

# Making Chart of Account Changes in EERP

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## Anatomy of G/L Account Codes

The Kentucky Department of Education (KDE) account code structure is designed to meet the following requirements:

1. To provide framework for comprehensive financial management systems in Kentucky local schools districts;
2. To serve all sizes and types of local school districts;
3. To allow adaptability to local districts' management information needs;
4. To allow summarization of elements in required categories and KERA strands for reporting and comparison at the local, state and federal levels;
5. To conform to generally accepted governmental accounting principles (GAAP) where possible;
6. To provide full disclosure of financial information; and
7. To provide an adequate audit trail.

The account structure is made up of various code segments. These segments are fund, unit, function, program, instructional level, object and project. KDE utilizes the org/object/project account entry method.

**Organization Code (ORG)** – This portion of the account code is made up of five segments. Unit/Location, Fund, Instructional Level, Function and Program.

**Object Code** – Identifies the specific expenditure, source of revenue or type of balance sheet account.

**Project Code** – Identifies the grant/project associated with the expenditure. 4<sup>th</sup> digit represents the grant year.

KDE recommends processing the G/L Comply Utility each year prior to year-end close. See [Appendix A](#) for more information on G/L Comply.

## Changes to the Chart of Accounts

KDE implements revisions to the Chart of Accounts (COA). These changes, typically, become effective on July 1<sup>st</sup> of each fiscal year. When revisions are made to the COA, each district must update their EERP system to reflect the changes. Several types of changes are possible.

1. Segments become obsolete. (i.e., deleted from the COA)
2. Description changes are made.
3. New Segments or Org Codes are added.
4. Segments are changed on an org. (i.e., function change)
5. Account changes become necessary.

Districts should review Newsletters and refer to the COA documentation each year to determine what account changes have been made. Failure to make the appropriate account changes will result in errors being received when budget reports and the Annual Financial Report are submitted to the Division of District Support.

## Segments Become Obsolete

When KDE deletes segments from the COA, those segments cannot always be deleted in EERP. Segments deleted from the COA result in those segments becoming obsolete and, therefore, should not be used for future reporting.

**Example:** Object Code 0584 was deleted from the COA effective July 1, 2015. It's possible that 0584 will not be able to be deleted in EERP as accounts containing object code 0584 exist with activity too recent to purge. Instead, districts will discontinue the use of object code 0584 after June 30, 2015 and begin using the appropriate code for travel, 0581-Travel Mileage.

An [Account Change](#) can be performed if the new code does not exist in EERP. When the account change is performed, all history will be moved from the obsolete account to the new account. In order to perform an account change, all segments of the new account must exist prior to performing an account change.

If you choose to not perform an Account Change, then the new accounts will have to be set up in EERP so current year activity gets posted to the correct accounts. Set the Account Status on the obsolete accounts to "Closed", if possible, or "Inactive" if they cannot be closed. User roles can be modified to limit posting to accounts with "Active" status only.

Refer to the section, [Account Change](#), for instructions on processing changes.

## Description Changes

When changes are made to segment descriptions, the changes must be made using the **Chart of Accounts Segments** program.

No users should be in the system when changes are being processed.

*Financials > General Ledger Menu > Setup Chart of Accounts > Chart of Account Segments*

Select the segment type that needs to be updated and click **Accept**.

Select the **Update** icon and enter the new long and short description.

To select another segment type, select **Change Segment** and select a new segment type and repeat the steps above to update the description.

## Add New Segments/Org Codes & Delete Obsolete Segments

New segments are added using the **Chart of Account Segments** program.

*Financials>General Ledger Menu >Setup Chart of Accounts >Chart of Account Segments*

Select the segment type that needs to be added and click **Accept**.

Select the **Add** icon and enter the information for the new segment.

When you are ready to add a segment to a different segment type, select **Change Segment** and select a new segment type and repeat the steps above to add the new segment(s).

This program can also be used to delete segments if no accounts have been set up using the obsolete segment. Make sure no users are in the system when deleting segments.

## Change Segments on Org Codes

When segments are changed on an org code, this is processed using **Change General Ledger Account Code** program. All segments must exist before a change can be made to an Org Code.

No users should be in the system when segment changes are being processed.

*Financials>General Ledger Menu >Setup Chart of Accounts >Change General Ledger Account Codes*

Select **Segment Change** then select **OK** to continue. Note, changes should only be done when all users are not using EERP. A back up is recommended before proceeding.

Enter the org code then enter the new segment(s) in the bottom of the screen.

**Notes:** The Fund segment cannot be changed. If changes were made to the COA that involve moving accounts from one fund to another, the new fund and accounts must be set up in EERP. Refer to the *How to Add an Annual Fund* and/or *How to Add a Multi-Year Fund* documents on the [KDE EERP Munis Support & Guides webpage](#).

## Account Changes

Many times, when changes are made to the COA, it becomes necessary to perform Account Changes in order to begin using the appropriate codes. Account Changes are processed using the **Change General Ledger Account Codes** program.

No users should be in the system when Account Changes are being processed.

*Financials>General Ledger Menu >Setup Chart of Accounts >Change General Ledger Account Codes*

Select **Account Change**.

The changes can be made one account at a time or by using Batch Entry. When multiple changes are necessary, using Batch Entry provides a more efficient way to process the changes.

Select **Batch Entry** then select the **Update** icon.

Enter the Old Org/Old Obj/Old Proj and the New Org/New Obj/New Proj into the appropriate fields. Tab through the fields to continue entering all accounts that need to be changed.

Return to the previous screen when all accounts have been entered. Select **Post Batch**.

Select the **Update** icon and then choose the **Check All** button.

Output the report and review the accounts for accuracy.

Select **Post Batch**.

**Notes:**

1. Each segment of the new account must exist before an account change can be performed. Example, if 0581 object code does not exist in the object code table, 0581 must be added to the Chart of Accounts Segments program before an account change can be processed using 0581.
2. If the “new” account already exists in EERP, the Account Change cannot be processed. Example, if 0011075-0582 is obsolete and you need to change it to 0011075-0581 but 0011075-0581 is already an account in your database, you will not be able to perform Account Change. You would set the status to “Inactive” on 0011075-0582 and begin using 0011075-0581 in the new-year.
3. When Account Change is processed, all history from the old account is moved to the new account.
4. The fund segment cannot be changed on an org code. If changes were made to the COA that involve moving accounts from one fund to another, the new fund and accounts must be set up in EERP. Refer to the *How to Add an Annual Fund* and/or *How to Add a Multi-Year Fund* documents on the [KDE EERP Munis Support & Guides webpage](#).

## Appendix A: G/L Comply Utility

The GL Compliance utility was designed as a tool to assist districts in identifying invalid accounts or segments of an account. The report generated from this utility identifies various chart of account problems within the district. Accounts with a status of *Closed* will not generate into the report.

***Note: It is recommended this utility be processed before closing the year and submitting the Annual Financial Report to KDE. This will identify possible account issues that need to be resolved prior to generating the AFR.***

### Steps to Produce the G/L Comply Report

System Administration >Miscellaneous Administration >System Update

Select **Define Update Options**.

In the Utility/Program ID field, enter 'glcomply' then select **Accept**.

Select **Run System Update** then select **Yes**.

Select **GL Compliance** and select **Process**. There is no need to enter an Input path/file name as it should already be entered.

Select an output method, review the report and make any necessary corrections.

### Obsolete Objects and Accounts

This category identifies object codes that are obsolete and no longer found on KDE's new chart of accounts. Each obsolete object is listed followed by active and inactive accounts using the obsolete objects. Refer to the section [Add New Segments/Org Codes & Delete Obsolete Segments](#) for directions on handling obsolete object codes that have no accounts attached.

### Obsolete Segments (Orgs/Accounts)

This category identifies org codes containing obsolete segments no longer found on KDE's chart of accounts. Each org code entry on the report lists the obsolete segment code, segment description and active/inactive accounts that are using the specific org code. Refer to the section [Add New Segments/Org Codes & Delete Obsolete Segments](#) for directions on handling obsolete segments.

**Report Sample:**

983smill | GL ACCOUNT COMPLIANCE UTILITY REPORTS

**OBSOLETE OBJECTS AND ACCOUNTS:**

OBJECT	DESCRIPTION	STAT
0639	FS OTHER	A
	ORG	
0005101	0639	FS OTHER
0105101	0639	FS OTHER
0205101	0639	FS OTHER
0355101	0639	FS OTHER
0385101	0639	FS OTHER
0405101	0639	FS OTHER

**OBSOLETE SEGMENTS (ORGS/ACCOUNTS) :**

ORG	DESCRIPTION	SEGMENT	DESCRIPTION	OBSOLETE Function
8882800	DEPR CENTRAL OFFICE SUPPORT	2800	CENTRAL OFFICE SUPP SVC	