Chart of Accounts
Open Forum

Kathy Dettloff
Vice President, Financial Planning and Budgeting

April 2018
• Provide information on upcoming changes, including system changes and controls, that may impact the way you currently transact business in the Oracle, RU Marketplace and PeopleSoft systems

• Walk you through actions you need to take to ensure a seamless transition

• Offer learning opportunities to help you prepare for the change, stay on track to complete deliverables, and identify resources to support you through the process

Clean in FY19!
• After working in COA for more than a year, and hearing about difficulties staff, faculty and central administration are experiencing with its use, we are developing ways to better serve the University through chart of accounts changes, improved controls and education, guidance, support and policies to ensure the best use of the COA.

**GOAL**

Improve how we support our operations by making the chart of accounts simpler to use, ensuring the data are accurate and easily reportable across the University, and making certain that the project ledger interacts seamlessly with the general ledger.
COA: Advisory Group

**Project Sponsors**
- Kathy Dettloff
- Pete Larson

**Finance Chart of Accounts Team**
- Cheryl Hart
- Matt Katz
- Betsy Cafiero
- Susan Heleno
- Vincent So
- Ed Scheer
- Ernie DiSandro
- Christy Orlowski

**Huron Consultants**
- Dave Klipa
- Alex Skoney
- Alex Reed

**PMO Support**
- John Fahey
- Tom Deshan
- Stephanie Reed

**Campus Advisory**
- Diana Uveges
- Vincent Nacco
- Kevin Kimberlin
- Jason DiPaolo
- Bernadette Cariaga
- Cheryl Wisnack
- Peter Camp
- Kyle Aaronson
- Anh Hollowell
- Mary Tamasco
- Eileen Markey
- Theresa Fronckowiak
- Angelo Chrisomalis
- Erin Cuomo
• “Open” financial management system (Oracle) allows users to enter any chart string combinations they wanted to. Therefore, there are invalid combinations and accounting values throughout the University

• Chart of accounts design resulted in creation of chart segments and projects that are inconsistent with best practices

• Absence of documented accounting scenarios for standard accounting transactions and chart string usage

• Inconsistent and inappropriate use of the chart of accounts across the University

• Lack of clarity regarding how and when Project Portfolio Management (“Projects”) should be used
By July 1, 2018 implement system changes and controls with the end goal of minimizing reconciliation issues and ensuring FY2019 will have accurate and easily reportable data

- **Cross Validation Rules**: Rules that prevent the end-user from creating unwanted transactions in the system
  - Use of only valid U-D-O combinations
  - Correct chart segment combinations

- **Sub-Ledger Accounting Rules**: Rules that dictate how transactions in the sub-ledger get recorded in the general ledger
  - Project cost and revenue to follow project U-D-O
  - Freight and Miscellaneous lines on Accounts Payable invoices
  - Facilities & Administration Cost Recoveries
Unit-Division-Organization Combinations
• Goal: Reduce U-D-O combinations to a more appropriate quantity, to reduce errors and reconciliations
  – 2,200 (approx.) valid U-D-O combinations were identified
• System controls will prevent:
  – Creation of new invalid U-D-O combinations
  – Stop use of invalid combinations already in the system
• All units will be required to use only valid U-D-O combinations for transactions in the general ledger, Projects module, RU Marketplace and PeopleSoft.

• Review valid and invalid U-D-Os and begin using only valid U-D-Os on new transactions.
University Controller’s Office
https://uco.rutgers.edu
University Budget Office
https://budget.rutgers.edu/
Cornerstone
https://cornerstone.rutgers.edu/
Invalid Chart String Combinations
Prevent general ledger chart strings that do not follow logic from being created, for example:

- **Fund Types 145 and 390** – “Medical Contracts for the State of New Jersey” can only be used in combination with Healthcare and Clinical Business Lines, which are in the range of 3500-3599 (all Fund Types can use the default Business Line of 9999)
- 43 rules will be phased in by June 30th
- Become familiar with these rules, and start transacting in the system using them now, so that we are ready to be clean in FY19

- **Visit the Controller’s site to become familiar with the cross validation rules**
University Controller’s Office
University Budget Office
Cornerstone

https://uco.rutgers.edu
https://budget.rutgers.edu/
https://cornerstone.rutgers.edu/
COA: Cross Validation Rules (CVRs)

- CVRs file contains list of all new rules that will be implemented
- Each rule can be interpreted with the same logic as the example below

<table>
<thead>
<tr>
<th>Rule Name</th>
<th>Description</th>
<th>Condition Filter Segment</th>
<th>Condition Filter Values</th>
<th>Validation Filter Segment</th>
<th>Validation Filter Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>CVR FT-BL 09</td>
<td>This rule enforces that Medical Contracts for the State of NJ Fund Types (145 &amp; 390) can only be used in combination with Healthcare &amp; Clinical Business Lines (3500-3999). Fund Types (145 &amp; 390) can only use Business Line (9999) when recording to Balance Sheet (Assets &amp; Liabilities) Accounts.</td>
<td>Fund Type</td>
<td>145,390</td>
<td>Business Line</td>
<td>3500-3999,9999</td>
</tr>
</tbody>
</table>

If you use Fund Types 145 or 390, you must use Business Lines 3500-3999, or 9999
### If you use this value segment,…

- **Account**
  - 42500-42699, 45000-46699
- **Fund Type**
  - 100, 150
- **Fund Type**
  - 180, 610, 620, 900
- **Fund Type**
  - 320
- **Unit**
  - 000-150, 200, 220-470, 500-555

### …then you must use this value segment

- **Unit**
  - 700-855, 900
- **Account**
  - 00000-47999, 49000-99999
- **Business Line**
  - 0500, 7000-7900, 9999
- **Unit**
  - 330, 460, 900-999
- **Business Line**
  - 0000-3499, 4000-7699, 7899, 7999, 8299, 9099, 9999
Central Actions

• Create new CVRs to ensure the use of valid chart combinations in RU Marketplace and PeopleSoft on May 7th. New requisitions in RU Marketplace and all new transactions in PeopleSoft must use valid combinations, or they will be rejected.

• Testing for all CVRs is ongoing through May 31st

• CVRs will go in to the Oracle system for monitoring only on May 7th

• Reports will be posted that identifies chart string combinations in violation of any rules (exception reporting)

• All CVRs will be made active on June 30th
Unit Actions

• Update U-D-O approval rules in RU Marketplace by April 25th (units will be notified)

• Update department default accounts in PeopleSoft by May 23rd (report distributed 4/23)

• Employee Charging Instructions need to be updated by May 23rd (report distributed 4/23)

• Existing purchase orders need to be updated by May 23rd (report distributed 4/23); central will update after receiving input from units

• Monitor exception reporting regularly beginning May 7th

• Contact us for help!!
## COA: Webinars

- Led by subject matter experts from project team
- Two sessions for each group of topics
- 90 minutes each, including time for Q&A
- Some sessions will cover more than one topic, due to timing of changes or similar action required by units
- Complete details will be emailed week of April 16th, and posted on Controller’s site

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30-May 4</td>
<td>• Valid Unit-Division-Organization Combinations</td>
</tr>
<tr>
<td></td>
<td>• Cross Validation Rules</td>
</tr>
<tr>
<td>April 30-May 4</td>
<td>• U-D-O Employee Charging Instructions</td>
</tr>
<tr>
<td></td>
<td>• RU Marketplace</td>
</tr>
<tr>
<td>May 7-May 10</td>
<td>• Purchase Order lines</td>
</tr>
<tr>
<td></td>
<td>• Department Defaults</td>
</tr>
<tr>
<td></td>
<td>• Employee Charging Instructions</td>
</tr>
<tr>
<td>May 21-May 25</td>
<td>• Sub-Ledger Accounting Rules</td>
</tr>
</tbody>
</table>
• Correct balances and close invalid general ledger strings

• Invalid chart string combinations will have activity and balances that will need to be reclassed

• We will run reports, and provide direction on how to reclass these balances at a later date

• We do not anticipate these changes being complete by the end of the fiscal year

• No action is required by units at this time
Sub-Ledger Accounting Rules
Derive general ledger accounting from project master (demographic) data

**Project Costs**

- Ensure all costs from projects sub-ledger follow U-D-O setup at project level, so costs always match revenues in the general ledger

- **Unit-Division-Organization** will be derived from the project owning organization, not from the expenditure organization when transacting, for all projects *regardless of what is entered on the transaction*

- **Fund Type** will be derived from project/task for all projects

- **Location and Business Line** will be derived from project/task master data for sponsored projects, and user entry for non-sponsored

**Will be live in the system on May 31st**

- Ensure project setup data is correct
Derive general ledger accounting from project master (demographic) data

Facilities and Administration (F&A) Cost Recovery

• F&A will now be automatically booked in real-time to a specified general ledger string (NA 47100) identified on the project; no longer managed by UBO/UCO.

Will be live in the system on May 31\textsuperscript{st}

• No action is required by units
COA: Sub-Ledger Accounting (SLA) Rules

Derive general ledger accounting from sub-ledgers

Accounts Payable Freight & Miscellaneous Lines

• All freight and miscellaneous lines on an invoice will be automatically posted to specific general ledger string, and will no longer require a manual journal entry

Will be live in the system on May 31st

• No action is required by units
Prevent users from recording activity to grant Fund Types via General Ledger Journals

Grant Fund Type Not Allowed in General Ledger

- General ledger transactions with “Grant Fund Type” on any lines will be rejected.
- Ensures no transactions on “Grant Fund Types” originated from users recording general ledger transactions
- Prevent project transactions from being booked only to the general ledger

Will be live in the system on May 31st

• No action is required by units
<table>
<thead>
<tr>
<th>Fund Type Value</th>
<th>Fund Type Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>310</td>
<td>Federal Grants &amp; Contracts</td>
</tr>
<tr>
<td>320</td>
<td>Hatch Smith Lever</td>
</tr>
<tr>
<td>360</td>
<td>EOF Program</td>
</tr>
<tr>
<td>380</td>
<td>Grants &amp; Contracts State of NJ</td>
</tr>
<tr>
<td>385</td>
<td>Grants &amp; Contracts Other States</td>
</tr>
<tr>
<td>390</td>
<td>Restricted Medical Contracts State of New Jersey</td>
</tr>
<tr>
<td>400</td>
<td>Local Municipal Grants &amp; Contracts</td>
</tr>
<tr>
<td>500</td>
<td>Corporate Grants &amp; Contracts</td>
</tr>
<tr>
<td>520</td>
<td>Foundations Grants &amp; Contracts</td>
</tr>
<tr>
<td>560</td>
<td>Associations Other Non-Profit Grants &amp; Contracts</td>
</tr>
<tr>
<td>580</td>
<td>Foreign Grants &amp; Contracts</td>
</tr>
<tr>
<td>640</td>
<td>Restricted General Grants</td>
</tr>
</tbody>
</table>

- User transactions on these Fund Types must be done via Projects to keep general ledger and Projects module in sync
Other Initiatives
All chart of accounts segment value descriptions will be more intuitive

The descriptions of the chart of accounts values will be updated to be more consistent and easier to read, some examples include:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Value</th>
<th>Old Description</th>
<th>New Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>160</td>
<td>Dining Camden</td>
<td>CMD Dining</td>
<td>In Production</td>
</tr>
<tr>
<td>Unit</td>
<td>290</td>
<td>School of Engineering SOE</td>
<td>NB SOE School of Engineering</td>
<td>In Production</td>
</tr>
<tr>
<td>Location</td>
<td>2105</td>
<td>New Brunswick Regional Campus</td>
<td>NB Regional Campus</td>
<td>In Production</td>
</tr>
<tr>
<td>Location</td>
<td>1200</td>
<td>Robeson Library</td>
<td>CMD Robeson Library</td>
<td>In Production</td>
</tr>
<tr>
<td>Location</td>
<td>1000</td>
<td>Camden Regional Campus</td>
<td>CMD Regional Campus</td>
<td>In Production</td>
</tr>
<tr>
<td>Account</td>
<td>47390</td>
<td>Healthcare Other</td>
<td>Other Rev Healthcare Other</td>
<td>Review</td>
</tr>
<tr>
<td>Account</td>
<td>58990</td>
<td>Equipment Other</td>
<td>Comp &amp; Equip Other</td>
<td>Review</td>
</tr>
</tbody>
</table>

• No action is required by units
Create standardized business processes that comprise “Policies and Procedures Guide” on accounting treatment of financial transactions

- **Transfers**: Use certain accounts when making transfers between certain Fund Types. A guide on when to use which accounts will be provided.

- **Expense Recoveries**: Specific accounts must be used when charging (by category), the same accounts will be credited to provider.

- **Faculty Funds**: Will continue to use Projects under the current chart of accounts.

*First group of policies will rollout for use in FY19*
# COA: Near-Term Deliverables

As of April 12, 2018. Timelines and milestones are proposed and subject to change.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comms./Engage</strong></td>
<td><strong>Business Officers meetings</strong></td>
<td><strong>Open Forums</strong></td>
<td><strong>Webinar series</strong></td>
<td><strong>Email</strong></td>
</tr>
</tbody>
</table>

- **Due Date** Project setup
- **Email** Overview
- **Email** CVRs, SLAs, CVRs (soft launch)
- **Email** UDO dept. defaults, UDO req. approvers
- **Email** SLAs (hard launch)
- **Email** CVRs, SLAs for remaining segments (hard launch)

<table>
<thead>
<tr>
<th><strong>Unit Actions</strong></th>
<th><strong>Due Date</strong></th>
<th><strong>Due Date</strong></th>
<th><strong>Due Date</strong></th>
<th><strong>Due Date</strong></th>
</tr>
</thead>
</table>

- **Due Date** UDO req. approvers, UDO dept. defaults
- **Due Date** Dept. defaults, ECIs, existing POs
- **Due Date** Clean open FY17 UDO balances

<table>
<thead>
<tr>
<th><strong>System/Internal Controls</strong></th>
<th><strong>System</strong></th>
<th><strong>System</strong></th>
<th><strong>System</strong></th>
<th><strong>Internal</strong></th>
</tr>
</thead>
</table>

- **System** CVR (soft launch), Project Updates
- **System** CVRs active in system (hard launch)
- **System** UDO dept. defaults, UDO req. approvers UDO New ECIs (hard launch)
- **System** SLAs (hard launch)
- **System** Close invalid, full chart strings
- **Internal** Policies, guidance

As of April 12, 2018. Timelines and milestones are proposed and subject to change.
• Iterative process, with changes occurring in waves through June 2018, to better educate and prepare staff and minimize disruption to day-to-day operations

• Multiple opportunities and forums to learn about upcoming changes, and talk with our staff who will support you throughout this process

• Resources will continue to be posted on Controller’s website, accessible from Budget Office and Cornerstone websites

• Budget Office and Controller’s Office partnering with units
  o UBO/UCO: Comprehensive project management, clear communication, multiple ways engage you, education/support resources
  o Units: Input, support and leadership, feedback
QUESTIONS & ANSWERS
Who to Contact with Questions, for Support

Kathy Dettloff  
Vice President, Financial Planning and Budgeting  
O: (848) 932-4014  
E: kathy.dettloff@rutgers.edu

Send questions to budget@finance.rutgers.edu

Submit question and suggestions to your unit’s business manager, a Chancellor unit or central business representative, a member of the Advisory Group.
COA: Where to Find Online Resources

University Controller’s Office
https://uco.rutgers.edu

University Budget Office
https://budget.rutgers.edu/

Cornerstone
https://cornerstone.rutgers.edu/