

MICHIGAN STATE UNIVERSITY

May 20, 2011

TO: MSU Financial System Users

FROM: Dave Brower, Assistant Vice President, Chief Financial Officer and Controller

RE: Information Regarding Collapsing General Fund Account Series

This memorandum covers an important change to the general fund account series. For many years, the general fund accounts were created in a series that covered salaries, labor, supplies and services, operating individually. Effective July 1, 2011, the university will collapse the general fund (GF) series into a single account.

The GF account series (MSGA01XXX1, MSGA01XXX2, and MSGA01XXX3) will be collapsed into a single account, and in most instances, the account ending in "1" will be the ongoing account. For general university accounts (MSGU01XXX1, -2, -3), similar logic will apply. If the series only had accounts ending in "2" and/or "3," the account ending in "3" will be the ongoing account. The contingency accounts, generally identified as MSGD01XXX5, will continue, as in most instances these accounts also are associated with a different organizational code. ([Continuing Account Crosswalk](#)).



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All transactions, including salary, labor, and operations, will be carried in the ongoing account, which again in most instances will be a "1." That ongoing account should no longer be referred to as the "salary" account. The process and timing for renaming the ongoing accounts will be communicated in early June 2011. Budgeting for the general fund for FY 2012 will be accomplished using the single general fund account and object codes.

All current general fund employee funding commitments on the GF accounts ending in "2" will be changed to the ongoing account. Beginning June 19, 2011, for hourly employees (payroll date July 15, 2011) and July 1, 2011, for salaried employees (payroll date July 29, 2011), all appointments, including student or other labor, will be charged to the ongoing account.

Collapsed accounts will be expired in the finance system during the first week of July 2011, using an expiration date of July 11, 2011 (end of period 12 for FY 2011), and will be closed effective December 31, 2011. The ongoing account from the series will serve as the continuation account. In order to expedite this process, EBS project staff will process the changes and will not route to units for approval. An email notification will be sent out during this time as a reminder.

Existing sub accounts and sub object codes from the collapsed accounts will be carried over to the ongoing general fund account. Units will not be required to re-enter these general ledger string elements. EBS project staff will be entering this data on behalf of the units

during the first week in July. Please note: if any NEW value is necessary or a change is needed, units will be expected to create this data on their own.

Similarly, all future requisitions and purchase orders effective July 1, 2011, should be charged to the ongoing account. Purchasing will change the accounts on current open purchase orders to the ongoing account; however, units will need to change the accounts on requisitions that have not yet become purchase orders.

Before the end of May, the HR/Payroll system will have new validation rules preventing users from using "2" accounts beyond June 18 for hourly employees and June 30 for salaried employees. As of July 1, 2011, business rules on the general fund accounts will be updated to allow all transactions to be charged to the ongoing account. Any forms or transactions using a "2" account and in transit awaiting workflow approval during this transition will need to be addressed individually.

Questions related to this memorandum should be directed to AIS Service Desk at 884-3000 or ais311@msu.edu.