

MEMORANDUM

ACCOUNT CODE UPDATE

Dear Fiscal User's Group,

This memo provides updated guidelines for the use of certain account codes based on new direction received from the Chancellor's Office. Effective immediately, please use these account codes per the following guidelines. The account code guidelines on the Fiscal Affairs website will be updated accordingly. **Please replace any versions of the July 29, 2015 account code memo that you may have saved or printed with this current version.**

660021: Repairs and Maintenance

- Used to record costs necessary to maintain CSU facilities, including buildings and permanently attached components (such as boilers, emergency generators and air conditioning systems), in operating condition.
- The account should be used for all maintenance activities related to facilities, including building maintenance, custodial services, and landscape and grounds maintenance.
- **IMPORTANT:** 660021 should be used to record the cost of procuring materials and supplies needed to support facilities maintenance activities. **(EXCEPTION: Janitorial materials and supplies should be coded to 660003).**
- 660021 should be used regardless of whether the service is one time (e.g. re-painting a building) or ongoing (e.g. pest control services)
- **DO NOT** use Contractual Services (account 613001) or Supplies & Services (account 660003) for **facilities related** repair and maintenance service or supply costs.

613001: Contractual Services

- This account is used to record non-facilities related expenses pursuant to a formal agreement executed between the CSU and the service provider.
- A formal agreement is used when there is a detailed statement of work and agreed upon terms and conditions that are acknowledged by written signature of the CSU and the service provider.
- Formal agreements are not necessarily limited to significant dollar value. The nature of risk involved with the service may also require a

formal agreement to ensure CSU is appropriately insured against the exposure.

- When a formal agreement includes reimbursement of vendor travel costs as a provision of the agreement, the reimbursement is also charged to the Contractual Services account code.
- Some formal agreements for services are in the form of System wide or Campus wide Master Agreements. Purchase Orders for services issued against these Master Agreements would use account code 613001 regardless of dollar amount.
- **DO NOT** use 613001 when there is a more specific account code for the service. For example IT Hardware and Software maintenance costs should be coded to 616802, or 616803 respectively regardless of cost.
- Because equipment repairs is not given a specific account code, these costs can be coded to 613001 if the service is complex in nature or based on a written agreement. Otherwise 660003 Supplies and Service may be used.

660003 Supplies and Other Services

- Used to record consumable items employed in the normal course of business (such as office supplies) and services which are simple in nature and short in duration (e.g., repairs to a vehicle or piece of laboratory equipment).
- Blanket Purchase Orders for as needed repairs to non-facilities related equipment should be coded to 660003 regardless of the dollar total of the blanket PO.

616802 IT Hardware Non-Capital/616803 IT Software Non-Capital

- These codes are used for IT hardware or software purchases with a total acquisition cost **less than \$5000**.
- 616803 is also used to record software license fees paid on a recurring basis. Such software may be locally hosted or cloud based (Software as a Service or SaaS).
- These codes will also be used to record IT hardware or software **maintenance costs** regardless of dollar amount.

As always, please pay close attention to the choice of correct account codes when entering your orders. Requisitions with incorrect account codes may be cancelled by Procurement and the requester asked to create a correctly coded replacement requisition.

If you have any questions regarding the use of these accounts, please contact Bon Bitonio, Controller (82582), Stephen Smith, Director of Procurement (83879) or your assigned Buyer in Procurement.

Attachment A: Use and Purpose of Account Codes
Attachment B: Account Code Examples

San Francisco State University
Account Usage Guidelines
September 6, 2016

Account	Descr	Use/purpose
606890	Travel Prepaid Expense	Travel advance for international travel.
607009	Capital Proj Equip-Deprec	For total cost of equipment funded by project funds (e.g. Capital Outlay/Group II Funding) \$5K and above.
607800	Capital Proj Equip-NonDeprec	For the total cost of equipment funded by project funds (e.g. Capital Outlay/Group II Funding) less than \$5K.
613001	Contractual Services (REVISED)	This account is used to record non-facilities related expenses pursuant to a formal agreement executed between the CSU and the provider of services. A formal agreement is used when there is a detailed statement of work and agreed upon terms and conditions that are acknowledged by written signature of the CSU and the service provider. Formal agreements are not necessarily limited to significant dollar value. The nature of risk involved with the service may also require a formal agreement to ensure CSU is appropriately insured against the exposure. When a formal agreement includes reimbursement of vendor travel costs as a provision of the agreement, the reimbursement is also charged to the Contractual Services account code. Some formal agreements for services are in the form of System wide or Campus wide Master Agreements. Purchase Orders for services issued against these Master Agreements would use account code 613001 regardless of dollar amount. DO NOT use 613001 when there is a more specific account code for the service. For example IT Hardware and Software maintenance costs should be coded to 616802, or 616803 respectively regardless of cost. Because equipment repairs is not given a specific account code, these costs can be coded to 613001 if the service is complex in nature or based on a written agreement. Otherwise 660003 Supplies and Service may be used.
613805	Reprographic Expenses	Expenses based on the reprographics contract with the current vendor.
613806	Reprographic Recharges	Recharges from users of the reprographics program.
616001	IT Communications (REVISED)	For the total costs for <u>communications equipment</u> , such as routing equipment, PBX switches, etc. <u>\$5K and above</u> . Do not include annual fees or maintenance costs.
616002	IT Hardware	Total costs for <u>non-communications IT equipment</u> , including, printers, monitors, servers, etc. <u>\$5K and above</u> . <u>Do not include annual fees or maintenance costs</u> .
616003	IT-Software Expenses (REVISED)	To record one time expenditures for <u>IT software</u> with an amount \$5K and above. Do not include maintenance costs.
616005	Misc Info Tech Costs	Total cost for IT-related transactions when more detailed object codes (see 616001 to 616003) are not appropriate; <u>\$5K and above</u> .
616802	IT Hardware Non-Capital (REVISED)	This code us used for IT hardware purchases with a total acquisition cost less than \$5000. This code will also be used to record IT hardware <u>maintenance costs regardless of dollar amount</u> .
616803	Software Non-Capital (REVISED)	This code us used for IT software purchases with a total acquisition cost less than \$5000. This code will also be used to record IT software <u>maintenance costs regardless of dollar amount</u> . THIS CODE IS ALSO USED TO RECORD SOFTWARE LICENSE FEES PAID ON A RECURRING BASIS. SUCH SOFTWARE MAY BE LOCALLY HOSTED OR CLOUD BASED (Software as a Service)
619001	Deprec Equipment-Non Instr	For <u>non-IT and non-instructional equipment</u> . Includes all costs associated with the acquisition, including taxes, shipping and handling, and installation charges that is <u>\$5K and above</u> .
619800	Non-Deprec Equipment-Non Instr	For <u>non-IT and non-instructional equipment</u> . Includes all costs associated with the acquisition, including taxes, shipping and handling, and installation charges that is <u>less than \$5K</u> .
619002	Instr Replace Equip-Deprec	Equipment which is instruction related, meaning an integral part of providing classroom instruction to students with a total cost of <u>\$5K and above</u> . Does not include general use equipment (i.e. not dedicated to instructional purposes), nor does it include computer equipment used in libraries and computer labs. The cost of equipment includes item purchase price, plus all costs associated with the acquisition, including taxes, shipping and handling, and installation charges.
619801	Instr Replace Equip-Non-Deprec	Equipment which is insturction related, meaning an integral part of providing classroom instruction to students but with a total cost of <u>less than \$5K</u> . Does not include general use equipment (i.e. not dedicated to instructional purposes), nor does it include computer equipment used in libraries and computer labs. The cost of equipment includes item purchase price, plus all costs associated with the acquisition, including taxes, shipping and handling, and installation charges.
619905	Leased Equipment	Used to record capital leases.
660003	Supplies and other services (REVISED)	Used to record consumable items employed in the normal course of business (such as office supplies) and services which are simple in nature and short in duration (e.g., repairs to a vehicle or piece of laboratory equipment). Blanket Purchase Orders for as needed repairs to non-facilities related equipment should be coded to 660003 regardless of the dollar total of the blanket PO.
660009	Professional Development	Used to record fees paid for staff training, workshops, conferences and seminars. This account is used <u>only</u> for registration fees associated with these events and NOT for related travel expenses incurred by <u>employees</u> . The account numbers 606001/606002 should be used for employee travel costs (air fare, lodging, etc.) if such costs are identifiable and quantifiable.
660017	Advertise and Promotional Publication	For any kind of advertisements, including routine personnel vacancy announcements.

660021	Repairs and maintenance (REVISED)	Used to record costs necessary to maintain CSU facilities, including buildings and permanently attached components (such as boilers, emergency generators and air conditioning systems), in operating condition. The account should be used for all maintenance activities related to facilities, including building maintenance, custodial services, and landscape and grounds maintenance. IMPORTANT: 660021 should be used to record the cost of procuring materials and supplies needed to support facilities maintenance activities. (EXCEPTION: Orders for janitorial materials and supplies should be coded to 660003). 660021 should be used regardless of whether the service is one time (e.g. re-painting a building) or ongoing (e.g. pest control services) DO NOT use Contractual Services (account 613001) or Supplies & Services (account 660003) for facilities related repair and maintenance service or supply costs.
660041	Space Rental	To record off-campus space rental costs, for example space rental for classrooms. Object code 621001 should be used if the space rental is related to Sponsored Program. This object code is NOT to be used for equipment repairs and maintenance; instead, use either Contractual Services or Supplies & Services to record these costs.
660042	Staff/Faculty Relocation Exp.	To record costs associated with employee recruitment, such as fees charged by recruiting firms, travel costs of candidates and costs to relocate successful candidates, including new executives or faculty members. Vacancy advertising should be recorded in account 660017, Advertising and Promotional Publications.
660800	Space Rental	NOT TO BE USED; see account 660041.
660843	IT equipment less than \$1000, including tax	Use to record cost of IT equipment items with a total cost, including tax and shipping under \$1000
660813	Reprographics	NOT TO BE USED; see account 613805.
660890	Membership Dues	Membership fees/subscriptions other than library subscriptions.

ACCOUNT CODE EXAMPLES

Purchase Description	Account Code
Blanket Purchase Order for as needed roofing repairs - \$50,000	660021
Blanket Purchase Order for miscellaneous irrigation parts - \$50,000	660021
Blanket PO for Uniform Rental – one department only - \$2500	660003
Blanket PO for Uniform rental based on a campus wide Master Agreement issued by Procurement - \$2500	613001
Service call to repair freestanding laboratory sub-zero freezer –\$900	660003
Service call to repair built-in laboratory sub-zero freezer - \$900	660021
Renewal of an equipment support/maintenance agreement, year 2 of 5 year agreement - \$5000;	613001
Service order to repair CCTV system in Student Health Services	660021
Annual maintenance of IBM server equipment per agreement P123456	616802
Annual renewal fee for cloud based software license.	616803
PO for moving services based on an awarded campus Master Agreement	613001
PO to encumber funds for an Independent Contractor agreement	613001
Blanket Purchase Order for shuttle bus repairs - \$50,000	660003
Blanket Purchase Order for shuttle bus repairs based on a competitively bid and awarded contract - \$50,000	613001
Blanket Purchase for pharmaceuticals based on a CSU Master Agreement.	660003
PO for radio/web/print advertising based on a signed agreement with an ad agency	660017
PO for radio/web/print advertising - one time only, no agreement	660017
Tablet computer - \$670	660843
Dell computer \$995 plus tax	616802
BPO for Translation Services on an as needed basis, \$6000	660003

ACCOUNT CODE EXAMPLES

Purchase for Athletic Uniforms based on a sponsorship agreement with Nike - \$15,000	660003
Blanket PO for janitorial supplies	660003
PO for moving services from a vendor we have an agreement with, one time or blanket.	613001
Architectural or Engineering Services for Office Renovations	660021
Environmental Consulting for Abatement or Remediation Work	660021
Fire extinguisher inspections and maintenance based on an annual written agreement.	613001