

# Finance Matters

May 2007

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*The fiscal year 2007 audit has already begun. Auditors from Pricewaterhouse Coopers conduct interim audit procedures and field work for our Federal A-133 week during May and then returns for three weeks in August to complete the year-end audit.*

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## Fiscal Year-End is Just Around the Corner

The end of RIT's 2006-2007 fiscal year is rapidly approaching. We are updating our annual year-end memo which is designed to familiarize and/or reacquaint you with RIT's year-end processes. The memo, which will be sent to RIT Managers in early June (and also posted on the Controller's office web site), contains information about important dates as well as an overview of many year-end procedures such as preparing entries for accruals and prepaid expenses.

### Year-End Workshop

Accounting will conduct their annual Year-End Workshop on Tuesday, June 12 from 10:00AM – 11:30AM in the Carlson (Bldg. 76) auditorium. Please mark your calendars and plan to attend. Pre-registration is not required.

If you are new to RIT and have questions about how to prepare for year-end, please call Lorraine McEvoy at ext. 5-2375 or David Castro at ext. 5-2237.

### Balance Sheet Reconciliations

If you haven't already done so, please complete and return your March 31<sup>st</sup> balance sheet account reconciliations, approved by your manager/department head, to Accounting. Timely reconciliations are an important part of a good internal control system. If you need assistance completing your reconciliations, please contact Andrea Napoli, Manager of Accounting, at ext. 5-2911 (or [alnatg@rit.edu](mailto:alnatg@rit.edu)).

### Capital Equipment Physical Inventory

If your department has not yet completed its fiscal year 2007 equipment inventory, please update/complete the forms provided by Property Control as requested, including information about assets no longer in service and the current location (e.g., building and room number) of your department's equipment. Then sign the certification, obtain your department head's approval and return the information to Property Control as soon as possible. Property Control will update the University's fixed asset system with the information you provide so that it accurately reflects your department's current assets.

A comprehensive fixed asset system contributes to the accuracy of the University's financial statements. Periodic physical inventories are one critical control found in a strong property control system (and physical inventories also required by the Federal government). Your assistance in performing the essential task is appreciated. If you have questions about the information you receive from Property Control, please call Jane McGrath-Briggs at ext. 5-4933 ([jfmcto@rit.edu](mailto:jfmcto@rit.edu)).

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*The Controller's Division is comprised of over 70 staff members with responsibility for financial reporting, general accounting, payroll, accounts payable, purchasing, cash management, investment accounting and debt management, planned giving administration, student financial services, sponsored programs post-award administration, cost accounting, tax compliance, as well as financial management and business services in four of RIT's eight colleges, Housing Operations, and the Student Affairs Division.*

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*Coming Soon - SPARC SPA will introduce its new Sponsored Programs Accounting & Regulatory Certification training program this fall. It's specifically designed for department administrators and other staff who provide direct post award fiscal and administrative support of sponsored projects for Principal Investigators.*

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## Lyn Kelly Named Controller & Assistant Treasurer

Lyn Kelly recently accepted the position of RIT Controller & Assistant Treasurer. Lyn joined RIT as the Manager of Administrative Services in Facilities Management Services in 1991. From 1994 to the present, Lyn has served in several roles in the Controller Division, including Restricted Funds Accounting Supervisor, Manager of Accounting, Director of Accounting & Payroll Services, Assistant Controller and most recently as the Associate Controller. Lyn has been the Interim Controller for the last eight months. When announcing Lyn's appointment, Dr. Watters, Sr. VP of Finance & Administration told the Controller's Division staff, "Lyn is a tireless and conscientious worker who always strives to do the very best she can." He commended Lyn for her mature and confident leadership while acting in this interim capacity. Dr. Watters went on to say that "Lyn will help to nurture and develop the tremendous and talented staff that makes up the Controller's Division." Lyn is a 2003 graduate of the E. Philip Saunders College of Business EMBA program.

## Refreshing Reorganization

### The RIT SPA

**SPA!** From now on, when you hear someone at RIT mention this refreshing word, they're probably referring to the **Sponsored Programs Accounting** office. SPA officially changed their name from SPFMS last month. The new name includes the word "accounting" which means: recording, analyzing and summarizing business and financial transactions and verifying and reporting the results. We think SPA more accurately reflects their role and responsibilities in the fiscal administration of sponsored programs.

### New Departmental Assignments

SPA recently realigned their departmental assignments based on the volume and complexities associated with sponsored awards in each department. In addition to a more even distribution of departmental assignments, staff will also be able to provide knowledgeable back-up representatives for each area. To obtain detailed information about department assignments, visit the SPA web site <http://finweb.rit.edu/controller/sponsored/assignments.html>

### New Principal Investigator Mentor/Training Specialist

Yancey Moore joined SPA in early April in the newly created role of "Principal Investigator Mentor/Training Specialist". Yancey will provide direct support to **new** principal investigators and department administrators. Fiscal administration of a sponsored project can be a complex process – Yancey's goal is to demystify both internal and external fiscal processes and procedures as well as numerous compliance and regulatory requirements. Yancey will also play a key role in SPA's education and outreach efforts, including their new certification program that will be offered beginning in September 2007. To learn more about the SPARC training program, visit the SPA web site: <http://finweb.rit.edu/controller/sponsored/docs/sponsoredprogram.pdf>

## Encumbrances

### What are Encumbrances?

*Encumbrances are reservations of funds for future expenditures.*

One way to prepare for year-end is to review your department's encumbrances. They are created automatically by the Oracle system when a requisition (and later on a Purchase Order) is created. The account number used on the requisition will be the same account number that reflects the encumbrance amount on your department or project statement. Encumbrances are designed to give you a better picture of your budget. By reserving the amount of funds specified on the requisition, it reminds you that those funds are no longer available for your department's use (i.e., because they have been put aside for an expenditure that has been committed to). The box to the right provides a step-by-step illustration of the encumbrance process.

### How to Reconcile Open Encumbrances

If, after printing your department or project statements, there are amounts in the "Encumbrance" column, print an "Encumbrance Detail Report" (EDR – see instructions below). Compare the encumbrance amounts of both reports. If they match and you recognize the Purchase Order (PO) number in the EDR, then it's likely the information is correct. If they don't match, one possible reason is that there is an amount on the PO that was never used and it's still encumbered. If that is the case, email Becky Kiely in Purchasing ([rlkpur@rit.edu](mailto:rlkpur@rit.edu)) and ask her to "finally close the PO". If you have questions about reconciling encumbrances, call David Castro at ext. 5-2237.

### Tips for Running the Encumbrance Detail Report:

When you notice that there are amounts in the Encumbrance column on your department statement or other Oracle reports, run the Encumbrance Detail Report.

Follow these instructions about how to complete the Parameter screen:

Log into Oracle using your **Report & Inquiry** responsibility.

- ✓ Double click on **Reports**.
- ✓ When the next window appears click on the OK button, selecting **Single Request**.
- ✓ Within the **Submit Request** screen type **enc** in the name field and press the Tab key.
- ✓ Select **Encumbrance Detail Report** from the list and click on the **OK** button.

*You are asked by your department manager to process a requisition to purchase a computer for \$1,700 for a new staff member in your department.*

*When you enter the requisition into Oracle, the system takes \$1,700 from your "Available Balance" on the 24-digit account that you specified and automatically creates an encumbrance for the same amount.*

*When Accounts Payable pays the invoice, the encumbrance will be reversed and an expense of \$1,700 will be reflected in the "Actual" and "YTD Actual" the columns on your capital equipment statement.*

*Sometimes discrepancies in the amount billed, or other factors may complicate this process and possibly prevent the encumbrance from clearing completely.*

Continued on page 5

## Oracle Training Workshops

Training classes, designed to familiarize employees with the Oracle financial applications, are offered monthly from September through May. The date of last training classes of the academic year is May 23<sup>rd</sup>.

- ✓ Purchase Requisitions
  - May 2007 – 10:00 am – 11:30 am on 5/23
- ✓ Journal Entry\*
  - May 2007 – 12:30 pm – 4:15 pm on 5/23
- ✓ General Ledger/Report & Inquiry\*
  - May – 2:45 pm – 4:30 pm on 5/23

To register for training classes, go to the CPD web site: <http://finweb.rit.edu/cpd/technology.html>.

\*classes are combined in one session

MAY 2007						
S	M	T	W	T	F	S
	30	1	2	3	4	4
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## Accounting Workshops

Accounting Practices, Procedures, and Protocol training is a series of two-hour workshops designed for those individuals at RIT who are responsible for financial transactions and/or developing and maintaining department, college, or division budgets. Here’s the date of the last workshop for this academic year:

- ✓ May 22<sup>nd</sup> – Procurement Card Processes

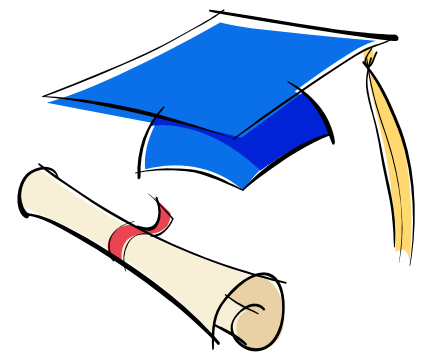
For class times and to register for training workshops, go to the CPD web site: <http://finweb.rit.edu/cpd/technology.html>.

## Controller’s Office News

The Directory on the Controller’s Office web page provides a complete listing of our staff along with their titles and a brief description of each staff member’s current responsibilities. Please visit the Directory on the Controller’s Office web page to learn more about our staff: <http://finweb.rit.edu/controller/aboutus/directory/>.

### Milagros Concepcion Completes Her MBA

Congratulations are in order! Milagros Concepcion, Assistant Director Sponsored Programs Accounting, will graduate from the RIT E. Phillip Saunders College of Business MBA program with a concentration in Finance this month. Milagros completed her degree while doing an outstanding job serving as a College Partner in the College of Business and then in her current role in SPA. We’re very proud of Milagros – please join us in congratulating her for a job well done!



## Encumbrances continued from page 3

The screenshot shows the Oracle Applications interface for running a report. The main window is titled 'Run this Request...' and contains the following fields:

- Name: Encumbrance Detail Report
- Parameters: (empty)
- Language: American English
- At these Times: As Soon as Possible
- Upon Completion: (empty)
- Title: (empty)
- Accounts From: 01.15100.84000.00.84200.00000
- Accounts To: 01.15100.84000.00.84200.00000
- Cost Centers From: (empty)
- Cost Centers To: (empty)
- Encumbrance Date From: (empty)
- Encumbrance Date To: 31 DEC 2003
- Document Type: (empty)
- Vendors From: (empty)
- Vendors To: (empty)
- Dynamic Precision Option: 2

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*According to the Federal government's OMB Circular A-21, faculty who work on summer contracts are entitled to earn an amount not in excess of their base salary divided by the contract period. Since RIT faculty academic year contracts are for ten months (September – June), a faculty member who works on a 10-month contract may be up to 20% of his/her base salary for work during the summer months (i.e., July and August = 2 months summer contract / 10 month academic year = 20%).*

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As shown in the image above, the **account number** field and the **Encumbrance Date** (only the "to" date) are the only fields required to request this report. After you complete these fields, click on the OK button and submit /print the report.

## Processing Summer Salary EAFs

It's time to prepare Employee Action Forms (EAFs) for faculty who are working on grants and contracts during the summer quarter.

The process is new this year so be sure to visit the SPA web page for detailed instructions:

<http://finweb.rit.edu/controller/sponsored/docs/summersalary.pdf>

The new Grant and Contract Summer Salary EAF is available on the HR web page:

<https://finweb.rit.edu/humanresources/forms/summersalarygrants.pdf>

Remember, EAFs are due in the SPA office by Friday May 18<sup>th</sup>.

If you have questions about how to complete Summer Salary EAFs, please contact your SPA representative.