



# Key Accounting Concepts



*The Key Accounting Concepts tip sheet is for the Accounting Team.*

## Overview of Accounting Role

The topics covered in this document consist of new terminology, critical tasks, and reports that will be important for you to familiarize yourself with.

## General Terms

Legacy Term	Workday Term	Definition
Chart of Accounts	Foundation Data Model (FDM)	A multi-dimensional data structure used for accounting and financial reporting, containing elements known as worktags.
	Company	The primary organization type used by Workday Finance. Represents legal entities that standalone for external financial and tax reporting.
Organization	Cost Center (Driver Worktag)	An identifier for financial responsibility and oversight for a managed budgeted entity at the most granular level (e.g. CC101009 Risk Management). It identifies a department or unit to which costs are charged and is typically used to house people and their associated payroll cost and operating expenses. Every Cost Center is part of a Cost Center hierarchy that rolls up to higher levels of oversight. Budgets are often created and managed at Cost Center level.
	Business Process	An identifier used to denote the type of financial transaction performed within the Workday system.
	Driver Worktag	FDM worktags that drive certain defaulted worktag values, such as Fund and State Exhibit, within Workday. Examples of driver worktags are Cost Center, Grant, Gift, Program, Project, Course, Fiduciary & SSO, Program of Study, and Bond.
Account	Ledger Account	Natural accounts where debits and credits are recorded in the general ledger. Ledger accounts will be summarized into hierarchies for financial reporting and are managed by central finance for financial reporting.

Legacy Term	Workday Term	Definition
Fund	Project	A worktag used to designate and track transactions for an activity with a scope of work and a defined start and end date. Projects may be capital in nature and are typically used by Facility or Information Technology Departments.
	Related Worktag	A worktag that will not be entered directly by the user. Related worktags will default on a transaction based upon the selected driver worktag.
Account	Revenue / Spend Category	A more granular view of revenue or expenses in Workday.
FOAPAL	Worktags	Worktags allow for flexible reporting and inquiry, will identify the various dimensions of the business, and form the building blocks of the Foundation Data Model (FDM). Worktags are combined to accurately categorize transactions. Worktags replace the Banner FOAPAL (Fund – Organization – Account – Program – Activity – Location) coding system and may correspond to one or more Banner attributes.

## Worktags

Legacy Term	Workday Term	Definition
Fund	Bond	A driver worktag used to identify sources of revenue and expenditures from state appropriations and local bond proceeds.
Activity	Course	A driver worktag used to track revenue and expense by specific course, currently only used by CNM Ingenuity.
Fund	Fiduciary & SSO	A driver worktag that is used for fiduciary (i.e., funds held for other), such as student clubs or other agency funding.
Fund	Fund	A related worktag to identify a pool of money designated for specific purposes or from specific sources. A fund is required on all financial transactions.
Fund	Gift	A driver worktag External source of funds typically with usage restrictions. A gift may be designated as temporary or permanently restricted.

Legacy Term	Workday Term	Definition
Fund	Grant	A driver worktag that tracks specific funding source provided by an outside sponsor (e.g., federal, state, local or private) with detailed spending and reporting requirements.
Organization	Program	A driver worktag that classifies ongoing, non-sponsored and primarily unrestricted activity within a single Cost Center. This worktags captures non-grant, non-gift, and non-project related activity.
Organization	Program of Study	A driver worktag used to track expenses for academic program, currently only used by Central New Mexico College.
Program	State Exhibit	A related worktag that tracks the National Association of College and University Business Officers (NACUBO) functions and New Mexico Higher Education Department (NMHED) state exhibit requirement classification for financial activity.

## Financial Accounting Terms

Workday Term	Definition
Accounting Date	The date field is used to record the Accounting Date. This is the desired date for the transaction to post. The Ad Hoc Bank Transaction date field should correspond to the "as of" bank date listed on the Daily Bank Report.
Accounting Journals	Accounting journals are manual journals that may be used to record a transaction, move funds from one account to another in order to correct transactions posted to the wrong account, or for other reasons to include correcting a spend category or revenue category transaction. Accounting journals should not be confused with Manual Cash Journals which are covered under a separate business process known as Ad Hoc Bank Transactions.
Accounting Journal Statuses	<p><b>Create:</b> An initiated but unsubmitted journal that may be saved for later.</p> <p><b>In Progress:</b> Journal that has been created and submitted but has yet to receive approval.</p> <p><b>Posted:</b> A journal that has been completed, approved, and posted to a ledger.</p> <p><b>Canceled:</b> A terminated journal that will not be reflected on the financial statements.</p>

Workday Term	Definition
Ad Hoc Bank Transactions Statuses	<p><b>Draft:</b> An initiated but unsubmitted transaction.</p> <p><b>In Progress:</b> A submitted transaction that has not yet been approved.</p> <p><b>Approved:</b> An approved transaction.</p> <p><b>Canceled:</b> A canceled transaction.</p>
Create Journal	A Workday business process used to perform accounting journals.
Memo	A description field available at the overall journal summary and journal line level used to describe the primary purpose of the journal. Memo fields can also be found on each individual transaction line. Memos are required on both the header and the line levels for journals.
Worktag Balancing	The use of a balancing fund to equate debits with credits for financial account transfer transactions such as accounting journals. To facilitate this process, the Balancing Fund FD0001 must be entered on the journal header.

## Assigned Institutional IDs for Worktags

Institutional ID	Institution	Cost Center	Department
1	NNMC	CC101017	Business Office
2	SFCC	CC200177	Office of Financial Services
3	CNM	CC300051	Business Office
4	CCC	CC400135	Business Office

## Key Reports

Below are key reports related to accounting. For a full list, please refer to the **Workday Standard Report**.

- **Balance Sheet-CR0008-CHESS**
- **Budget vs Actual by Ledger Account for Organization CR0026**  
Budget Dashboard is focused on Company reporting vs Org reporting.
- **Employee Position and Labor Distribution**  
This report shows all the positions at the college. It includes the incumbent name, position number, cost account, salary amount, etc.
- **Find Journal Lines-Detail CR1163-CHESS**  
This report shows all the journal lines that were posted within a specific period.
- **Ledger Account Activity Summary**  
Use when reconciling ledger accounts.

- **Income Statement-CR0006-CHESS**
- **Statement of Net Position-CR1119-CHESS**
- **Statement of Net Position-Non-Profit-CR1124-CHESS**
- **Statement of Revenue, Expenses and Change in Net Position-CR1120-CHESS**
- **Statement of Revenue, Expenses and Changes in Net Position-Non-Profit-CR1134-CHESS**

### **Additional Tip Sheets**

Please see the following tip sheets for instructions on completing these transactions.

- **Create and View Journals**
- **Creating or Editing Cost Allocations**
- **Accounting Adjustments**
- **Review Trial Balance**