



# New York Medical College Policy and Procedure Manual

<b>Section:</b> GENERAL ACCOUNTING	<b>No.:</b> CO.401
	<b>Date:</b> May 20, 1993
<b>Subject:</b> CHART OF ACCOUNTS	<b>Page</b> 1 <b>of</b> 3
	<b>Supersedes:</b>

## I. Purpose

To establish guidelines for the control and maintenance of a standard chart of accounts architecture while accommodating various internal and external reporting and transaction control requirement.

## II. Scope

This policy applies to all College faculty and staff employees.

## III. Definition

The Chart of Accounts is a listing of all accounts, active and nactive, used in the General Ledger accounting system.

## IV. Policy

It is the policy of New York Medical College that an adequate and effective Chart of Accounts be maintained.

## V. Procedures

A. The following departments are responsible for assigning General Ledger account numbers:

1. Restricted Funds Accounting Department - assigns accounts for:
  - a. Grant Funds
  - b. Designated Purpose Funds
  - c. Faculty Practice Funds
  - d. Loan and Scholarship Operating (revenue/expense Accounts

**Issued By:**

**Approved By:**

2. The General Accounting Department will assign all other account numbers.
- B. Account Initiation (GA-1)** forms are completed by the Restricted Funds Accounting Department or the General Accounting Department based on an approved request for an account to be added. The **Account Initiation (GA-1)** form contains information that may be used by the General Ledger, Payroll and the Restricted Funds sub-ledger systems. Some of the information is used by all systems and other information is used only by one (1) of the systems. **Account Initiation (GA-1)** forms are to be completed as follows:
1. Accounts to be added in the Restricted Funds sub-ledger require the completion of all information on the form. Each sub-account to be used by the account shall be included and each sub-account shall contain a description of both the account and sub-accounts.
  2. Accounts to be added in the General Ledger Accounting System only require completion of the account name, account number, sub-account, description and type.
  3. Any account being added that will have payroll charges processed against it will also be forwarded by the Controller's Office to the Human Resources Department to be included in the Payroll system.
- C.** Accounts to be closed or made inactive require an **Account Initiation (GA-1)** form listing the account number and all sub-accounts opened for that account with the description "CLOSE THIS ACCOUNT".
- D.** All **Account Initiation (GA-1)** forms will be sent to the General Accounting Department for input into the various accounting systems or forwarded to the Human Resources Department. After the **Account Initiation (GA-1)** form data is inputted into each system, the data entry clerk will check the appropriate box in the upper right hand corner of the form indicating that the form had been processed through that system.

- E. Periodically, the General Accounting Department will print a Chart of Accounts listing all accounts in the General Ledger System and their status in that system.
  - 1. The General Accounting Department will maintain a complete listing of the Chart of Accounts.
  - 2. The Affiliation Offices will receive the section of the Chart of Accounts that pertain to them.

## VI. Responsibility

### A. College Departments

- 1. Communicate reporting and control needs by memo to the Controller's Office for unrestricted funds.

### B. Restricted Funds Accounting Department

- 1. Assign account numbers and prepare **Account Initiation (GA-1)** forms for restricted funds and submit to General Accounting.

### C. Human Resources Department

- 1. Update Payroll database for new accounts.

### D. General Accounting Department

- 1. Assign account numbers and prepare **Account Initiation (GA-1)** forms for all but restricted funds.
- 2. Update the General Ledger and the Restricted Funds sub-ledger.
- 3. Print the Chart of Accounts.
- 4. Provide advice and guidance with respect to the interpretation and administration of this policy.