the general ledger

News from the Princeton University Office of Finance & Treasury

POINTS OF INFORMATION

Princeton Prime Update: The New Chart of Accounts in Action

During our chart of accounts mapping meetings with departments, we had many conversations about the implications of the new chart of accounts on common department activities and transactions. A frequent question was, “If I manage an event in my department, how will I code it with Prime? Today, I know exactly which project grant to use based on the event and what is involved.”

Here’s a scenario and how it would be coded: The Garden Department is planning a $10,000 event called The Soil Conference. The financial manager needs to track all expenses related to this event, and has multiple fund sources including gifts and administrative funds.

First, the manager needs to answer a few questions:

- Which **Department** is responsible for the transactions?
- What is the specific source of money or monies; the **Fund**?
- What am I doing (or paying for)? Travel, food, fees; the **Account**.
- What is the purpose of the transaction or expense? What **Program** am I paying for?

Below, is how the transactions for this event would be coded in Prime.

How it’s coded in Prime

What you did:	Department	Fund	Account	Program*
Ordered catered food	12345 – Garden Main	A0000 – General Funds	6085 – Professional Svcs – Catering	Soil Conference
Paid honoraria to guest speaker	12345 – Garden Main	B0001 – Discretionary Gifts	6074 Professional Svcs – Honoraria	Soil Conference

** The Program code is optional; not all expenses are tied to a program, but in this example we do have a program we want to capture, the Soil Conference.*

In the coming months you’ll receive specific information and training about how you will code financial transactions in your department. In the meantime, if you have questions about Prime, log into the Princeton Prime website or contact Nancy Silldorff.

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VisaCentral Provides Support for Travel Visas

Our new visa documentation service, called VisaCentral, assists University travelers in obtaining travel visas for countries that require them. Service fees for VisaCentral are discounted for all University travelers and can be paid for by credit card. The service may be used for personal travel provided it is paid for with personal funds.

This service will walk you through the entire documentation preparation process. The website includes comprehensive checklists of requirements for each country, consulate forms, letter templates, and the ability to print a time-stamped shipping label. Document packets will be confidentially reviewed by consulate-specific VisaCentral teams for accuracy, before the packets are delivered for processing to the various consulates. The status and location of your documents can be tracked online throughout the process. If additional assistance is needed, the VisaCentral customer service team is available by phone.

If you are planning an international trip and use the VisaCentral website, we would like to gather feedback about your experience.

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PEOPLE

Shared Financial Services Team

The Shared Financial Services Team located in East Pyne includes (from left) Julia Colvin, David Carter, and Kathe Woodside.

This month we spotlight the work of our three-member Shared Financial Services Team: David Carter, Julia Colvin, and Kathe Woodside. The Shared Financial Services program is a resource for participating academic departments to receive assistance managing financial processes.

The Shared Financial Services pilot was pioneered by David Carter in 2011 with seven academic departments and programs in and around East Pyne, providing support in the preparation of travel and expense reports, payment requests, purchase orders and requisitions, procurement card processing, and financial reporting. The pilot was extremely well received, as described by one of the participating academic managers, Ronnie Pardo: "David has increased the efficiency of my department in so many ways, and we have all learned a better way of performing the financial responsibilities of our jobs. David is interested in all aspects of a manager's financial responsibilities…We are all very happy that shared services came to East Pyne." Pat Heslin from the German Department says, "The faculty rely on David not only as a processor of receipts, but also as a financial questions resource…He is a valuable asset to our department."

Now Julia and Kathe have joined David in a shared central office located in East Pyne, and the program has expanded to include 18 academic departments, programs, and centers throughout campus. Kathe and Julia can be seen regularly on the campus walkways as they visit the academic units they now support.

New Temporary Agency Contracts Support Staffing Needs

As part of the Strengthening University Management and Resources (SUMAR) initiative, the purchasing department and the Office of Human Resources have finalized contracts with two providers of temporary office staffing: J & J Staffing and SNI Companies. These contracts provide competitive rates, volume-based discounts, and reduce risk through the acceptance of University terms and conditions.

For department managers, these suppliers utilize electronic time card approval and receive payments electronically to simplify the back end of the process. In addition, after twenty business days of employment, there is no fee required to convert the temporary employee to a permanent position. The Office of Human Resources will continue to work with staffing agencies and hiring managers to ensure we hire the best candidates to fill campus needs.

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Supplier Data Cleanup

In preparation for Princeton Prime, the purchasing and accounts payable departments are cleaning up supplier data. As part of this exercise, we will delete duplicate entries, deactivate suppliers that we use infrequently, and implement standards for data quality and validation. The efforts will ensure efficient and compliant transaction processing.

For existing suppliers, the purchasing team has begun contacting suppliers to help update our records. For new suppliers, a new simplified Supplier Request Form will be required, along with a completed W-9 (or W-8 for a foreign supplier), to obtain the supplier name, address, diversity classification, and tax identification number.

If you find that we have deactivated a supplier that you do business with, please send an email to purchase@princeton.edu with your request and we will address it within 24-48 hours. As a reminder, be sure to check our list of contract suppliers, or contact purchasing, before requesting to add a new supplier.

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Supplier Payment Terms and Electronic Payments

Last year we printed and mailed more than 52,000 paper checks to our suppliers. In an effort to move away from paper checks and encourage electronic payments, Finance & Treasury is offering suppliers incentives that simplify the payment process and provide options for accelerated payments. Please click here to see a complete description of the payment terms that are available.

An important component of the new payment terms is the payment date, which will be calculated from the date the invoice is received by accounts payable, not the date listed on the invoice. Suppliers should send purchase order invoices directly to accounts payable, rather than to the ordering department, to expedite the payment process.

Departments may benefit from payment discounts from suppliers who have chosen to accept accelerated payments. Payments that are not accelerated will be paid in 30 days when paid by electronic funds transfer, or in 45 days when paid by check. One-time payments to individuals, including honoraria, are exceptions to the new payment terms and will continue to be paid immediately. We will also honor terms contained in existing contracts. These new terms will be rolling out to suppliers in the coming months.

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Federal Circular May Be Combined by OMB

The Office of Management and Budget (OMB) is proposing publication of a new OMB Circular A-81 that combines cost principles and administrative requirements for federal awards. The OMB Circular A-81 would supersede and consolidate eight OMB circulars including OMB Circulars A-21, A-110, and A-133. Here are some of the proposed changes in the OMB Circular A-81:

- Define allowable computing and administrative support
- Add that voluntary cost sharing is not expected and is not to be used as a factor in the review of proposals
- Explore alternatives to time and effort reporting

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- Clarify the definition of subrecipient versus contractor

The University has submitted comments as part of the public comment period, alongside comments from the Council of Government Relations (COGR), The Association of American Universities (AAU), and other agencies. The federal government is currently reviewing all public comments. Meanwhile the publication date of the final OMB Circular A-81 is yet to be determined.

Sponsored Research Accounting and Office of Research and Project Administration will keep you up-to-date on the reform of federal policies. The text of the published OMB Circular A-81 is available at www.regulations.gov by searching for docket number OMB-2013-0001.

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POLICY

REMINDER
Internet Service at Home is a Personal Expense

Princeton University considers home internet service to be a personal expense. The Business Expense Policy explains that reimbursement for home internet service will be permitted only if there are circumstances that link these expenditures solely to a faculty member's research.

Effective January 1, 2014, Finance & Treasury will no longer process reimbursement of home internet service, nor should home internet service be paid directly by the University (for example, on a departmental credit card) unless the service has been approved and documented by the department chair as a valid business expense under the policy. In the coming months, we will be reaching out to departments that may be affected by the enforcement of this policy.

Please note that internet access while traveling (such as hotel, airport, or hotspot) is an allowable expense provided that the access is necessary for business purposes. Travelers are encouraged to plan ahead and secure a broadband data card from the Office of Information Technology's Loaner Program.

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REMINDER
Bank Account Policy

The Bank Account Policy is posted in the Finance Policy Library. This short policy clarifies that Finance & Treasury establishes all accounts with banks and other financial institutions for the deposit of University funds. In the unusual situation that a department or program requires a bank account, a request must be submitted.

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