Accounting Considerations for Organizational Changes

Overview
When modifying your organization structure, the existing accounting structure (accounts, sub-accounts, sub-object codes, project codes) must be identified and reviewed. Depending on the type of organizational changes being made, there may also be changes needed to the accounting structure.

<table>
<thead>
<tr>
<th>Organization Change</th>
<th>Effect on the Accounting Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of a New Organization</td>
<td>Accounts are created or existing accounts are moved to the new organization. If new accounts are created, sub-accounts and sub-object codes may need to be created as well.</td>
</tr>
<tr>
<td>Modification of an Existing Organization</td>
<td>If the organizational structure is not changing, no changes will be needed to the accounting structure. If the organizational structure is changing, then new accounts sub-accounts and sub-object codes may be needed. Or accounts may need to be moved or closed.</td>
</tr>
<tr>
<td>Inactivating an Existing Organization</td>
<td>Accounts are moved to different organizations. Or the organizations accounts will need to be closed.</td>
</tr>
</tbody>
</table>

TIP: Regardless of which organization change is affecting the accounting structure; the “essence of the account” (original purpose) must be taken into consideration. If the essence is changing then the account must be closed and new account(s) must be created.

Additional Resources:

Creating accounts and accounting line elements
- Account: Create New
- Account: Create New from Copy
- Create Sub-Account
- Create Sub-Object Code
- Create Project Code
- Sub-Account Import
- Sub-Object Code Import
- Project Code Import
- Creating Accounting Line Elements (course)
Additional Resources (Cont’d):

Closing an Account
   Closing an Account
   Account Review Check List (xls)
   Transferring Assets

Moving an Account to a Different Organization
   Account – Edit Attributes