

# the general ledger

News from the Princeton University Office of Finance & Treasury

## POLICY

### New Independent Contractor Policy Will Take Effect in January

The new **Independent Contractor Policy** lists the criteria that define an independent contractor and the procedures to classify them correctly. Common examples are entertainers, yoga instructors, workshop facilitators, editorial and design services, and speakers and lecturers. It is important to correctly classify independent contractors and employees to ensure appropriate compensation methods and tax implications.

In response to campus feedback, we are reducing paperwork and streamlining the payment processes for two low-risk categories of independent contractor: limited engagement and honoraria. These are the basic criteria to qualify for those categories:

- limited engagement – \$5,000 or less, and service may be provided only one time per year
- honorarium – \$2,500 or less, and service must be related to usual academic activity

The policy also provides some guidance for paying independent contractors who are foreign nationals working in the U.S., as well as foreign nationals working abroad. We updated the Business Expense Policy with a

complementary process that allows reimbursement of expenses up to \$500 paid for field research services outside the U.S.

Finally, we are pleased to offer a new **independent contractor webpage** that consolidates all independent contractor information: the policy, the various payment processes, and the required forms. The policy will take effect in January 2014.

#### Contact

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### Department Credit Card Policy Receives Update

The **Departmental Credit Card Policy** was updated to include specific goods that may not be purchased with the card.

- hazardous materials
- chemicals
- capital equipment
- computers

The proper purchase method for these items is through the **Marketplace** or via purchase requisition in PeopleSoft. If you have any questions about the process, please contact Joe Woodward, associate director of strategic sourcing.

#### Contact

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## UNIVERSITY LAUNCHES POLICY WEBSITE

The University recently launched a **University-wide policy website**. It serves as a central repository of University policies that govern a wide range of activities in support of Princeton University's core teaching and research mission. It replaces the Management Standards Guidebook and is intended as a resource for the entire University community. The **Finance Policy Library** is included on the University policy site, and you can link directly to finance policies from it.

# POINTS OF INFORMATION

## Changes Enhance Finance & Treasury's Structure and Skills

Finance & Treasury took another step toward continuous improvement with a recent reorganization. One of the key changes includes the integration of staff who were members of the University Financial Systems group into the functional areas, dispersing technological expertise throughout the division. Several of these staff members who are currently assigned to the Prime project will be members of the Finance Administration group in the post-Prime future.

A second significant change is the merger of Purchasing and Accounts Payable, forming a Procurement Services group that will take a comprehensive approach from “buying” to “paying.”

A newly formed Funds Management, Reporting and Analysis group will provide accurate and transparent financial reporting, as well as oversight and maintenance of the new chart of accounts (in collaboration with the Controller's Office) and the Information Warehouse (in collaboration with OIT).

Finally, Finance & Treasury Administrative Services will expand its central support role by bringing former University Financial Systems staff members into the group to provide desktop and other technology assistance.

These changes will assist the F&T staff to leverage the investment being made in new tools and processes, become a more agile and skilled organization, and deliver outstanding customer service to the University community.

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## PEOPLE

### Payroll Team

We are proud to highlight the team that makes sure you receive an accurate and timely University paycheck. Lora Benson manages the four-person team, which includes Stephanie Francis (Tax and Accounting Analyst), Awilda Toledo-Kelly (Specialist) and Anjum Mansuri (Specialist). Together they handle payroll functions for the University's 14,000 staff, faculty, and students, including coordinating international taxation issues for nearly 2,000 foreign nationals.

The team collaborates with colleagues across many departments, including Human Resources, Dean of Faculty, Graduate School, and Davis International Center, to improve processes, support audits, and implement initiatives. In the coming year the team will focus on continuous process improvement. Specifically, they will focus on automating off-cycle payments (namely, manual checks), working with our partners to improve system integration, and increasing tax support for our foreign national students and faculty.

Last year, the payroll team provided specialized support as a number of industry and legislative changes impacted all University employees' payroll deductions and taxes. As a result of those changes, the team is busy now preparing for a more intense year-end reporting season than usual.



The Payroll team gathers near their office in 701 Carnegie Center. Clockwise from top left: Lora Benson, Anjum Mansuri, Awilda Toledo-Kelly, and Stephanie Francis.

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### Thank you!

This fall has been a busy one with the introduction of the Concur pilot, chart of accounts mapping, and general readiness activity for Prime. We continue to be grateful for and appreciative of the time and support you are dedicating to making these projects a success. Thank you!

The next semester will require sustained coordination and effort, and we know that your time is valuable. We also realize that we will not be successful without your continued involvement and feedback. Please let us know if we are striking the right balance. We look forward to hearing from you and seeing you soon.

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#### Contact

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### Finance & Treasury Pilots New Travel and Expense Tool

Concur, a new travel and expense tool, was launched in November in a pilot program to a group of eight academic and administrative departments. Pilot participants received initial training in both the online travel booking and expense reporting tools. In addition, participants started using Concur and new travel and expense credit cards to book their business travel itineraries and create electronic business expense reports. Through the pilot, we are receiving valuable feedback on how to improve the training, the tool, and the related business processes. We will continue to pilot Concur and use this input to evaluate the timing for subsequent roll-out to campus in coordination with the rest of Princeton Prime.

At the same time, participants were introduced to the new University

travel agency, Carlson Wagonlit Travel. The Carlson Wagonlit phone-based counselor team has been trained in Princeton policies and expectations, and we will continue to work with them on providing a positive customer service experience.

The Concur tool also serves an important and distinct function for the care of students traveling for University sponsored activities. Effective January 6th, 2014, the University will replace the existing Princeton Travel Data Base with Concur. This will allow the University to communicate via text message and email to travelers in times of crisis. All undergraduate and graduate students will be required to request University sponsored travel in Concur. Training is currently being offered on student travel request and care through the Employee Learn Center. Students will not book their travel or reconcile their expenses in Concur at this time.

For questions regarding Concur travel and expense, please contact Cindy Shumate. For questions about the student travel registration and care, please contact Chris Burkmar.

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#### Contact

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### Prime Training to Begin in February 2014

Finance & Treasury's organizational readiness team is preparing to offer in-depth training courses, support materials, and information resources related to [Princeton Prime](#), our comprehensive initiative to modernize the University's financial management infrastructure.

Beginning February 2014, trainers from Finance & Treasury and campus "super users" will conduct sessions called "Prime: What's New and Different" at campus locations and at 701 Carnegie Center. Starting in May and continuing through fall 2014, "Prime Hands-On Training" will provide instruction in the new Prime processes and systems.

Once classes begin, you will be able to access course materials on the Finance & Treasury website as well as recorded and printable Step-by-Step instructions for processes and systems.

Registration begins in January 2014 for February courses through the Employee Learn Center under "Prime Training." In the meantime, you'll find current [Prime training resources](#) on the Finance & Treasury website.

In the coming weeks, we will also introduce a new Prime information portal and our Finance & Treasury website will be updated with new Prime content. Stay tuned for further announcements. Please contact Nancy Silldorff with any training-related questions or suggestions.

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#### Contact

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### NIH Makes Changes to Payment Management System

The National Institutes of Health (NIH) is moving to a new reimbursement process for sponsored research funds. The NIH and other federal agencies use a centralized grants payment and cash management system called the Payment Management System (PMS) to disburse and manage

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sponsored research funds. The University accesses PMS to request reimbursement.

Currently, the majority of University reimbursements for NIH domestic awards are drawn down as aggregated payments from pooled accounts in PMS. By the end of 2015, NIH will transition all award payments to PMS subaccounts. This means funds will no longer be drawn in aggregate; rather each fund will be drawn down individually.

In order to transition all funds, NIH has determined phased implementation:

- FY14 (10/01/2013 – 09/30/2014): All new awards including competitive renewal
- FY15 (10/01/2014 – 09/30/2015): Non-competing continuation awards

As we transition to the new subaccounts, NIH will require us to submit financial reports for all of our non-competitive awards. This means that [Sponsored Research Accounting \(SRA\)](#) will work with you to close awards, SRA will submit the financial report, and the Office of Research and Project Administration will open a child account to manage the remaining years of the award. If financial reports are not submitted on time, NIH may hold future funding.

For more information, please see this [September announcement from the NIH](#), and these [helpful FAQs](#) from the NIH website. Princeton University will be offering a training session in January 2014 to help you navigate this transition.

### Contact

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## WHAT'S NEW FOR UNIVERSITY SUPPLIERS?

- ➔ New supplier payment terms are in effect as of November 1. For details, please refer to [these FAQs](#) on the Finance & Treasury website.
- ➔ Inactive supplier data was removed on November 11. For information and steps to request reactivation, please see [these FAQs](#) on our site.

### Contact

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## Retrieve Your W-2 Form Earlier

Please join the thousands of faculty, staff, and students now signed up for electronic-only access to their W-2 form. If you choose to eliminate the mailed paper W-2 form, you will be notified by e-mail in early January that your W-2 form is available in the secure [Human Resources Self Service website](#). If you previously signed up for electronic-only W-2 access, you do not need to select it again this year.

Consent must be entered no later than December 31 for your 2013 form. Individuals who have not consented to electronic-only distribution will have their paper W-2 mailed to their home address the last week in January.

For more information, please see [Consent to Electronic-Only W-2 Step-by-Step](#). Or you may contact the Financial Service Center at [finance@princeton.edu](mailto:finance@princeton.edu) or 258-3080. We also invite you to stop by the center at 7 New South during regular University business hours where one of our associates will assist you.

## University Endowment Returns

Princeton University's endowment earned an 11.7 percent investment gain in the fiscal year that ended June 30, 2013, with the 10-year annualized return increasing to 10.2 percent. The endowment value stood at \$18.2 billion, an increase of about \$1.2 billion from the previous year.

The results were certified on Oct. 17, 2013, during a meeting of the directors of Princeton University Investment Co. (PRINCO), the University office that manages the University's endowment.

The University's spend rate of 4.7 percent of the market value of the endowment in fiscal year 2013 was well within the spending policy that aims for spending between 4 percent and 5.75 percent. The Board of Trustees authorized an increase of 5 percent in the endowment spending distribution for fiscal year 2014. Departments received the first quarter distribution in October.

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