

the general ledger

News from the Princeton University Office of Finance & Treasury

A Letter from Carolyn Ainslie

The Year Ahead

Dear Colleagues,

First, I want to thank you for another successful, on-time year-end close. The cleanup and close process was particularly important in fiscal year 2013 as all open project grants will be converted to the new chart of accounts in the coming year. As part of the cleanup process, we closed 2,368 dormant and small balance project grants, as well as 6,908 purchase orders. Thank you for this tremendous effort!

I am energized by the year ahead. As the University transitions to President Eisgruber's leadership and begins the next wave of planning for the future, we will be modernizing our financial infrastructure and chart of accounts to help support and realize these plans. The current chart of accounts – the basis for the University's financial reporting – dates back to the mid-twentieth century. Many of our financial systems are homegrown, out-of-support, or generally past their useful life. As the University's operations expand and grow more complex, we require financial systems that conduct transactions more easily and efficiently, and that better facilitate stewardship and compliance. We need a chart of accounts, brought to life through new reports and analytical tools, which provides improved insight into our financial operations across the University and for individual departments.

With your support, we will take an important first step this year toward modernizing our financial infrastructure. Through **Princeton Prime** we will upgrade PeopleSoft Financials, the backbone of our financial systems and processes, implement a new chart of accounts, and introduce new financial reports and analytical tools. Princeton Prime began nearly two years ago with the design of a new chart of accounts, and is currently on schedule to be implemented in the summer of 2014.

While some aspects of our new financial systems will be familiar, Princeton Prime will introduce new systems, functionality, processes, and reports that will inevitably take time to be our trusted tools. For many of us, myself included, I expect the first year to feel uncomfortable at times as we adapt to a new way of conducting and reporting on the University's financial operations. Plus, despite our best efforts through testing and training during the year ahead, we won't get everything right on day one. I expect we will be making continuous improvements to Princeton Prime for the months that follow. However, once stabilized, I am confident that Princeton Prime will provide a foundation for a long time to come.

During the year ahead we will request and rely upon your input to make Princeton Prime a success. This will include helping test new systems and processes, reviewing financial reports, participating in training, and providing us specific feedback. Beginning this fall, you will hear from us much more frequently about Prime. In turn, we look forward to hearing more from you about what's working well and what we can improve.

Thank you again for all your efforts in fiscal year 2013. Now that our financial file drawers are cleaned and the boxes tucked away, we are ready to successfully move into Princeton Prime during the year ahead.

Please stay in touch and best regards,

Carolyn

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in the Service of All Nations**

PEOPLE

Chart of Accounts Mapping Team

Since February, a team of Finance & Treasury staff have been meeting with academic and administrative departments to “map” the existing project grants to the new chart string. This chart of accounts mapping team has reviewed nearly 30,000 University project grants and has made an initial effort to map them to the new chart string, which includes Department, Fund, Account, Program, and Project chartfields. When members of the team meet with departments they review the draft mapping and work with departments to make corrections. So far the chart of accounts mapping team has met with 178 departments. If they haven’t met with your department yet, they will certainly be reaching out over the summer.

The goal is to have all project grants mapped to the new chart of accounts by the end of September 2013. Starting this winter departments will be able to access the mapped project grants via a web-based “crosswalk” tool. This will allow you to look up your project grant and see the new chart string, and vice versa.

Thank you to the chart of accounts mapping team and all the departments who have participated in this effort so far! Please contact Nancy Silldorff (258-5497 or nsilldor@princeton.edu) if you have any questions about chart of accounts mapping.



The chart of accounts mapping team gather outside 701 Carnegie Center. Back row, left to right: Steven Semenuk, TJ Laesch, Kevin Miller. Second row: Lori Yeager-Myles, Roberta Newmeyer, Ginny Hepburn, Justin Heady, Nancy Silldorff, Becky Waldstein, Brenda Yepez, Tracy Kueny. Front row seated: Denise Moser, Kate Braunstein.

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THANK YOU!

Our thanks to everyone for your collaboration in the project grant and purchase order cleanup, and in year-end closing.

By the Numbers

Since the launch of Princeton Prime in July 2012, we have reduced the total number of project grants by 14,907, or by 33 percent overall.



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POINTS OF INFORMATION

Secondary Pool Account Closing

The secondary pool, which was similar to a money market pool within the University endowment investment structure, was eliminated more than five years ago. In order to allow department managers to better plan and manage those funds, we will be moving funds with project grants beginning with “082” into a departmental accounting series. These funds will no longer earn interest income.

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However, if you have a fund with more than \$50,000, which will not be spent during the next five years, the funds may be eligible to become a quasi-endowment. Please contact Sharon Cohen (258-8857 or sacohen@princeton.edu) or Liz Totten (258-6634 or totten@princeton.edu) if you have questions.

New Facilities and Administrative Rate in Use

The University has recently signed a five-year **Facilities and Administration (F&A) rate** agreement with the Department of Health and Human Services. Facilities and Administrative costs are indirect or overhead costs for common or joint objectives, including central administration, library, and facilities operation and maintenance expenses. The rate negotiated was based on a fiscal year 2011 cost study that was submitted with a 68.5 percent on-campus, organized research rate. This agreement establishes the following on-campus F&A rates:

61%
FY2013 and FY2014

62%
FY2015 through FY2017

The off-campus rate remains at 26 percent for all years.

For fiscal year 2018 and beyond, a provisional rate of 62 percent will be effective until a new agreement is signed.

Effective immediately, your proposal budgets should incorporate the new rates. Please see a copy of the **rate agreement** posted on the Finance & Treasury website. It can also be accessed on the ORPA **website**.

You may also contact Roberta Newmeyer with any questions (258-3964 or newmeyer@princeton.edu).

NEW BUDGET CALENDAR AVAILABLE

The **new budget calendar for fiscal year 2014** is now posted online.