**POINTS OF INFORMATION**

**Chart of Accounts: From Design to Implementation**

With the **new chart of accounts** design complete, the focus now turns to implementing the chart of accounts in our financial systems. However, chart of accounts implementation is just one element of a broad initiative to transform our financial operations. In the coming months, Finance and Treasury, in partnership with campus and Office of Information Technology, will embark on a comprehensive multi-year program to enhance our business practices, systems, and tools in support of these goals:

- Financial information and reporting to better support management, compliance, and stewardship
- Less time to assemble data, and more time to analyze and plan

<table>
<thead>
<tr>
<th>By the Numbers</th>
<th>22,369 customer interactions with the Financial Service Center team</th>
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<tr>
<td>During fiscal year 2012, Finance and Treasury launched the new <strong>Financial Service Center</strong> and the <strong>Finance and Treasury Training initiative</strong>. Here are a few numbers that illustrate their success:</td>
<td></td>
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<tr>
<td>89 training sessions offered by Finance and Treasury</td>
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<tr>
<td>1,963 participants in training sessions</td>
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</tbody>
</table>

- Fewer manual processes to increase efficiency
- Easier to use systems and tools to reduce ongoing maintenance needs and costs

Achieving these goals will require us to evaluate and redesign many of our existing business processes, to implement a more recent version of PeopleSoft Financials with fewer customizations, and to make significant improvements to our financial reporting through the new chart of accounts. This summer we continue our planning efforts, with the goal to officially launch the transformation program in September 2012. The September issue of *The General Ledger* will feature more information about the program, including details on what financial managers should expect and when.

In the meantime, please contact the program director, Mark Dingfield at mdingfie@princeton.edu or 258-3873, with any questions or feedback you may have.

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**Project Grant Clean-Up**

To facilitate the conversion of financial data from the old chart of accounts to the new chart string, Finance and Treasury has inactivated nearly one-third of the roughly 45,000 project grants in PeopleSoft today:

- 11,500 with **zero balance** and **no activity** since July 1, 2009; and
- 2,500 with **zero balance** and **less than 20 transactions** since July 1, 2009.

Liz Totten (see “People,” page 2) is working with administrative departments to close another 1,500 project grants that have **small balances** (under $5,000) and **little or no activity** since July 1, 2009.

Please contact Liz atotten@princeton.edu or 258-6634 if you have any questions about inactivating these accounts.

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PEOPLE
Liz Totten

Position: As Senior Data Analyst in the Office of the Vice President for Finance and Treasurer, Liz is responsible for data analysis in support of a variety of high-priority projects and reports. “With in-depth analyses, the data can tell a story and increase our overall understanding of activities here at the University,” explains Liz. “My goal is to synthesize large data sets into recommendations that help us use our resources more efficiently. At the end of the day, our cost savings can be funneled back to the core mission of research and teaching.”

Liz comes to us from The Center for Health Care Strategies in Hamilton, where she integrated finance and program activities supporting the center’s policy work. Previously, Liz worked as an international development consultant in Washington D.C. and spent time in Kabul, Afghanistan as part of a project sponsored by the U.S. Agency for International Development. Liz holds an MBA from the University of Michigan.

Liz also supports the implementation of the new chart of accounts, specifically preparing for the conversion of data to the new chart. Liz is now working with departments to close as many as 15,000 inactive project grants (see page 1). “The conversion and reconciliation of our data to the new chart will be a major effort, so we’re hard at work now to intelligently reduce the amount of data that will need to be converted later,” explains Liz. “This cleanup effort will contribute to the overall organization and accuracy of data converted to the new chart of accounts.”

When Not At Work: Liz is an avid runner, and loves to go on hikes with her husband Steve and their dog Beasley. An enthusiastic cook and vegetarian, she is always looking for excellent recipes. In the fall, you can find her at Roberts Stadium cheering on the University men’s soccer team — and Steve, who is the assistant coach.

POINTS OF INFORMATION
Continued from page 1

Ongoing Compliance Review of Sponsored Research Expenditures

Sponsored Research Accounting will soon introduce a new risk-based approach to helping academic departments monitor compliance with the federal costing regulations for sponsored funds. A quarterly sampling approach will be used to review expenditures that are considered likely for questioning under a routine federal audit.

The sampling will include direct costs charged to sponsored awards that are normally treated as indirect costs. Costs such as computers, administrative salaries, office supplies, postage, and local telephone services are normally not allowable as direct costs, unless approved by the sponsor and/or the department has strong justification and documentation. Costs identified as inappropriate for direct charging will be moved to non-sponsored sources. Please see the Direct and Indirect Costs Policy for a full description of costs and practices.

Academic departments with sponsored research grants will soon receive a quarterly report identifying the sample population and will be asked to provide additional information to inform compliance. If you have any questions about the new sampling process or the reports, please contact Matt Kotsovolos at mkotsovo@princeton.edu or 258-9551.

CALENDAR

FY12 YEAR-END CLOSING SCHEDULE

• July 12 – Second Closing
• July 24 – Final Closing

Continued on page 3
In the Event of a Site Inspection by a Research Sponsor

If your department is contacted by a research sponsor to set up a site inspection, please notify Rebecca Hunninghake (rhunning@princeton.edu) and Matt Kotsovolos (mkotsovo@princeton.edu) in Sponsored Research Accounting. Please contact them as soon as you receive the request so that they can connect with the Office of Research and Project Administration and Office of Audit and Compliance to ensure the correct expertise and information are available for the sponsor representative prior to their arrival on campus. Thank you in advance for your collaboration.

Independent Contractors – New Hiring Tools and Procedures

When hiring a service provider it is important for the hiring manager to ensure the service provider is properly classified as an employee or as an independent contractor. The legal and financial penalties for misclassification can be significant. To better assist hiring managers make this determination, we have developed additional tools and procedures. First, we have developed a new Service Provider Questionnaire that must be completed by the prospective service provider and hiring manager prior to any engagement. Second, we have updated our Independent Contractor Determination Checklist to help managers decide whether to hire a service provider as an employee or as an independent contractor. As always, your senior Human Resources representative and the Purchasing Department can provide additional guidance if needed. For more information on how to buy and pay for services, please click here.

Training on how to use the new tools and procedures to make the right hiring determination will be provided, in collaboration with Human Resources and the Office of the General Counsel, on August 15, 23, and September 27. See the Employee Learning Center for additional detail on the training sessions.

The source of funding, such as program, project, or department. Also may indicate the specific use of the money. Examples: general discretionary funds, Jones gift, Smith endowment, federal grants.

Princeton has just completed the first phase in a multiyear program to redefine our financial practices by breaking down the project grant into distinct chartfields. We defined the “account” chartfield in the May issue; future issues will highlight other fields in the new chart string.
Cool News on Liquid Nitrogen

The purchasing department is pleased to announce a new bulk liquid nitrogen contract that will result in nearly $200,000 in annual cost savings for departments. Liquid nitrogen is used in many research projects, including lab sample preparation, gas distillation, and as a coolant for experiments.

In addition, liquid nitrogen has been reclassified as a utility cost, similar to air and water, for which overhead will not be charged. For all nitrogen purchases, please use account code 553 and the new commodity code for nitrogen (NIT88), which has been added to PeopleSoft.

For more information about the contract or your department account, please contact Lisa Leisinger at 258-1920 or lisari@princeton.edu.

Best Practice

Please remember to use the Requisitions and POs process in PeopleSoft instead of creating one-time paper vendor vouchers. Use of the Requisitions and POs process ensures contracted pricing and timely and efficient processing. For additional information and best practices for buying and paying, please attend one of our Buying and Paying training sessions on July 25, Aug. 21, or Sept. 19. You may register for one of these sessions through the Employee Learning Center.

100 Years Ago

Fiscal Year 1911-1912 Year-End Summary

This scan of the 1911-1912 Summary of Estimated Income and Expenses illustrates the difference a century makes. By contrast, the 2011-2012 estimated income and expenses were both $1.46 billion. Although this seems like enormous growth, it represents roughly 8% annual rate of growth, and reflects a balanced budget this year.

Courtesy of the Office of Treasurer Records, Princeton University Archives held in the Seeley G. Mudd Manuscript Library.