PURPOSE: *To introduce a coding system within Banner, and numbering logic for that coding system, to improve the reporting and tracking of all capital budgets while responsibly conserving the quantity of Fund numbers assigned. This system is meant to be employed for ALL capitalized activity, whether managed by Facilities, OTS, or any other unit.*

BACKGROUND:

Historically, a general list of capital projects (or types of projects) has been proposed to the Board during the annual budget cycle. In FY13, a Project Proposal Form was introduced to formalize the process of allocating funds from those general capital categories into specific projects, including a sign-off. Only in rare cases (e.g. specific very large projects) did these general lines equate to specific projects; most often, there were several specific projects spawned and budgeted from each general line. Further, management preferred to see the proposal report with certain groupings of associated activity which was not reflected in the Banner code hierarchies.

In FY13, a more formal process was introduced to propose and approve the allocation of budget into specific projects in Banner (represented by Funds starting with "9"). Once budget is loaded into a specific 9-Fund, then units (usually Facilities) would be able spend by issuing Purchase Orders and other methods within Purchasing/Accounts Payable. The intent was to create a more deliberate process of translating the general list of proposed capital lines into specific budget projects and improve management's view of how much of the annual capital budget had been allocated or not.

While this form did improve the visibility of specific project approvals, there was still a gap between the general capital budget and the report on specific projects from Banner; confusion still persisted among units as to what had been allocated, approved, and what still remained available for new projects. An intense manual effort was still required to reconcile "offline" Excel schedules from various departments to what was actually budgeted in Banner.

After exploring alternatives, the following system is deemed to be the most efficient solution to the reporting and tracking problem. It is designed to capture within Banner the project categories and groupings from the initial budget and planning documents, which had always been kept in offline reports. By utilizing the power of reporting against independent segments of Banner "Fund" and "Project" in the account string (a/k/a "FOAP"), there are more than sufficient combinations to provide the type of reporting required by management for accurate project budgeting and tracking.

Using special budgetary Fund numbers to track the general proposal lines, from which funds will be reallocated to specific project Funds, coupled with a system of new Program codes that more specifically identify the type of activity underway, the need for intense manual adjustments and reconciliations to data downloads should be eliminated. Instead, a download of Banner data, manipulated by an Excel pivot table or other such analytical software tools should quickly provide the sorting and grouping required to present a clear mapping from the general plan (initial capital budget) to what is actually

underway in a given year. This document, then, outlines this Fund and Project coding system to make that reporting possible.

FUND NUMBERING SCHEME

The scheme for assigning Fund numbers to capital projects presented will introduce a logical sequencing to the number assignments which will help users identify the funding year and nature of funding, however, also will conserve fund numbers for future assignment. This system provides for several years of capital fund number assignments, after which time some convention will need to be made (because of already existing Fund Type assignments), unless the chart of accounts will have been replaced with a new chart of accounts.

In general, less than 100 capital projects (Fund 9 accounts) are issued each year. A few project funds/lines are continuous, meaning they recur each year. There seems to be little reason to close these even though they violate the assignment logic outlined below, however, because this minor issue is outweighed by the multi-year reporting advantages created by preserving those Fund codes.

Historically, the most recent Fund sequences are:

- o   915xxx (FY09, FY10?)
- o   925xxx (FY11?)
- o   936xxx (FY12?)
- o   937xxx   (FY12, FY13?)

The last issued Fund numbers are:

- o   937201 – Capital Budget Trsfr to Operations
- o   937301 – Renovations to Crown Hall Tech North (FY14 project)
- o   937302 – Renovations to Crown Hall mechanical (FY14 project)

The next Fund numbers and Fund Types, according to hierarchy, are:

- o   *Note – The Fund segment of the account string (a/k/a FOAP) consists of "Fund Types" 1 through 5 (five levels, usually 4-character values) plus "Fund" (6th level, lowest level of hierarchy, 6-characters)*
- o   9600 – Investment in Plant (Fund Type 4)
- o   960100 – Investment in Plant (Fund Type 5 – unusual in that it is 6-characters instead of 4 as with other Fund Types)
- o   There are no "Funds" (lowest level in Fund hierarchy) currently existing beyond 937xxx

FUND SEQUENCE – starting FY14

The first character of the Fund code will be a "9" (e.g. "9xxxxx") indicating that the Fund represents a capital project (capitalized expenses). This continues the historical practice.

The second two characters of the fund number (e.g. "x14xxxx") will indicate the fiscal year.

The 3rd character of the fund number will start with a "3" (e.g. "xxx3xx")

Fund numbers will be assigned in numerical order, however, it is **strongly** advised that any fund number **not** end in "0" to avoid the impression of a roll-up or hierarchical relationship within the

Fund codes. For example, the first project in FY14 funded by annual capital budget should be "914301" instead of "914300".

FUND SEQUENCE GUIDE – identifying fiscal year

Fiscal Year	Numbering Sequence
FY13	*937xxx (last values used)*
FY14	9143xx
FY15	9153xx
FY16	9163xx
FY17	9173xx
	…and so on…

Users should be aware for reporting purposes that in certain fiscal years there are Fund codes that pre-date this coding logic. It is expected that most of these Fund codes will be inactivated (a switch within Banner that prevents charges from posting to that Fund code), however report builders will need to be cognizant about these legacy codes/sequences in future reporting, recognizing that they do not follow the logic outlined here.

Specifically these years with legacy Fund codes are:

Fiscal Year	Legacy Codes that are not Fiscal Year indicative (may need to be filtered on reports)	Exceptions: Codes that are "evergreen" (recurring and active)
FY15	915000 – 915078	n/a
FY20	920001 – 920075	n/a
FY25	925000 – 925001 935003 – 925019 925021 – 925084	925002 (Equipment CTO) 925020 (Coll Sciences Start up)
FY30	930001 – 930002	
FY35	935000 – 935031; 935500 – 935513	
FY36	936000 – 936002 936004 – 936059	936003 (Armour Coll start up)
FY37	937001 – 937074 937200 (Unassgnd Cap Bdgt *DORMANT)* 937201 (Cap Budget Txfr to Operations) 937301 (FY14 Crown Hall & Tech North) 937302 (FY14 Crown Hall Mech Room)	

CARRYFORWARD OF FUNDS/ SEQUENCE – starting FY14

Note that carryforward projects (projects whose activity crosses into the next or multiple fiscal years and therefore funding carries forward into those new year(s)) have already been assigned a Fund code and this code will remain active for the life of the project.

When a Fund code/project carries forward into a new fiscal year, the Fund Type associated with that Fund code will be reassigned from current/annual capital to the appropriate Fund Type.

This should separate carryforward projects from current annual projects on reports. *Certain "evergreen" funds have special carryforward funds, which will be addressed elsewhere in this document.*

BUDGETARY FUND NUMBERS

There are certain funds established to hold the budget funds as generally presented during the annual budget cycle and presentation (usually the budget is adopted by the Board of Trustees in February preceding the start of the fiscal year). In order to load these budget values into Banner to allow for tracking at the inception of a fiscal year, but to discourage spending against these funds, the sequence has been drawn from Fund ordinal values that would be considered "historic". This should make it obvious to those monitoring the capital budget if such errant funding occurs; and the ordinal numbering is intended to make the presence of these funds less obvious to the general end-user.

Please note that these fund values identify generally only the primary funding source for projects. It is when these fund numbers are coupled with the appropriate Project Codes, as described later, that the detail as would traditionally appear on the board presentation appear; thus demonstrating the powerful organization and reporting capabilities of properly designed chart hierarchies.

These funds are also considered "evergreen" in that the same fund numbers will be used each year. Theoretically, this should start to build a historical legacy of initial capital budgets that can be reported out of Banner at any time in the future.

Spending (i.e., issuing of Purchase Orders, payment of invoices, etc.) should **_not_** be charged against these Funds. To spend these funds, project proposal forms should be completed and routed through to approval, which would then cause funds to be reallocated from these Budgetary Funds to specific fund projects (which would be created according to the Fund Numbering Scheme addressed above).

Note – not all budgetary funds will contain values each year; it depends on the nature of known projects.

BUDGETARY FUNDS

Fund	Title
905000	Annual Capital Budget funding
906000[1]	Bond-Borrowing funded capital projects
907000[2]	IIT Tower (Tower operating budget)

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[1] It is likely that if a bond is issued to generally fund capital projects (as opposed to funding specific, discrete projects like a new building), such projects might be considered instead "annual capital". It is encouraged that even projects that otherwise be considered "annual capital" but nevertheless funded via borrowing be placed in this line in order to bring attention to the funding source.

[2] This refers to funding exclusively from net operating surpluses of the IIT Tower budget so long as it remains under its "own set of books" and not incorporated into the IIT operating budget. This is likely to be the case as long as the Tower remains as an endowment asset, as opposed to being a regular Property, Plant, Equipment asset, at which time it would most likely revert to being a part of the operating budget.

OTHER EVERGREEN FUND NUMBERS

At the present time, there are only a few recurring or "evergreen" project funds. There may be a few others identified in the course of operations, but these are generally exceptions to the rule and are maintained only for the sake of attempting to build up a history of transactions and detail.

Since these evergreen funds are theoretically loaded with new budget dollars each year, it is possible that a year-end exercise may be to transfer any remaining funds **approved by the CFO as carryforward projects**[3] into some new fund code, however, this could be complicated if any purchase orders or other encumbrances already exist against the fund (would require reissuance of purchase orders and/or reclassification of charges).

Evergreen Fund	Title/Description
925002	Equipment Purchases CTO
925020	College of Sciences Start Up
936003	Armour College Start Up

REFERENCE: OTHER FUND NUMBERS – MOVING FUNDS OUT OF CAPITAL AND INTO OPERATIONS

There is an infrequent occurrence wherein capital budget funds are spent on items that will be fully expensed within the given fiscal year and therefore not capitalized. Since during FY13 and FY14 (and for the next several years it is anticipated to continue) the capital budget was funded by operating budget surpluses (excluding gift and grant funded projects) instead of set-aside unrestricted cash, there is a need to reflect the transfers from the capital allocation to the operating budget.

To keep the operating budget report accurate, _Fund 150329 – "Maintenance Funded by Capital Budget"_ was established in FY13 to represent those funds moved to the university operating budget which had been initially set aside in the annual capital budget. Funds moved into this Fund are generally moved as "Projection" (RCM report parlance) or "Adjusted Budget" (Banner column) and have the effect of reducing the Projected and Actual operating surplus. Spending occurs against this Fund as necessary and project activities are usually not defined with additional Fund codes.

CAPITAL PROJECT FUND TYPES

<PLACEHOLDER – this section is still in development and will be added shortly.>

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[3] This approval is essential in order to ensure that there is cash flow available for any carryforward projects so as to avoid the university having to borrow to fund the projects, which may or may not be feasible.

The 9xxx series of Project Codes, and establishing a three-level hierarchy within that set of Project Codes, is the other principal element of the capital budgeting and reporting scheme addressed here.

Previously all capital activity (in 9-fund) was usually assigned Project 3800 (Operations and Maintenance), however by creating a detail chart of Program Codes for capital projects we are able to represent the different groupings and categories of capital projects that management reviews during the annual budget cycle. This new logic will reserve Project 3800 for those expenses which are truly maintenance and generally NOT capitalized. Coupled with the Budgetary Funds and then specific capital project Funds, it allows the capital budget to be captured within and reported from Banner fairly easily and accurately.

The Full list of Project Codes appears in succeeding pages, and the reader will note certain null/blank lines within the chart. This are intended to represent placeholder Project Codes in anticipation of new types of capital activity into the future.

As new Fund codes are created the Banner Admin (Accounting) associates a default Project Code for that Fund code; this should eliminate any administrative burden on the proposing or managing unit (i.e. Facilities) when requisitioning purchase orders and associated tasks.

The Level 2 Project Codes follow the general capital budget groupings that have appeared for the last four or five fiscal years and therefore are judged to be fairly representative of how university management wishes to organize and present the capital budget. Examples of these high-level groups include "Academic Facilities", "Infrastructure", "Student Support Facilities", etc. Future changes to this presentation would require analysis of how Project Code titles (or codes) might change.

The Level 3 Project Codes represent the various sub-groupings or categories. There has been an attempt to maintain some consistency of Level 3 Project Code assignment to represent a certain type of activity that might occur in different areas of campus. For example, "technology" equipment is usually a Project Code numbered "xx20", whether it is in the Academic group or the Administration group or Student Support. Similarly, all Life Safety activity usually is assigned a Project Code numbered as "xx90". There is some variation as certain Level 2 groups do not have similarly activity, but this logic is meant to mildly assist the end user reading only the Project Codes and the project code titles (as occurs in certain reporting or query operations).

Project Code 9900 family of codes exists to complete the FOAP string for certain budgetary transactions, such as transfers of capital budget to university operating budget (i.e. moving funds to Fund 150329; however funds spent out of 150329 should use either Project Code 3800 or the applicable Project Code).

By way of example, the initial budget load for a given fiscal year is also represented on the following pages. One will note that the Fund indicates the primary budget funding source and the Project Code identifies the activity.

Capital Project Codes

Level 1	Level 2	Level 3	Name
9000			*Capital Investment*
	9100		**Academic Facilities**
		9110	Annual Acad Needs
		9120	Acad Technology
		9130	Acad Renovations
		9140	Acad New Buildings
		9150	Acad Bldng HVAC
		9160	Acad Equipment
		9170	<null> (placeholder)
		9180	<null> (placeholder)
		9190	Acad Life Safety
	9200		**Administrative Facilities**
		9210	<null> (placeholder)
		9220	Admin Technology
		9230	Admin Renovations
		9240	Admin New Buildings
		9250	Admin HVAC
		9260	Admin Equipment
		9270	<null> (placeholder)
		9280	<null> (placeholder)
		9290	Admin Life Safety
	9300		**Student Support Facilities**
		9310	<null> (placeholder)
		9320	Dorm Technology
		9330	Dorm Renovations
		9340	Dorm New Construction
		9350	Dorm HVAC
		9360	Dorm Equipment
		9370	Conference Centers
		9380	Athletics
		9390	Dorm Life Safety
	9400		**Energy and Sustainability**
		9410	Electrical Grid/Supply
		9420	Steam System
		9430	Water System
		9440	Natural Gas System
		9450	Chilled Water System
		9460	<null> (placeholder)

Level 1	Level 2	Level 3	Name
	9500		**Infrastructure**
		9510	Facilities Maintenance-Repair
		9520	Technology-Campus Wide
		9530	Building Envelope
		9540	Landscaping
		9550	HVAC
		9560	Equipment
		9570	Elevators
		9580	Parking
		9990	Life Safety-Campus Wide
	9600		**Rental Property Facilities**
		9610	Tower
		9620	Tech Park
		9630	3420-3440 State Street
		9640	Vandercook
		9650	<null> (placeholder)
		9660	<null> (placeholder)
		9670	
		9680	
		9690	
	9900		Budget Report Codes
		9910	Transfer to Operations
		9920	Transfer to Gifts
		9930	Transfer to Endowment
		9940	Transfer to Grants