

# RIT Finance Matters

February 2005 – Volume 8, Issue 1

Issued periodically by the Controller's Office

## Take Our Accounting Quiz

**(Do you know whether the following statements are True or False? (Answers are on the pages 3 and 4)**

The following statements have been compiled from comments made by our customers. Take our quiz to determine how much you know about Oracle and our other processes

1. Since the Academic Discipline Code segment of the Oracle account code combination always 00000, it can be omitted when entering the account number in Oracle.
2. Oracle and DCE passwords are the same, therefore when one is reset the other is also reset automatically.
3. If the Functional Expense Category (FEC) used in a particular department's operating account is 35, they should use 35 in all of their account combinations.
4. In order for one RIT department to give funds to another RIT department, the department giving up funds prepares a regular journal entry to debit an expense object code.
5. Department statements and other Oracle reports can only be printed after Accounting has closed the month.
6. When an RIT employee acting as independent contractor provides services to another department (i.e., not the employee's home department), payment is made through the Accounts Payable office (and is separate from the employee's salary).
7. RIT is responsible for payment of expenses charged to the JP Morgan Corporate Travel Card.
8. Departments that earn revenue from external sources should charge their revenue account line when making a purchase.
9. When a department receives a monetary gift from a donor, they should take the money to the Cashiers' Office to be deposited into the department's revenue account.
10. When a RIT department bills an outside customer for goods sold, or services rendered, the department does not record the revenue until payment is received from the customer.
11. The fringe benefit expenses that are recorded on your department and or project statement reflect the actual cost for benefits incurred by employees in your department.

12. Oracle users must wait until the end of the month to see the effect that a journal entry has on a particular account.

## **Controller's Office News**

### **Staff Updates**

**Mary Beth Nally** ([mbn2600@rit.edu](mailto:mbn2600@rit.edu)) was recently promoted to Director Student Financial Services (formerly RIT Bursar's Office).

**Rick Schonblom** ([rbs9299@rit.edu](mailto:rbs9299@rit.edu)), formerly Bursar, has been named the Assistant Controller Financial Services.

**Pricilla Schiffauer**, ([plscto@rit.edu](mailto:plscto@rit.edu)), Campaign & Financial Reporting Specialist, has assumed responsibility for day-to-day administration of externally funded gift accounts (formerly the responsible of SPFMS) including setting up new projects, monitoring expenditures and responding to questions from departments regarding the use of funds.

In addition, the Controller's Office is please to welcome the following to our organization:

**Diane Martz** ([dmmcto@rit.edu](mailto:dmmcto@rit.edu)) – SPFMS Sr. Staff Accountant (replaced Susan Shanks)

**Marilee Montanaro** ([mkmcto@rit.edu](mailto:mkmcto@rit.edu)) – Sr. Manager Finance & Accounting Operations/CIMS

**Richard Amorese** ([rxacto@rit.edu](mailto:rxacto@rit.edu)) – Staff Accountant/CIMS

## **Employee Self Service Corner**

### **Online W2 Information**

In January W-2 forms are mailed to every employee. Through Employee Self Service, W-2 Information may be viewed online and reprinted if needed. Follow these simple steps:

- Sign on to the Oracle applications
- On the Main Menu, select RIT Employee Self-Service
- On your Personal Home Page, click on "My W2 Information"

If you would like to view a previous W-2, simply click on the down arrow under the heading Form W-2 Wage and Tax Statement, choose the year and click Go. The screen will refresh with the desired W2 information.

The online form also includes a detailed instruction sheet explaining codes and box contents.

For assistance or questions about Employee Self-Service, contact the F&A Customer Support Team at ext. 5-4905 or visit our website: <http://finweb.rit.edu/customersupport/>.

## Accounting Quiz – Common Accounting Misconceptions

### Answers to Our Accounting Quiz

1. **False:** Even though the **Academic Discipline Code** in the account combination is always 00000 (at least for now), Oracle won't let you proceed until you enter the 5 zeroes.
2. **False: Oracle and DCE** passwords are established in different systems – they are not related. People often think that since their Oracle username is usually the same as their DCE username, their passwords will also be the same. This is not the case.
3. **False:** The **Functional Expense Category** must be greater than 00 (e.g., 35) when the object code (second segment of an account number) is an expense (i.e., object code range from 70000 to 99999). When the object code is not an expense (e.g., an asset, liability or revenue), the FEC is 00.
4. **False:** When an RIT department wants to **move budget dollars** from one operating account to another, they must prepare a budget entry. Just complete a Budget Change form, located on the Budget Office web site and forward it via e-mail to the Budget office ([budget@rit.edu](mailto:budget@rit.edu)) for processing in Oracle. The web site is: [http://finweb.rit.edu/budget/budget\\_change\\_form.html](http://finweb.rit.edu/budget/budget_change_form.html)
5. **False:** You may **print reports** any time throughout the month; however, the Accounting Office recommends that you print your final monthly reports after they have notified you that the month has been closed. Reports printed prior to the month end closing may not be complete since there are several processes such as the benefit allocation that are only run once per month.
6. **False:** Several years ago, based upon the advice of legal counsel and review of the related tax law, RIT implemented a policy regarding **current employees acting as independent contractors**. The policy states that all services performed by an RIT employee acting as independent contractor will be considered "additional pay" and will be processed through the payroll system.
7. **False:** The cardholder is personally responsible for paying for all charges and fees incurred on his/her **JP Morgan Corporate Travel Card**. The same is also true for the Citibank Corporate Travel Card. Failure by the cardholder to remit timely payments will result in finance charges being assessed and possible negative impact on his/her personal credit rating.
8. **False:** To ensure accuracy of RIT's financial statements, expenses cannot be charged to revenue lines (the only exception is when a department is processing a refund). **Purchases made as a result of revenue earned** are always charged to the appropriate expense line. If the department wants to increase their working budget by the amount of revenue earned, they may contact the Budget Office.

9. **False:** Donors often send checks directly to departments across campus. When this occurs, **departments should hand-deliver original gift checks** and related support to the Development Office. Development will deposit the check, credit the department's gift revenue account, update the donor records, and issue a formal acknowledgement to the donor. When departments deposit gifts directly at the Student Financial Services Office (formerly the Bursar's Office), a critical step in the gift process is by-passed: donors may not receive tax documentation and gift revenue may not be properly recorded.
10. **False:** Accounting principles state that revenue is recognized when the goods are sold or the services are rendered. When the **department sells the goods or renders the services**, and an invoice is sent to the customer, the department should prepare a journal entry to create a "receivable" (A/R) and recognize the revenue (DR A/R / CR Revenue). When the department receives the payment, they would deposit it into the same A/R account that they used in the journal entry. *Watch for more information about the new central accounts receivable system that we're implementing early in fiscal year 2006.*
11. **False: RIT uses a benefit rate** (approved by the federal government based upon prior year's actual expenses) to calculate benefit expenses charged to departments and projects. As part of the month closing process, Accounting runs an allocation that multiplies Full time Salary Expenses x Full Time Benefit Rate and Part Time Salaries x Part Time Benefit Rate. This calculation is the basis for the full and part time benefit expenses charges to your department/project.
12. **False:** One of the advantages of the Oracle applications is that it allows you to **see the effect of your journal entry** in as soon as the journal entry is posted by the Accounting Office, typically a day or two after it is entered.

### **How to Learn More about Accounting Practices, Procedures and Protocol** **Attend one of the upcoming workshops**

Consider attending one of the upcoming workshops in the Accounting Practices, Procedure and Protocol Series.

- Introduction to Accounting – March 1<sup>st</sup>
- Using Oracle Reports to Reconcile your Budget – March 1<sup>st</sup>
- Travel Policies and Procedures – April 19<sup>th</sup>
- Procurement Card Processes – April 26<sup>th</sup>
- Accounting for Gifts – May 10<sup>th</sup>

For more information, visit the CPD website: <http://finweb.rit.edu/cpd/topics/accounting.html>

In addition, visit the Controller's Office web page to learn more about Institute practices, processes and procedures that are administered by the Controller's Office:  
<http://finweb.rit.edu/controller/>.