

Anderson University Business Office

Common Terms Glossary

Account Number

The account number (also called a line item) is a four-digit number that refers to a specific account. In 19300-7209, the first five digits (19300) refer to the department, in this case, the Business Office. The following four digits (7209) refer to the account, in this case, Office Supplies. Items should be charged to the appropriate account number according to the purchase, regardless of where the most money is available. We use these numbers to report University spending to the IRS and to track spending.

Accounts Payable

Accounts Payable (AP) is the process of issuing University money owed to suppliers from purchases or services rendered. In order to have a check issued to a vendor, one must submit an invoice or [requisition](#) that has been assigned a budget number and authorized signature to the Business Office. We'll take care of the rest!

Accounts Receivable

Accounts Receivable (AR) is the process of collecting money that is owed to the university. In order to receive funds that are owed, one must submit an [Invoice Request Form](#) to the Business Office. We'll create and send the invoice and take the responsibility of collecting the money owed.

Agency Account

An agency account is a special department created for social clubs and other organizations on campus. Most agency accounts are primarily student operated with a faculty/staff advisor. Groups are able to deposit their dues and earnings into the account and then have goods or services paid with those funds. These accounts come with the benefit of the university's tax exempt status, in addition to payables and financial recording being taken care of by the Business Office.

Audit

The audit is the formal and methodical examination and review of the university's financial records. This process is conducted by a third party company and happens once annually at the close of our fiscal year. This helps ensure that we are correctly employing fair business processes, accurate financial recording, and that appropriate internal controls are in place to prevent fraud.

Balance

The balance is the equality between the totals of two sides of an account or the amount of excess (or deficit) of an account.

Bottom Line

Bottom line is the informal term for net income. That's the total amount you have left to work with; the balance; in this case, in your variables budget.

Budget

A budget is a written record of income and expenses during a specific time frame (usually one year). It is a spending plan to allocate funds to cover your expenses and track your actual expenditures with what you had planned to spend.

Budget Lookup

Simply put, Budget Lookup is what we call the process of looking up your budget. Upon receiving access to PeopleSoft Finance *and* Budget Lookup access, you will receive daily reports for the specific departments for which you have access. Go to [Business Office Website](#) for detailed instructions.

Department Number

See Account Number.

Fiscal Year

The fiscal year is a 12-month period over which we determine revenue and expenses. This is the period in which our annual budget operates and does not correspond to the calendar year. AU's fiscal year is June 1 to May 31.

Invoice

An invoice (or bill) is a statement demanding payment given by a seller to a buyer for the sale of goods or services rendered.

Line Item

See Account Number.

Operating Budget

An operating budget refers to the funds provided by the university at the beginning of each fiscal year. They usually begin with a 0, 1, or 2. If the entire budget is not used by the end of the fiscal year, the funds are not "lost" as your budget will not be automatically decreased by the surplus the following year. However, the funds do not roll over to the new budget year and is a savings to the university.

Purchase Order

A purchase order (PO) is a written order to purchase specific goods or services at a specific or quoted price with payment to be made at a later date. The funds are encumbered from your budget before the invoice is actually paid (so you don't forget about it and potentially overspend). To request a PO, simply complete a [requisition](#) and check the "Purchase Order" box at the top. You will receive the yellow copy of the PO once it is created and has been sent to the vendor. Once the product is received or work completed, submit the invoice with the yellow copy to the Business Office for payment.

Reimbursement

A reimbursement is payment made for out-of-pocket business expenses. To obtain a reimbursement, complete and submit a [requisition](#) with original receipts. Go to [Business Office Website](#) for the Business Expense Reimbursement Policy.

Requisition

A [requisition](#) (or req) is the form used to request University funds for business expenses.

Restricted Budget

A restricted budget (or gift account) is the department that gifts are deposited into and must be used for the designated purpose. Typically, designations are minimal and there is generally more flexibility in allowable expenses than that of an operating budget, though they generally still fall under the AU Business Expense Reimbursement Policy.

Variables

Variables are the line items (or account numbers) that you are able to manipulate. Meaning, you're not able to adjust the budgeted amount for insurance and social security (etc.). However, you're free to "play with" the variables like office supplies (7209) and travel (7400). These accounts (or line items) are listed at the bottom of your budget lookup report. Long story short, we don't care if your variables are all over the place as long as your bottom line is good. 😊

Vendor

Vendor refers to a business or company that sells goods or services.

Questions?

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