USING THE CHART OF ACCOUNTS WHEN BUDGETING

All seven segments of the Chart of Accounts must be completed in your budget entries, even if the value that you are specifying for a given segment is all zeros. Only numeric values are normally postable, and therefore only numeric values can be budgeted.

**Center Net Asset Class (CNAC) Segment**
All budgeted Revenue and Expenses are recorded in the “Unrestricted” Net Asset Class (with the exception of Capital Gift Funds). Therefore, the Center Net Asset Class Account Code segment will always end in zero for all budget transactions in PILLAR. When entering budget transactions in PILLAR, it is not necessary to fill in the CNAC segment because PILLAR automatically chooses the appropriate value based on your ORG. When entering budget transactions with the Budget Journal Screen, however, you must select the appropriate CNAC for your School/Center.

**Organization (ORG) Segment**
The appropriate organization within the School or Center should be selected here. Each Organization belongs to one and only one School or Center. Only that School or Center may submit the budget for its Organizations. Please note that only Service Center Organizations (category is SERVCENT) may use the Service Center Fund (Fund 000011) and only Agency Organizations (99xx) may use Agency Funds (9xxxxx).

**Budgetary Control (BC) Segment**
The level of Budgetary Control (Funds Checking) has been determined for each Fund as part of the development of the University’s Chart of Accounts. Budgets need to be planned to the appropriate level of detail necessary to support Funds Checking for each account.

**Fund (FUND) Segment**
See [http://www.finance.upenn.edu/comptroller/rcm/fund_usage.pdf](http://www.finance.upenn.edu/comptroller/rcm/fund_usage.pdf) for detailed information on the usage of the University’s various funds.

**Object Code (OBJ) Segment**
Program (PROG) Segment
Please note that Program 0000 (Not Program Related) can only be used for revenues for which no program is applicable. It may not be used for expenses since, at the very least, you should be able to indicate whether expenditures are for an Academic (4000) or Administrative (7000) Program. Program 0001 (Discretionary) may be used to budget expenses for a discretionary fund where the activity has not yet been determined. However, Program 0001 may not be used for actuals; the actuals should be posted to the appropriate program. Guidelines for the use of the Program account include the following:

- Activities associated with Development (i.e., fundraising) must use a Development Program in the range 7300-7319.
- Activities associated with Computing must use a Computing Program in the range 7500-7599.
- Activities associated with Graduate Education should use the Graduate Group as the Program when it is feasible to do so. We recognize that activities associated with Graduate Education are often included in other transactions, and sometimes cannot easily be separated.
- Activities associated with the cost of operating a particular building may use the building as the Program. The range for these Program values is 9500-9998.
- All Revenue and Expenditures should include a non-zero (not 0000) Program.
- Revenue and budgeted Reserves may use the "Discretionary" Program 0001. Actual expenditures should include a real Program. At a minimum, Program 4000 should be specified for academic activities and Program 7000 should be specified for administrative activities.
- Capital Project Program Values (8000-9499) should only be used to show funding outflows to a capital project with Object Code 4821 (Capital Funding Transfer) or 4812 (Capital Gift Reclass); to budget interim construction period interest with Object Code 4780 for interest earned and Object Code 5604 for interest charged; or to budget internal capital project loan amortizations using Object Codes 2783 and 5604 for principal and interest, respectively.

Center Reference (CREF) Segment
The use of this segment is at the discretion of the School/Center. We recommend that Schools establish a unique Center Reference value for each member of the standing faculty, and use that value to identify activities that need to be associated with the support of a particular faculty member. These may include University Research Foundation awards, Grants and Contracts, and travel or equipment allocations. The School/Center assigns CREF numbers and each CREF is specific to each School/Center.

Be sure to select CREF values that are prefixed with your School or Center’s two-digit number when filling in the CREF in PILLAR. If you are not careful, you could inadvertently choose another School or Center’s CREF.