



## SUB-ACCOUNTING POLICY

*May 2021*

The primary purpose for sub-accounting is to obtain granularity of expenditures by fiscal year. If additional measurement is desired, the financial representative in the VP area is able to distribute, monitor and maintain budgets per sub-account.

### **I. Creating New Sub-Accounts**

1. Sub-accounts can be created any time of the year. However, it is strongly encouraged to set them up only as needed. Contact Kathryn Keesler in the Accounting Office if you have questions on whether to set one up or not.
2. To request a sub-account, email Kathryn Keesler stating the desired account and sub-account.
  - a. Copy Vicki Metritikas in Human Resources and the financial representative in your VP area.
3. Include a list of employees that should be charged to the new sub-account.
4. For newly sub-accounted accounts Accounting will need to clear all labor, purchasing requisitions, expenditures, and any remaining cash balance from the account. Upon successful completion, Accounting will move the funds back into the newly created -99 sub account and notify the following departments and requestor when the sub-account is activated:
  - a. Budget
  - b. Purchasing
  - c. Accounts Payable
  - d. Human Resources
    - i. Update student time sheets and commitments to the appropriate sub-account.
5. All sub-accounted accounts will have a -99 sub-account by default. The -99 sub-account may not be used for purchase requisitions, p-cards, or labor assignments. The -99 sub-account may only be used for revenue and allocation transactions.
6. Due to their unique nature, accounts outside of the BU cost center 28-102022-XR-XX (i.e., university-wide program accounts) cannot be sub-accounted.

## **II. Purchasing Implications**

1. When creating the initial sub-account for an account, existing purchase orders and requisitions will be canceled.
2. All new purchase orders will have to be coded to a sub-account. The master account -00 and sub-account -99 may not be used. SUNY FMS will not allow a requisition to be created using the -00 master account. Additionally, if a requisition is created using the -99 sub-account, the purchasing office will contact the department for an alternate sub-account.
3. When creating a requisition using a sub-account that lacks sufficient allocation, the requisition will not be rejected. The user may receive a warning message that there are not enough funds available. This is soft error that may be overridden.

## **III. Budget Implications**

1. The Budget Office loads allocation to the default sub-account (-99) if an account has been sub-accounted.
2. The financial representative for each VP area (or their designee) will be responsible for sending an allocation transfer request to [budget@binghamton.edu](mailto:budget@binghamton.edu) from the default sub-account (-99) to each sub-account (-01 through -98).
3. Additional information can be obtained by reviewing the [State Operating Budget policy #200](#).

## **IV. Revenue Implications**

1. Revenue will be posted to the default sub-account (-99) if an account has been sub-accounted.
2. In very limited cases, when required by state or other mandated reporting, a department may request permission for revenue to post in another sub-account. Approval will be granted on a case-by-case basis.

## **V. Expenditure & Labor Implications**

1. When an account is first sub-accounted, all prior expenditures for the year will automatically be shown only in the 6 digit summary account in BI. These items will not be transferred to the new sub-accounts unless requested.
2. Labor posting as a result of the automated bi-weekly process will go through to a sub-account even if there is not a budget and/or there is negative cash. This is built into the functionality of the SUNY system to avoid clearing large volumes of transactions every pay period.
3. If labor expenditures default to the default sub-account (-99), or are charged incorrectly, transfers to a specific sub-account will not be completed until the employee has been successfully coded and charged directly to the correct sub-account. Once the employee has been updated, send an expenditure transfer request to [business@binghamton.edu](mailto:business@binghamton.edu) including screen shots from BI with the incorrected postings and all pay periods that require correction.