

Document Information

1. Document Details

Title:	Cost Centre Setup & Management Process
Author(s):	Finance Manager
Version No:	2.1
Status:	Final

Important Note: If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

2. Revision History

Version	Revision Date	Summary of Changes	Changes tracked?
1		Cost Centre Setup Process Document	-
2	May 2025	Update Relations, Inclusion of Economic Activities & incorporation of coding structure	-

3. Relevant Existing/Related Documents

Two appendices are attached to this process (a) Relation from our FMS and (b) coding structure
University Coding Structure Document, State Aid Policy,

4. Consultation History

This document has been prepared in consultation with the following bodies:

VP Finance & Operations, Self Financing & Management Accounting Teams

5. Approvals

This document requires following approvals (in order where applicable):

Name	Date	Details of Approval Required
Finance Manager	27/05/2025	Review of Process
VP Finance & Operations	25/06/2025	Approval of Process
Executive	10/07/2025	Notification of Process

Cost Centre Setup Process

1. Cost Centre Purpose

The purpose of cost centres is to provide detailed reporting on income and/or expenditure at the appropriate level, with supporting project information where applicable, to support the university's business.

2. Cost Centre Coding

Cost Centres are setup in ranges, defined by activity and included in the university's coding structure document. An extract is included in Appendix B.

3. General Principles

Cost Centres should meet the reporting needs of the university, however there is a trade-off between very granular reporting and the resources required to maintain cost centres. In general cost centre can be setup for:

- (a) External Sources of Funding – generally one cost centre per grant, contract, however for very small projects these may get combined and for very large projects with specific reporting requirements, there can be more than one cost centre.
- (b) Capital Projects funded by a capital grant, or capital projects with a value in excess of €1m
- (c) Research Grant that require separation of income and expenditure and have specific reporting requirements and timelines
- (d) Other Self-Financing projects, including but not limited to donations, other state funding, non-state funding that requires reporting.
- (e) Core academic and PMS activities

4. Cost Centre Control

Cost Centres are controlled from the Finance Office and setup on the Financial Management System and should, where possible be used in other university IT systems requiring reporting by project, unit, office, department or faculty. As a minimum standard a one to one data mapping must be maintained.

5. Authorisation

Cost Centres are setup by the Finance Office and are reviewed at different levels. All core (A series, B Series) capital (C Series) and student services (S Series) cost centres are reviewed by the Finance Manager. All research and self-financing (P series and SF series) are reviewed by the Self-Financing Team Lead.

6. Queries & Escalation

Where the finance staff have a query in relation to:

- (a) Whether a cost centre is required
- (b) There is a request for more than one cost centre on a single grant or contract
- (c) There is a query regarding the appropriate relations to be assigned to the cost centre
- (d) There is a request to change the cost centre manager (RESNO) or DEPT or RESENT

These should be addressed to the appropriate Team Lead in the first instance and may be referred or escalated to the Finance Manager for final decision.

7. Requesting a Cost Centre

All requests for new cost centres should be submitted via the appropriate form online (Form P01) available on the finance website at <https://finance.mtu.ie>

8. Cost Centre Relations

Additional information (some mandatory) is required for each cost centre, which includes Relations (Start and End Periods, Funders, VAT, Cost Centre Manager and Invoice Approvers). It may also require attaching backup documents to the Cost Centre Masterfile in the Financial Management System

9. Cost Centre Management

Unless a cost centre has been closed, because of the project or activity being completed, the list of open cost centres is reviewed at least annually. For core cost centres this is part of the annual budget process and budget meetings. For self-financing cost centres, this is part of the year-end review process.

10. Cost Centre Closure

The Finance Office determines the ongoing need for the use of a cost centres and may arrange for cost centres, with little or no activity to be closed or amalgamated with other cost centres.

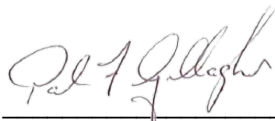
11. State Aid

Compliance with State Aid rules is managed by a specific relation on the cost centre at the time the cost centre is being created for the activity. The specific values are mandatory and included in the Cost Centre Relations document in Appendix A

12. Approval and Modification of this Process

This Process document shall be approved by the VP for Finance & Operations and any changes are brought to the Executive for information.

Approved



Mr Paul Gallagher
VP Finance & Operations

25 June 2025

Date

Appendix A

Relations on Cost Centre (COSTC) in Agresso

Ref	Relation	Required	Use	Options
1	DEPT	Mandatory	All COSTC's are allocated to a Department. This will affect where the income and expenditure is reported.	Select from list of DEPT values. (Department refer to any academic, research or support function with a Manager)
2	RESENT	Mandatory	This identifies Research Entities as some cross departmental collaboration	Select RESENT from list of values. For all Core & Student Services the value will be NA
3	RESNO	Mandatory	THE RESNO is the employee number of the Budget Holder. This is a mandatory relation as this is the authorized signatory on the project.	This must be selected from the RESNO list of values and must be an employee. RESNO must start with MS
4	FINCONT	Mandatory	The Finance Contact for this Cost Centre	Select from List for Finance Staff
5	PROJXREF	Mandatory	This relation is used to record the external contract or Purchase Order number. This is useful for tracking bank payments in particular.	Free text – should be setup with the COSTC as the code and the invoice number as the text. If there is no contract and Terms of Engagement is issued, then the TOE number should be used instead. In instances where there is both a TOE contract and an external contract reference – the external reference takes precedence.
6	SUBSTAT	Mandatory	This relation provides information on reporting the status of the project. This is included on a number of reports and is updated monthly.	Select SUBSTAT from the following options: O = Ongoing P = Pending Closure C = Complete Projects which exceed their end date are changed to Pending.

7	DATESTRT	Mandatory	This is the official start date of the project using Financial Period	Free text – Record the start period rather than date of the project in the following format: YYYYMM
8	DATEEND	Mandatory	This is the official end date of the project. No expenditure or commitment should be posted to the project after this date. This can be amended where there is written notification of a project extension.	Free text – Record the end period rather than date of the project in the following format: YYYYMM
9	DATEREP	Mandatory	This is date the next financial report is due. This is used to generate monthly reports on work due in the Finance Office.	Free text – Record the next financial report due period rather than date of the project in the following format: YYYYMM. For short projects with no interim reporting – this date should match the end date (Final Report)
10	FUNDTYPE	Mandatory	This is used for HERD and Other Reporting	Select from FUNDTYPE from the following options: EU, State or Private
11	ECONOMIC	Mandatory	To determine if this is an economic activity under State Aid Rules	Select ECONOMIC from the following options: Economic, Non Economic or Economic Exempt
12	FUND BODY	Mandatory	Name of Funding Body (State)	Select from list. New Clients should be setup using a short code or abbreviation with the full legal name of the client in the text <i>Eg:</i> NSMITH – Noel Smith Ltd.
13	CUST.ID	Optional	This is the entity sending us the funds. For EU and consortium projects is the Lead Partner. For co-funded project with funding agency, it is the industry partner	Select from Customer Masterfile

14	FUNDPROG	Mandatory	This relation is used to provide analysis on the funding programme for different projects. It is important for R&D Grant aided projects. Commercial activities should include a generic code (see over)	Select from list. The codes are based on the abbreviation for the funding agency followed by a three digit number <i>Eg. Enterprise Ireland begin with EI001, EI002 etc.</i> Commercial activities are broken down into Commercial Consultancy, R&D or Training.
15	PROJVAT	Mandatory	This is the VAT status on each cost centre and determined the Tax Code to be used when ordering	Select from List S – Standard VAT Reclaimable E – Exempt Non Reclaimable
16	BUDCHECK	Mandatory	This is the switch for budget checking per cost centre. It is based on the available budget per BUDACC & COSTC (and PERIOD if applicable)	Select from the following values: Y- Financial Year, A - All Periods N - None
17	FILELOC	Mandatory	Where there is physical file this is the Room Number and where the physical file is stored off site it is the box reference number for retrieval.	Select from FILELOC list of Values. For Online Files use TEAMS
18	STATLINE	Mandatory	This category was and is used for the Financial Statements	Select from STATLINE values
19	PROJCAT	Mandatory	This is to facilitate reporting and allow for categorisation of cost centres	Selected from PROJCAT values MP – Major Project OT – Other RD – Research & Innovation SF – Other Self Financing SP – Support Function SS – Student Services TL – Teaching & Learning
20	PROJREPT	Mandatory	This is a reporting formatting option in Excelerator	Select from PROJREPT list of values: ACTBUD – Actual v Budget NONE – No Budget
21	WFINVAPP1	Mandatory	This is the initial Invoice Approver for Workflow	Select from WFINVAPP1 List of Values. Either this relation or the WFINVAPP2



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Munster Technological University

Process Document

COST CENTRE SETUP

22	WFINVAPP2	Optional	This is the final Invoice Approver for Workflow.	<p>Select from WFINVAPP1 List of Values.</p> <p>The RESNO must be either WFINVAPP1 or 2</p> <p>In some instances, a single approver is required and this value is not required.</p>
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Appendix B

University Coding Structure (Extract)

University Coding Structure

240801 – NC – V7

Merged Systems

Prerequisites

The following are the prerequisites for designing the coding structure:

- (a) Agreed Organisation Structure for MTU (Output Workstream 2)
- (b) Any interim structure and its proposed longevity
- (c) Consistency of coding across enterprise systems (eg Core, Banner etc)
- (d) Agreed Academic Domains (output of Workstream 4)

There is likely to be a continued flux whilst the new structures are being implemented, but this document is looking at the new university structure.

Guidelines

The structure will use reporting relations on the Cost Centre & Department to reflect the organisation structure, so in essence cost centres do not need any particular coding structure. However, for ease of reporting and checking it is very useful to have a structure that will serve the new University into the future.

In terms of naming conventions:

- Academic Units are referred to as Departments & Faculties
- Research Units are referred to as Units or Centres
- Admin and Support Units are referred to as Offices

The coding structure shall seek that where multiple cost centres exist they are grouped into one area using Department values on the Financial Management System (FMS) and Human Resource Management System (HRMS)

With a changing organisation structure, it is important to look to the future and code accordingly at the Cost centre and Departmental level.

Organisation Structure

The coding structure for the university is based on the following reporting levels and the terminology in Core and Agresso have been included below:

1. Cost Centre	Core: COST CENTRE	Agresso: COSTC
2. Department	Core: DEPARTMENT	Agresso: DEPT
3. Function	Core: N/A	Agresso: FUNC
4. Executive	Core: MANUNIT	Agresso: EXEC
5. Former Institute	Core: DIVISION	Agresso: INST
6. Organisation	Core: COMPANY	Agresso: CLIENT

Interim arrangement exists in the FMS for Schools, but this option is not available in the HRMS.

Section B1 – Cost Centres (FMS & HRMS)

For the purpose of finance cost centre coding we look at distinct budget and reporting areas:

- (a) Academic Units
- (b) Admin & Support Functions
- (c) Research Grants & Contracts
- (d) Student Services
- (e) Capital Projects

A1 - Academic Departments

It would be useful to include a coding range for specific academic domains.

Range:

AXXX 'A' denotes Academic Dept and XXX is an assigned range with the second character reflecting a distinct academic domain. Where sub-categories of a cost centre are required a further two characters may be added AXXXZZ. The use of these should be minimised to avoid unnecessary administration

A2 - Academic Faculties

The coding here should be in the respective ranges set out in (A1) above, but is dependant of what the interim or final organisation structure will look like

Range:

AX00 'A' denotes Academic Dept and X is an assigned range with the second character reflecting a distinct academic domain represented by a Dean on the University Executive

B – Admin & Support Functions

Again it would be useful to assign a range to these particular areas, depending on how many are set out in the organisation structure.

Range:

BXXX denotes an Office and XXX is an assigned range with the second character reflecting a distinct area as represented on the University Executive.

C - Research Grants & Contracts incl. other Self Financing Projects

Ranges:

*PYYXXX P denotes Research Project, YY denotes year commenced XXX is a sequential number
SFYYXXX SF denotes a Non Research Self Funded project, YY denotes year commenced XXX is a sequential*

PYXXX PY denotes Individual Pay Code, XXX is a sequential number, though the number of these codes should be minimised, with staff charged to a research unit overhead code.

D - Student services funded by Student Capitation and managed by Student Finance Committee

Range:

SSXXX SS denotes student Services with the second character providing sub categorisation eg. Sports and the remaining XX being a sequential number

E – Capital (Finance)

Range:

*C codes are reserved for Building Unit & Devolved Grant projects CYYXXX
C denotes Capital, YY denotes year commenced XXX is a sequential number*

F1- System Code (Finance)

These are system codes used to balance transaction or where part of a journal should note be coded using COSTS (for data access purposes)

Range:

BZZZ to be used as singular code at end of A to B range

An Excel document entitled 'Proposed DEPT Coding 08.07.20' provides for detailed mapping of existing DEPT coding in CIT & ITT.

Core Cost Centre Coding Structure Examples

The following is a sample of the coding structure:

Academic

A120 Academic School
A123 Academic Department / Research Centre

Admin & Support

B100 President
B200 VP Finance
B210 Finance Office Cork
B211 Finance Office Kerry

Research & Self-Financing Projects

P19001 Research projects
SF19002 Self Financing Activity
PY0001 Researcher Salary Code (where required) *

Capital

C19001 Capital Project

Student Services

SS200 Student Services
SS700 Society
SS800 Sports Club

Section B2 – Departments (FMS & HRMS) &

It is necessary to group cost centres into discrete groupings of Departments, Office or Centres so facilitate the management of same. These are referred to as Department Code on our FMS and HRMS. These shall be reflective of the organisation structure. An essential requirement is that a Department Code should only be created for groups of code centres that have an assigned Manager at an appropriate grade – eg. SL3, SL2, APO etc.

Coding

New Departments Codes will be closely aligned to the Cost Centre Structure as below,

- Academic & Research Cost Centres will be aligned to a code in the range AXXX
- All others cost centre will be aligned to a code in the range BXXX
e.g. Cost Centre A123 would also be Dept A123

This will serve to provide budget and reporting to managers in their Departments.

Report Groupings

A reporting attribute (FUNC) will be used to consolidate these into a more coherent structure for the University Executive Board.

Relations on the Department Code are therefore likely to be expanded to include:

- Manager (RESNO) codes aligned to values output from Identity Management Project
- Existing School or Next Level in Org Structure (SCHOOL) using high level coding Commencing with A & B based on existing ranges. Format AXX and BXX
- Former Institute for historical reporting (INST) See section 3
- Consolidated Reporting Unit (FUNC) See below
- Executive Reporting (EXEC) coding will change to reflect structure, but small number of codes

Core Department Coding Structure Examples

The following is a sample of the coding structure:

Academic

A120 Academic School
A123 Academic Department / Research Centre
A124 Research Centre

Admin & Support

B100 President
B200 VP Corporate Affairs
B210 Finance Office Cork
B211 Finance Office Kerry

Research & Self-Financing Projects

Included under appropriate Academic or Admin & Support Department

Capital

Included under appropriate Admin & Support Department

Student Services

Included under appropriate Admin & Support Department

Section B4 – Executive (FMS) / Man Unit (HRMS)

Organisation Structure

The Executive reporting attributes are required to provide reporting at the Executive Level to those areas represented on the University's Executive.

Proposed Coding

New Executive Codes will be closely aligned to the Department structure as below,

- Academic & Research Cost Centres will be aligned to a code in the range AXXX
- All other cost centres will be aligned to a code in the range BXXX
e.g. Cost Centre A123 would also be Dept A123, School A120 and Exec A100

This will serve to provide budget and reporting to managers across the Executive Area and the combined University

Level in Core

This level can be used for MANUNIT on Core if reporting is not required on a School Level, alternatively, if reporting is required at School level Man Unit can be linked to that level. It is recommended that it would initially be aligned to School.

Executive Base for Coding Structure

The base for the coding structure is the Executive and all Departments and Cost Centres flow from this structure. (A1 to A5 and B1 to B7). This is designed to leave significant scope for expansion and change.

Academic & Research

- A100 - Engineering
- A200 – Science & Informatics
- A300 – Business
- A400 – Health & Social Science
- A500 – Creative & Performing Arts

Admin & Support

- B100 – President
- B200 – Finance & Operations
- B300 – Academic Affairs
- B400 – External Affairs
- B500 – Research & Innovation
- B600 – People & Culture
- B700 – Corporate Affairs