Finance Chart of Accounts
Aims of this session

• Understand the PTAE Acronym & its influence on the I&E

• Discuss the different Project, Tasks and Awards available

• Understand the PTAE Request process and the template

• Understand the criteria that the School Finance Team look for when receiving a new PTA requests
PTAE – every transaction has one!

- **Project** – provides separate reporting of income and expenditure (cost centre).

- **Task** – can be used for greater detail.

- **Award** – funding.

- **Expenditure** – classification.
Income and Expenditure Reports (I&E)

Expenditure Type

- HEFCE Grant
- Tuition Fees
- Other Fees
- Research Grants & Contracts
- Other Operating Income
- Internal Income

<table>
<thead>
<tr>
<th></th>
<th>CORE OPERATIONAL</th>
<th>RESEARCH</th>
<th>OTHER ACTIVITY</th>
<th>TOTAL - YEAR TO DATE</th>
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<tbody>
<tr>
<td>HEFCE Grant</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Tuition Fees</td>
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<td>Other Fees</td>
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<td>Research Grants &amp; Contracts</td>
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<td>Other Operating Income</td>
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<tr>
<td>Internal Income</td>
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</tbody>
</table>

| Total Income     |                   |            |                |                      |
| Total Expenditure|                   |            |                |                      |
| Operating Surplus|                   |            |                |                      |

Award

- CORE OPERATIONAL
- RESEARCH
- OTHER ACTIVITY
- TOTAL - YEAR TO DATE

- Staff Costs
- Other Operating Expenses

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Staff Costs</td>
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<td>X</td>
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<tr>
<td>Other Operating Expenses</td>
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<td>X</td>
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<td>X</td>
</tr>
</tbody>
</table>

| Total Expenditure|                   |            |                |                      |
| Operating Surplus|                   |            |                |                      |
Project Types

- **Activity based**
  - Organization Unit
  - Course
  - Service
  - Event

- **Research Activity**
  - Sponsored Research
  - Doctoral Training

- **Individual based**
  - Academic
  - Student

- **Holding Accounts**
  - Holding Account
  - NHS Billing
Project Types - Activity

- **Organisation Unit** – used for general departmental activity

- **Course** – for specific costs incurred on course administration

- **Service** - used for a service provided by UCL

- **Event** – used for an event related activity

- **Naming Convention** – Must include org prefix & a description of the activity
  – E.g. **F96** Confocal Microscope
Project Types - Individuals

• **Academic** – for income and expenditure related to a specific academic

• **Student** – for income and expenditure related to a student where reporting cannot be satisfied by other student systems

• **Naming convention**
  – Org Code (last name, first name up to 14 chars) UPI
  – E.g. **F36 Hill, Jonathan** JMHIL80
Project Types – Research

- **Sponsored Research** – project grants, fellowships, capital awards
- **Doctoral Training** – studentships
- Projects managed by Research Services & set up based on grants awarded
Project Types - Other

• **Holding Account**
  – Each division/institute is responsible for their own
  – for automatic transactions without a valid code
  – Must be cleared to 0

• **NHS Billing** – staff salaries recharged to the NHS
  – For staff salaries recharged to the NHS
  – Managed by central NHS billing team
  – Should net to 0
Tasks

Non-Research activity

- 100 (Usually)
- Some areas use tasks to further separate activity

Sponsored Research - Tasks allocate awarded budget

- **D-tasks** - directly charged non-pay
- **S-tasks** - directly charged salaries
- **X-tasks** - indirectly charged costs
  - Indirect charging requires intervention to charge costs to project
    - E.g. X-HEF charges are based on submitted timesheets.
## Core – Research - Other

<table>
<thead>
<tr>
<th>Income and Expenditure Reports</th>
<th>Core</th>
<th>Research</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>UCL Core</td>
<td>Sponsored Research</td>
<td>Primary Purpose</td>
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<tr>
<td></td>
<td>NHS Billings</td>
<td></td>
<td>Trading (UCLT)</td>
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<tr>
<td></td>
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<td>Endowments</td>
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<td></td>
<td>Discretionary</td>
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<td>Doctoral Training</td>
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<td>Donations (Unrestricted)</td>
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<tr>
<td></td>
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<td>Donation (Restricted)</td>
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</table>
## Award Type - Core

<table>
<thead>
<tr>
<th>Project</th>
<th>Task</th>
<th>Award</th>
<th>Expenditure Type</th>
</tr>
</thead>
</table>

- **Classification** - Non-Research activity delivering UCL's objectives of teaching and knowledge transfer.
  - QR
  - Student Fees
  - Research & Consultancy Overheads

- 156780 – UCL Core

- Other Possible Core Awards – Mostly Internally funded
  - PSDF
  - Impact students
  - Faculty distribution core

*Must code legitimate costs to correct award*
Award Type – Sponsored Research

- **Classification** - must meet a series of criteria, including the Frascati definition;

  “creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications”

- Activity is funded externally via grants.

- Tasks are used as budget lines

- Expenditure is offset by income, does not accept income

Full guidance on Research Classification can be found at: [https://www.ucl.ac.uk/research-services/general-information/sponsored-research-criteria](https://www.ucl.ac.uk/research-services/general-information/sponsored-research-criteria)
Award Type – Primary Purpose

• **Classification** - Trading activities that are classified as related to teaching and knowledge transfer.

• Public benefit test e.g. is it open access?
  – Conferences
  – Summer shows
  – Editorial services
  – Consultancy (UCLC)

• **Never transfer out income** (only surpluses once activity finished via year end balance transfer)

**Match Costs to Income**
Award Type – Trading (UCLT)

• **Classification** - Trading that does not meet the public benefit test and with intention of making profits
  – Closed courses (e.g. only available to employees of a specific company)
  – Rental of research facilities to an external entity that isn’t part of a research collaboration

• Subject to corporation tax

• Only post transactions that relate to the activity

• **Never transfer out income** (only surpluses once activity finished via year end balance transfer)

**Match Costs to Income**
Award Type – Discretionary

- **Classification** - Funds obtained from many sources, both external and internal to UCL.

- Income can only be transferred via Internal codes

- Large spend must be Budgeted

- Trading/Primary Purpose not automatically transferred at year end

- Discretionary funds are viewed by HMRC as belonging to the University

Full guidance can be found at the below site

http://www.ucl.ac.uk/finance/policies-procedures/discretionary-accounts
Award Type – Donations

- **Classification** – Gifts and Donations given to UCL – eligible for gift aid

- **Unrestricted**
  - Given for the general use (i.e. teaching and research objectives)
  - Can’t defer

- **Restricted**
  - The donor specifies a particular purpose
    - Prize
    - Scholarship
    - Chair
    - Area of research
  - Income can be deferred to match spend

Further guidance on Donations can be found at the below location:
https://www.ucl.ac.uk/finance/policies-procedures/accordion-financial-regs/accordion-10-fin-regs/gifts-donations
Award Type – Endowments

- **Classification** — Investment of funds of a high value i.e. Donations. Generates “Interest”

- Donations may be endowed if
  - Greater than £100k
  - Retained for more than 2 years

- Individual awards for each endowment

- All endowment awards are set up and managed by Treasury

- Should be one project to one award
Project – Award relationship

Projects can be Linked to more than one award

- Income
- Expenditure

**Project Type:** Organisation Unit

- CORE
  - Income
  - Expenditure

- Donations (Restricted)
  - Income
  - Expenditure

- Discretionary
  - Income
  - Expenditure
Expenditure Types

- Used to categorise the transaction
  - For catalogue purchases, expenditure type is pre set
  - For non catalogue purchases, it’s essential the correct purchasing category is chosen – this drives expenditure type

- Expenditure type covers both income and expenditure

- Purchasing category helps drive VAT status

Further guidance on expenditure types can be found at the below location
https://www.ucl.ac.uk/finance/myfinance
Project Request template

- **New Projects** – Used to request new projects to be set up.

- **New combinations** – Used to request for an award to be linked to a project. New projects must be combined to an award.

- **Project changes** – This tab is used for various changes to the template.

- **New Awards** – Used to create awards that do not already exist.

- **Delink Combinations** – Used to unlink awards from projects.

- **New UCLC Projects** – These projects are created by UCLC on behalf of the departments and are processed by FAR.
What SFT look for when we get a new PTA request

- Why does it need a separate project?
  - Does a similar project already exists.

- Who are we providing this service to and why?

- Materiality

- Where is the income expected to come from?
Helpful Links

• MyFinance webpage
  https://www.ucl.ac.uk/finance/myfinance
  – Project Code Validator
  – PTA Combinations (excel)
  – Expenditure types full list (excel)

• Financial Regulations
  https://www.ucl.ac.uk/finance/policies-procedures

• Discretionary Guidelines
  http://www.ucl.ac.uk/finance/policies-procedures/discretionary-accounts

• Sponsored Research classification & Frascati Definition –
  https://www.ucl.ac.uk/research-services/general-information/sponsored-research-criteria

• Donations Policy
  https://www.ucl.ac.uk/finance/policies-procedures/accordion-financial-regs/accordion-10-fin-regs/gifts-donations
Questions?