiting scholars to the faculty who exhibit substantial credentials in research. An amount of money equivalent to eighty percent (80%) of the indirect cost recovery funds (overhead) generated from new faculty grants participating in the program will be placed in the Scholar Pool. The funds are transferred at the close of the month.

### **Short Vendor Name**

A ten character name assigned to a vendor for look up/search.

### **Sibling**

A tree node at the same level as another node, where both roll up into the same parent. A node can be a sibling, parent, and child all at the same time, depending on its location in a tree.

### **Source**

Designation of the transactions being processed. See Financial Reports Listing LI-07 for a complete listing of GL journal sources.

### **Speedtype**

A code representing a combination of Chartfield values. Speed types simplify the entry of Chartfields when the same set is commonly used together.

### **Sponsor**

An external entity or source that funds research and other projects.

### **SQL**

A standard database programming language used to retrieve and manage data in relational database management.

### **SQR**

SQR is the acronym for Structured Query Reporting. It is an SQL-based programming language, which PeopleSoft uses to run some of its most sophisticated offline processes and reports.

## **T**

### **Table (Transaction Detail Inquiry)**

The underlying format in which data is stored by columns(fields) and rows(records, or instances).

### **Tree**

The graphical hierarchy in Peoplesoft systems that displays the relationship between all accounting units and determines roll up hierarchies. Trees will identify certain accounts as pools and segregate the accounts into categories, such as Revenue, Assets, Liabilities, Net Assets, and Expense.

## **U**

## **V**

### **Vendor**

A specific individual, group of individuals, company, corporation, or organization which provides services, supplies or equipment to the university.

### **Voucher**

PeopleSoft process to pay a vendor directly.

## **W**

### **W9 Form**

An IRS form required for vendors whose payments fall under the IRS 1099 guidelines.

### **Workflow**

A PeopleTools application used to define roles, responsibilities and processes that automate the flow of work and/or information within an organization. The background process that creates a list of administrative actions based on your selection criteria and specifies the procedure associated with each action.

## **X**

## **Y**

## **Z**

### **Zero Based Budgeting**

Budgets developed using the assumption that there is no level of available funding. Also, used with Chartfield combinations where spending depends on the amount of Revenue.