COST CENTER INSTRUCTIONS

Unrestricted expense and income activity is accounted for in IRIS using SAP cost centers. The purpose of cost centers is to capture unique financial activity for accounting, tracking, monitoring and/or reporting purposes. Expense accounts begin with "E", are budgeted and used to process operating expenditures. Income accounts begin with "I", collect deposits/revenue from **external sources** and correspond to and offset expense accounts at yearend. Instructions to request new cost centers and change/close existing cost centers follow.

NEW ACCOUNT INSTRUCTIONS

Request a new cost center when an existing cost center does not meet the need to capture unique financial activity by completing the New Unrestricted (E/I) Cost Center Account Request Form.

TIP: If you are creating a new AUXILIARY cost center (Expense Functional Area = 1090), the Income Functional Area code must fall within the 8111-8119 range, as appropriate. Additionally, Source of Funds must be 711 and Detail Source of Funds must fall within the 71003, 71101-71109 range, as appropriate.

INSTRUCTIONS FOR COMPLETING NEW UNRESTRICTED (E/I) COST CENTER FORM

Person Completing Form	Person that should be contacted if there are any questions.
Phone Number	Phone number of contact person.
Cost Center Type	The assigned cost center number for Expense accounts begin with an "E". The assigned cost center number for Income accounts begin with an "I". Select one or both if requesting a new E and I that will be linked.
Cost Center Number	Unique 10-digit number assigned by the Office of Budget and Finance to record financial activity. As such, leave this field BLANK, unless previously agreed otherwise.
Short Name	Name of cost center to be created (limited to 20 characters). **NO ALL CAPS.**
Long Name	Name of cost center to be created (limited to 40 characters). **NO ALL CAPS.**
Business Area (see below)	The business area is a combination of the fund group and the budget entity.
State Allotment Code	For Knox campus, the code is Knoxville (42). For UTSI, the code is Space Institute (23).
Expense Functional Area	Method of grouping expenses according to the purpose for which the costs are incurred. Select the appropriate functional classification of the expenditure. Complete this field if requesting an Expense account. **DO NOT USE 1120 OTHER EXPENDITURES.**
Income Functional Area (see below)	Method of grouping income according to the purpose for which the revenue was received from **EXTERNAL** sources. Select the appropriate functional classification of the income. Complete this field if requesting an Income account. **NOTE: A completed UNRELATED BUSINESS INCOME QUESTIONNAIRE is required and must be attached when requesting a new Income cost center.**
College & Department	Enter the numerical values if known. To locate the numerical values, use ZFM_ZFMFINCOD and the Funds Center to identify the appropriate College and Department codes. Otherwise, college and department names are sufficient.
Funds Center	Enter the appropriate funds center for the department. Use ZFM_ZFMFINCOD to identify the funds center assigned to the department. If a new fund center needs to be established, select "yes" and complete the New Funds Center Request form. Otherwise, select "no".
MOU Reporting Area (Vice-Chancellor Code):	Enter the appropriate MOU Reporting Area for the department. Enter the numerical values if known. Otherwise, MOU name is sufficient. Use ZFM_ZFMFINCOD to identify the MOU Reporting Area assigned to the department.

Dean/Director Code	Enter the appropriate Dean/Director Code for the department. Enter the numerical values if known. Otherwise, Dn/Dir name is sufficient. Use ZFM_ZFMFINCOD to identify the Dean/Director Code assigned to the department.
Responsible Person Name (RP)	Must be Dean, Department Head or Director unless previously approved otherwise.
RP PERNR	Use PA20 to identify the RP's personnel number (PERNR).
Campus Address	Enter RP's campus address.
Staff Benefits	If Expense account will be Self-Funded, select "1"; if Centrally-Funded, select "2". Most new expense accounts are Self-Funded.
Source of Funds	Select the appropriate source of funds if requesting an Income account. **Codes selected must correlate with Income Functional Area. For example, if Income Functional Area = 8131; Source of Funds = 713; Detail = 71301.**
Explanation	Must include explanation of need and intended use of the Cost Center(s).
Signature	No signature is required at the departmental or college level. However, departments may sign on the last line of the Required Explanation section, if desired.

BUSINESS AREA (use ZFM_Business_Area in IRIS to generate list)

The 4-digit code representing the master data element that identifies the fund group for a campus. The first two digits are the fund group. The last two digits indicate the budget entity or campus/unit identifier. Most commonly used Unrestricted Business Areas:

Knox Campus (*01)

1101   Current Unrestricted Knoxville E&G

1301   Current Unrestricted Knoxville Auxiliary

UTSI (*02)

1102   Current Unrestricted Space Institute E&G

1302   Current Unrestricted Space Institute Auxiliary

INCOME FUNCTIONAL AREA (most frequently used)

The Income Functional Area codes most frequently used by departments are listed below along with their companion Source of Funds and Detail Source of Funds codes. **Deposits made to Income cost centers are received from external sources (non-UT accounts)**.

8014   OTHER STUDENT FEES

701   TUITION & FEES

70104   OTHER STUDENT FEES

Examples: Revenue from registration fees, course fees, lab fees, library fines, etc received from students enrolled at UT.

8101   SALES & SERVICES – DEPARTMENTAL EDUCATIONAL ACTIVITIES

710   SALES & SERVICES – EDUCATIONAL ACTIVITIES

71001   SALES & SERVICES – DEPARTMENTAL

Examples: Revenue from conferences, seminars, symposiums, workshops conducted by academic departments.

8102   SALES & SERVICES – ORGANIZED ACTIVITIES

710   SALES & SERVICES – EDUCATIONAL ACTIVITIES

71002   SALES & SERVICES – ORGANIZED ACTIVITIES

Examples: Revenue from conferences, annual meetings, gift shops organized by non-academic areas.

8131   OTHER SOURCES

713   OTHER SOURCES

71301   OTHER SOURCES OF INCOME

Examples: Revenue from licensing, rents, royalties

Current General Funds Cost Center Request Form

Person Completing Form: _____ **Phone No:**_____

Cost Center Type: **Expense**   **Income**

Suggested Cost Center Number (7 or 10 Characters): _____

Short Name (20 Characters): _____

Long Name (40 Characters): _____

Business Area: _____ **State Allotment Code:** _____

Expense Functional Area: _____

Income Functional Area: _____

College & Department:_____

Funds Center: _____

Does this funds center need to be established?   **YES**   **NO**
(If so, please complete and attach the New Funds Center Request form.)

MOU Reporting Area (Vice-Chancellor Code): _____

Ag Funding Source:_____ **Dean/Director Code:** _____

Responsible Person Name: _____
Responsible Person Personnel Number: _____
Campus Address:_____

If Expense: Will this cost center be funded for Staff Benefits?

If Income: **Source of Funds:** _____
                Source of Funds Detail: _____

REQUIRED EXPLANATION

Please briefly explain the need and intended use for the Cost Center. Note any additional information that
you feel would be relevant and attach any supporting documentation.

_____

_____

_____

_____   _____
Chief Business Officer   **University Wide Administration Use Only**
                                        Office of Vice Pres. For Budget & Finance

CHANGE ACCOUNT INSTRUCTIONS (use to change or close an active cost center)

Certain attributes of an existing cost center can be changed by completing the Change Unrestricted E/I Cost Center Form.

TIP: An excel spreadsheet can be used for mass attribute changes (e.g., to change Responsible Person on multiple accounts). In the Cost Center Number field, type "See Attached".

CLOSE ACCOUNT INSTRUCTIONS

When an existing cost center is no longer needed, process the Change Unrestricted E/I Cost Center Form to close the account.

THE FOLLOWING ADDITIONAL PROCEDURES ARE REQUIRED PRIOR TO SUBMITTING THE CLOSE FORM FOR PROCESSING:

1. Verify that the account is active by running KS03. If none of the boxes on the Control tab are checked, the account is active.
2. Verify that the account balance is zero by running the university ledger. If the budget is overspent, fund any deficit by transferring it to another cost center and/or increasing the budget. If the account has no approved budget, expenses must be moved to another account as if there had been no activity (i.e. cannot just move the deficit).
3. Verify there are no outstanding encumbrances and/or commitment items on the university ledger. Any outstanding encumbrances or commitment items must be cleared before submitting the change form to close the cost center.

INSTRUCTIONS FOR COMPLETING CHANGE UNRESTRICTED E/I COST CENTER FORM

Person Completing Form	Person that should be contacted if there are any questions.
Phone Number	Phone number of contact person.
Cost Center Number	Unique 10-digit number assigned to the cost center. The number begins with an E if expense cost center or an I if an income cost center.
Close cost center?	If 'yes' is selected, complete Short Name and Required Explanation ONLY. See additional procedures below. If 'no' is selected, complete only the Current Attribute Data **and** Requested Change fields of the particular attribute(s) you want to change.
Short Name	Name of cost center (limited to 20 characters). **NO ALL CAPS. If closing an account, skip to the Explanation Section.**
Long Name	Name of cost center (limited to 40 characters). **NO ALL CAPS.**
Expense Functional Area	Method of grouping expenses according to the purpose for which the costs are incurred. Select the appropriate functional classification of the expenditure. Complete this field if changing an Expense account. **NOTE: Functional Area cannot be changed if activity has posted to the account.**
Income Functional Area	Method of grouping income according to the purpose for which the revenue was received. Select the appropriate functional classification of the income. Complete this field if changing an Income account. **NOTE: Functional Area cannot be changed if activity has posted to the account.**
Source of Funds	Select the appropriate source of funds if changing an Income account. **Codes selected must correlate with Income Functional Area. For example, if Income Functional Area = 8131; Source of Funds = 713; Detail = 71301.**
Funds Center	Enter the appropriate funds center.
College	Enter the numerical values if known. Otherwise, college name is sufficient.
Department	Enter the numerical value if known. Otherwise department name is sufficient.
State Allotment Code	For Knox campus, the code is Knoxville (42). For UTSI, the code is Space Institute (23).

MOU Reporting Area (Vice-Chancellor Code):	Enter the appropriate MOU Reporting Area for the department. Otherwise, MOU name is sufficient.
Dean/Director Code	Enter the appropriate Dean/Director Code for the department. Enter the numerical values if known. Otherwise, Dn/Dir name is sufficient.
Responsible Person Name (RP)	Must be Dean, Department Head or Director unless previously approved otherwise.
RP PERNR	Use PA20 to identify the RP's personnel number (PERNR).
Explanation	Must include explanation when closing a cost center or changing an attribute that is marked with an asterisk (*).
Signature	No signature is required at the departmental or college level. However, departments may sign on the last line of the Required Explanation section, if desired.

Send completed cost center forms to:

Via email:
Suzan Thompson – thompson@utk.edu
Melissa Johnson – johnsonm@utk.edu

Questions? Call Suzan Thompson at 4-4199 or Melissa Johnson at 4-2186

Current General Funds Expense and Income Cost Center Change Form

This form must be completed to request changes to current general fund income and expense cost centers. You only need to enter information for attributes you want to change. Once completed, forward to your campus business officer. For questions, contact the Financial Information Section of the Controller's Office at (865) 974-2493.

Person Completing Form: John Doe

Phone No: 974-1234

Cost Center Number E01xxxxxxx

Do you want to close the cost center? ☐ Yes ☑ No

Attribute	Current Attribute Data	Requested Change
*Short Name (20 Characters)	Sample Form Fund	
*Long Name (40 Characters)		
*Expense Functional Area		
*Income Functional Area		
*Source of Funds		
*Source of Funds Detail		
*Funds Center		
*College		
*Department		
*State Allotment Code		
MOU Reporting Area		
Dean/Director Code		
Ag Funding Source		
Resp. Person Name	Jane Doe	Mary Johns
Resp. Person PRNR	xxxxxx	xxxxxx

REQUIRED EXPLANATION: For the items marked with an asterisk, please provide a brief explanation addressing the reason for the requested change and attach any supporting documentation.

_____
Chief Business Officer
[Revised 12/2004]

_____
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SAMPLE CHANGE FORM - CLOSE COST CENTER

Current General Funds Expense and Income Cost Center Change Form

This form must be completed to request changes to current general fund income and expense cost centers. You only need to enter information for attributes you want to change. Once completed, forward to your campus business officer. For questions, contact the Financial Information Section of the Controller's Office at (865) 974-2493.

Person Completing Form: John Doe   **Phone No:** 974-1234

Cost Center Number E01xxxxxxx

Do you want to close the cost center?   [ ] Yes   [✔] No

Attribute	Current Attribute Data	Requested Change
*Short Name (20 Characters)	Sample Form Fund	
*Long Name (40 Characters)		
*Expense Functional Area		
*Income Functional Area		
*Source of Funds		
*Source of Funds Detail		
*Funds Center		
*College		
*Department		
*State Allotment Code		
MOU Reporting Area		
Dean/Director Code		
Ag Funding Source		
Resp. Person Name	Jane Doe	Mary Johns
Resp. Person PRNR	xxxxxx	xxxxxx

REQUIRED EXPLANATION: For the items marked with an asterisk, please provide a brief explanation addressing the reason for the requested change and attach any supporting documentation.

_____

Chief Business Officer
[Revised 12/2004]

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