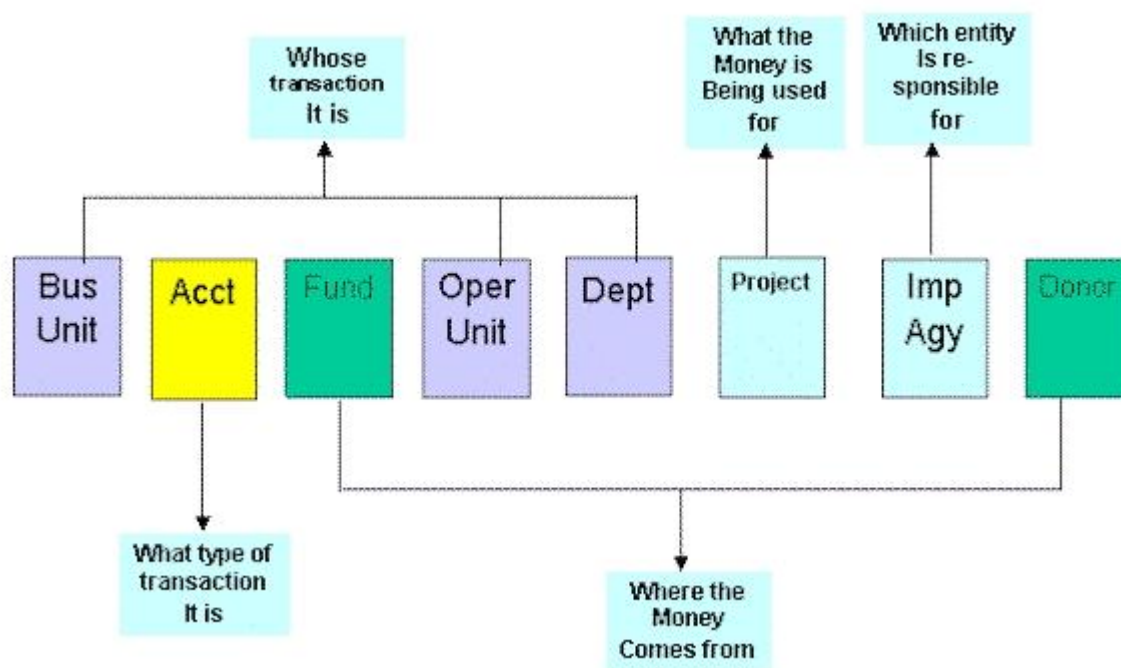


Maintenance and Usage of the Chart of Accounts

1. The Chart of Accounts (COA) plays a role in Atlas financial systems for control, budgeting and reporting. The correct use of the COA is critical for accurate financial, management and donor reporting. The individual values, which in combination, describe a specific financial activity, are referred to as “**chart field**”. All Atlas Financial Users should have a good understanding of chart fields and fully understand the purpose of each chart field.
2. Transaction level data is recorded at a chart field level in all Atlas financial systems, and ultimately as the data pass from one system to another, it is summarized by chart field in the **General Ledger**. The General Ledger is a repository of all monetary transactions processed directly in the General Ledger or in sub-systems such as Accounts Payable (module used primarily for disbursements), Accounts Receivable (module used for recording receipts), Global Payroll, and all other modules in Atlas. The General Ledger is the final record from which financial statements are prepared.
3. With reporting and query tools, chart fields provide access to accounting data needed for budget control, management reporting, and statutory (or formal and final financial) reporting. Reporting tools reference chart fields directly or indirectly through the rollup mechanisms available with trees (see Chart field Tree Structures below). In addition, chart fields are used in the definition of commitment control and journal edit combination rules either directly, by referencing specific values, or indirectly, through trees.
4. **Chart field Tree Structures** are used to establish a hierarchical structure, which visually represent a set of summarization rules for a particular chart field. For instance, a tree for account code 11000 (Cash and Near Cash) would have as components accounts 11005 and 11006 that would roll up to a total for reporting in code 11000.
5. Similarly, user-defined logic on account could summarize details of assets, liabilities, reimbursements and other revenue in ways meaningful for selection of items for various reporting requirements. Trees do not store amount data but provide the summarization hierarchy for reporting, by summarizing amounts from their components.

Chart field Descriptions

6. The chart field structure under Atlas Chart of Accounts consists of the following:



Business Unit

7. The Business Unit chart field represents a “separate set of books” for a legal entity requiring separate accounting and operational information in the General Ledger (GL). Business unit is currently identified for Atlas implementation use as UNDP and UNCDF and includes partner agencies, viz. UNFPA.
8. The implications of the General Ledger business unit concept in Atlas are the following:
- Transactions are entered and stored under business units;
 - Operators for GL-related transactions are granted security access by business unit;
 - Budget checking and spending authority is established by GL business unit;
 - Report generation is keyed off by GL business unit;
 - Batch processing is defined by GL business unit;
 - The handling of journal entries error processing (i.e. whether errors are posted to a suspense account or recycled) is set up at a business unit level;
 - Base currency is also set up at a GL business unit level;
 - Inter-unit accounts are set up to record inter-unit activities.

Account

9. The Account chart field identifies a unique asset, liability, equity, revenue or expense account. It is a required field that is primarily used for financial and management reports.
10. It is used in combination with other chart fields to process transactions. It classifies the nature of operational transactions. In other words, it shows how a transaction would be reported on the balance sheet or income statements. It is also important for the year-end closing process to identify accounts with balances which should be taken forward or those revenue and expense accounts that do not have carried forward balances. There are three types of accounts:

- Balance Sheet accounts include assets, liabilities and fund equity/net assets accounts;
 - Revenue accounts include financing sources. Revenue accounts are usually created for each revenue category;
- Expense/Expenditure accounts include financing uses.

Fund

11. The Fund chart field is used to classify funding resources. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. This chart field is also used to control spending in UNDP.
12. The inclusion of the donor chart field for budgeting cost-sharing funds has been requested to ensure alignment of donor funds for such funds to income and expenditure. This has been implemented in 2006 for all cost-sharing funds, as well as “closed trust funds” that are controlled by cash for commitment control purposes.
13. The Fund chart field in Atlas maintains the fiscal and accounting entities for financial resources. It is a ‘balancing chart field’, meaning balance sheet and income statement can be produced by fund.
14. Under the harmonized approach adopted by UNDP, UNFPA and UNICEF, the main funding categories in UNDP are:
 - Regular Resources;
 - Other Resources that are further categorized into the following:
 - Cost sharing;
 - Trust funds;
 - Others: government cash counterpart, United Nations Volunteers (UNV), Junior Professional Officers (JPO) and Management Service Agreements (MSAs).

Operating Unit

15. The Operating Unit chart field lies between the Business Unit and the Department. It is useful for identifying units responsible and accountable for financial transactions. For UNDP, an operating unit could be a regional bureau, a country office, or a similar functional area. The relationship of the operating units (e.g. regional grouping) is established using the tree structure.

Department

16. The Department chart field is maintained for departmental expenses, budgets and cost groupings and rolled up to country and bureau. It represents the financial management view of the organization. Atlas financial system modules use department as defined in the human resources system and maintained by the Office of Financial Resources and Management (OFRM). PeopleSoft technology is used to ensure that the two databases remain in sync. Typically, an operating unit would be the country office (e.g. ‘AFG’ for UNDP Afghanistan) and departments would be the various units set up in the country office (e.g. Afghanistan Central Department; Democratic Governance Department, Finance Department, Human Resources Department, etc.).
17. There are two types of department chart field values:
 - Budgetary Departments
 - Expenditure Departments

18. The Budgetary Department codes start with a “B”, preceding the department code, while the Expenditure Departments codes are five-digit numeric. The first three numbers of the expenditure department code are the same as the last three numbers of the budgetary department code.
19. Budgetary departments are used for budgeting only. They represent a group of expenditure departments. Funds are allocated at budgetary department level and any department within a group of expenditure departments rolling up to the budgetary department can spend funds assigned to that budgetary department.
20. For example, budgetary department code B0300 has been issued a budget of \$100,000. Expenditure department codes ranging from 30001 to 30099 can spend up to \$100,000 - the funds allocated to budgetary department B0300.

Project

21. The Project chart field is tied to the Atlas Project Module and used for project accounting. The Project chart field identifies objectives for projects to which funding sources are applied. It is essentially used for activities that are temporary in duration and for which revenues and expenditures may be accumulated over more than one fiscal year. Projects start and end dates may not correspond to a fiscal year. Beginning and ending dates are entered for the project values that limit financial activity.
22. The Project chart field is also broken down into specific activities. This feature facilitates the tracking of project financial information without changing the chart of accounts.
23. Project is the top level at which budget and expenditure can be recorded and Activity is the lowest budgeting and reporting level for projects.
24. Detailed project data (including all chart field values) are maintained in the Atlas Project Module and tracked at project summary level in the General Ledger. However, the data maintained in the Project Module, is classified by business unit defined at the sub-module level, providing the flexibility of using different level of project activity based on the requirements of each business unit. For instance, using the project business unit feature, projects are classified by project owners (i.e. country office and Headquarters, UNV, etc.)
25. There are generally three types of projects:
 - Development Projects - funded from core, trust fund or cost sharing resources;
 - Management Projects - mostly funded from biennial support budget or extra-budgetary funds;
 - Cost Recovery Projects -used for transactions processed on behalf of UN agencies.

Implementing Agency

26. The Implementing Agency chart field is used to track advances and payments made by implementing agency. This is a required field for expenses charged to all UNDP projects.

Donor

27. The Donor chart field is used to track donors' revenue as well as expenses apportioned to different donors/funding sources and to facilitate donor reporting. All projects funded on cost-sharing basis (or project level co-financing) should show the correct donor at all times. This is critical for donor reporting.
28. Starting from 2006, the donor code for cost-sharing, as well as certain trust funds (e.g. European Commission) is also part of the chart-fields used for budgetary control. Other funds, viz. regular resources and the other trust funds (or fund level co-financing) are managed through allocation. The donor field for such funds would be 'UNDP' donor, i.e. '00012'.

Other important fields

Budget Period

29. The Budget Period field is required for maintaining budget entries and identifying a period for budgeting purposes. The Budget Period will ensure that those transactions that affect budgets fall within the defined start and end dates.

Affiliate

30. Affiliate is a PeopleSoft-delivered chart field. It is used for inter-unit accounting and is populated during journal processing, when inter-office or inter-fund transactions are being processed. Atlas provides the capability to record all inter-office or inter-fund generated journals in a single intra-fund, intra-operating unit or inter-unit with other GL Business Unit and track the affiliate fund, office or agency using the affiliate field. For instance, if UNDP makes payment out of its bank on behalf of another UN agency, the affiliate chart field in UNDP records would capture the name of another agency.

Currency Code

31. Currency code is a PeopleSoft-delivered field used to facilitate multi-currency processing. Multi-currency will be used in all Atlas financial modules.

Fiscal Year and Accounting Period

32. All transactions within PeopleSoft are posted by fiscal year and accounting period, based on user-defined processing calendars. There is only one calendar identified in Atlas - a fiscal year (January 1 to December 31). Other calendars may be built as needed and will be used for appropriate reporting.

Ledgers

33. Ledgers are associated directly with a business unit and store posted amounts by ledger classification. For UNDP, ledgers have been set up for Actuals and Budgets (Allocations, Pre-encumbrances, Encumbrances, and Revenue or Cash) as well as ledgers for commitment control processing.
34. Pre-encumbrance ledgers are based on requisitions;
35. Encumbrance ledgers are related to purchase orders, revenue or cash.

36. Ledgers are updated when cash receipts are recorded.
37. Ledgers are defined as “balanced”, so the system will enforce edits to ensure that dollar journals are in balance for “Actuals”. The period(s) open for journal processing is (are) also defined at the ledger level by business unit. Journal error handling, combination edit processing options, currency options and approval options are also defined at this level.

Chart fields

38. Any changes to the chart fields must be approved by OFRM.

Account Code

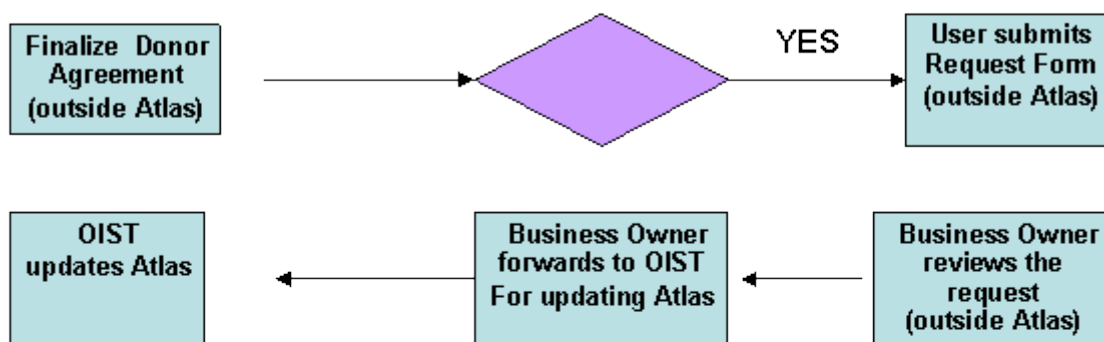
39. Since the chart field table for account codes is common for all Business Units, i.e. UNDP, UNFPA, and UNCDF, it is important that **all organizations agree to any addition, modification or deletion of an account code.**
40. Users are required to do the following:
- **Revenue** - contributions received from donors should always be recorded using account 51005 and entering the relevant operating unit, department ID, fund ID and the donor code. If the fund code is cost-sharing or project level co-financing, the project ID, project business unit and a default activity should also be entered.
 - **Expenses** - are recorded using appropriate expenditure account in the 6xxxx or 7xxxx series. All expenses should include all chart fields without any exception. The department ID entered for expenses should be the detailed department ID (not the budgetary department). Other asset or liability accounts in the **1xxxxx or 2xxxx series** should include, as a minimum, the following chart field values: account, operating unit, fund and department.
 - **Duplicate values for donors or implementing agencies**
Business Owners for the various chart fields need to make sure that no duplicate values exist. A review of the donor and implementing agency chart field values should be regularly undertaken by the business owners to “inactivate” the duplicated values.

Summary Table of Chart fields

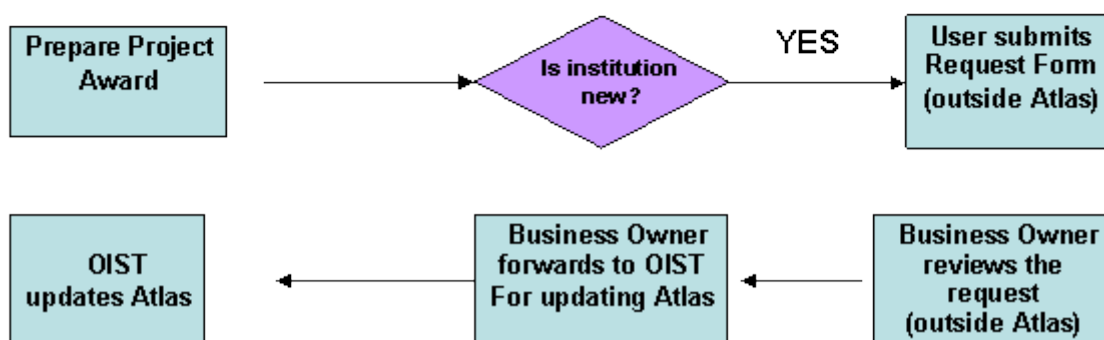
Chartfield	Number of Characters	Description	Business Owner
Not Business Unit	5	UNDP1, UNCDF, UNFPA, UNOPS	
Operating Unit	3	Operating Unit	Office of Financial Resources and Management (OFRM)
Account	6	Accounting element to classify assets, liabilities, equity, revenue/reimbursements, expense and for statistics	OFRM
Fund	5	Fund	OFRM
Department	5	Organizational element	OFRM
Project	15	Project identifier	Projects Module

Implementing Agency	5	Implementing Partner Agency	OFRM
Donor	5	Donor	OFRM
Currency Code	3	Local currency	Treasury
Fiscal Year	4	Fiscal year of ledger balance	OFRM
Accounting Period	3	Accounting period of ledger transaction	OFRM

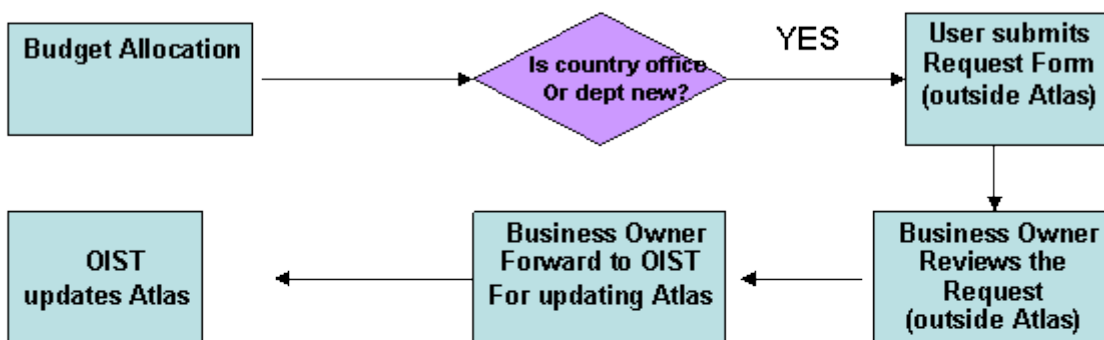
Fund and Donor Chartfield



Implementing Agency Chartfield



Operating Unit & Department Chartfield



Account Chartfield

