Treasurer's Town Hall

J. Michael Gower

*Executive Vice President for Finance and Administration
and University Treasurer*

Camden Campus Center
April 18, 2017

Today's Agenda

- **Cornerstone**

  – Stabilizing the Systems and Establishing Year-End Close Guidance

  – Ongoing Activities

  – Financial Planning and Budgeting Milestones

Why Transform the Way We Work?

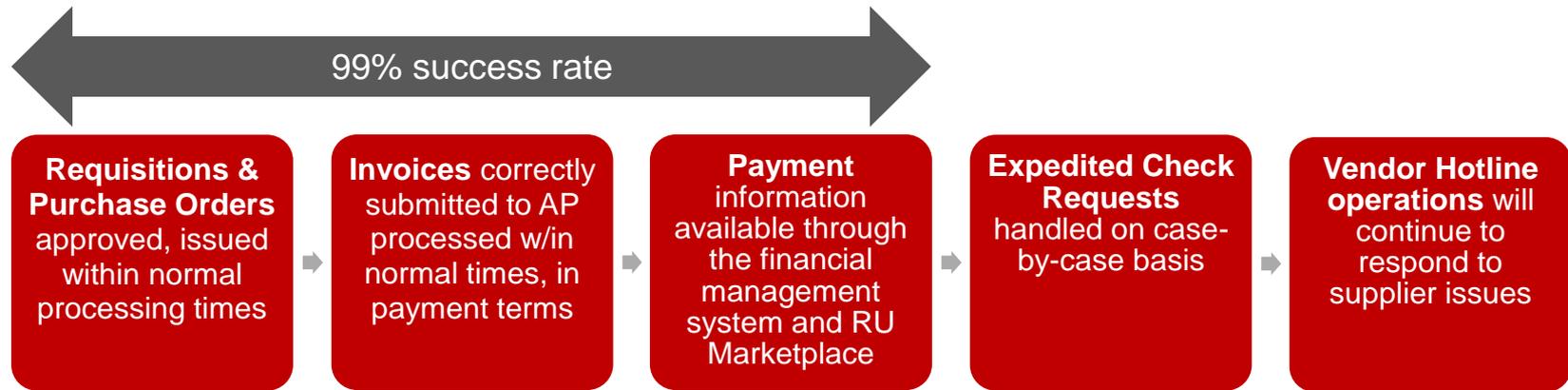Cornerstone is the University's multi-year strategic project to:

- Modernize our systems, advance Rutgers to forefront of technology

- Operate on unified platforms with standardized practices

- Increase operational efficiencies

- Improve the way we collaborate

You have made a significant effort to partner with the Cornerstone project team to identify issues, assist with testing solutions, and manage day-to-day operations in this new environment.

Thank you!

STABILIZING THE SYSTEMS

Procurement (RU Marketplace)

99% success rate

Requisitions & Purchase Orders approved, issued within normal processing times	**Invoices** correctly submitted to AP processed w/in normal times, in payment terms	**Payment** information available through the financial management system and RU Marketplace	**Expedited Check Requests** handled on case-by-case basis	**Vendor Hotline operations** will continue to respond to supplier issues

Current Focus

- Resolve remaining payment issues due to purchase order errors

- Post most outstanding payments to general ledger before March FY17 close (Apr. 24)

- Prepare for year-end processes

- Upcoming communications

  – How to handle duplicate payments

  – Business as usual invoice processing

  – Year-end guidance

We are Resolving Variances in the Sub-Ledger

- There are account balance variances in the general ledger for sponsored and non-sponsored projects

- Project team is taking the following steps to fix it:
    - Expedite availability of accurate and stable financial accounting reports
    - Reconciling data, validating transaction flows, and implementing processes to prevent further disruptions
    - Working with Oracle, Deloitte Huron and others

- Most accurate reporting of project accounting is in Projects sub-ledger
    - Run Oracle Transactional Business Intelligence (OTBI) queries to view account balances

Sub-Ledger Variances: UCO and GCA Actions

Reasons for Variance	Corrective Measures
Invoices not posted to general ledger	Posting invoices in time for March FY17 close (April 24)
Data converted incorrectly	Grant and Contract Accounting (GCA), Controller's Office (UCO) completing conversion data analysis/effort
Variances in fringe benefit rates	Journal entries being made to correct variances under new method, rate
Payroll transactions dated after grant end date (+90)	GCA and UCO are correcting end dates, will reprocess transactions to post to grant or operating account; developing report to show unprocessed transactions
Change in Source of Funds (CISF) and Salary and Wage Redistribution and Justification Cost Transfers (SWRJ) forms	Review and process CISF and SWRJ forms
Indirect cost (F&A) credits not applied to correct GL accounts	UCO is booking the year to date credits to the appropriate units, target by March FY17 close (April 24)
Requisitions showing as duplicate commitments	Duplicate requisitions will be deleted by end of April 2017

Sub-Ledger Variances: Actions Individual Units Can Take

Reasons for Variance	Corrective Measures
Incorrect default chart of accounts' segment values for expense reports	• Update default values with correct general ledger and Project strings • For expense reports that have been submitted, do a regular journal entry or a Project cost transaction

Data that converted incorrectly	• If the UDO is incorrect, contact gca@ored.rutgers.edu (sponsored), or coa@finance.rutgers.edu (non-sponsored) to request a project set-up correction for future transactions
	
	• If general ledger opening converted balances have not been corrected
	   o You know the reclassification entry, prepare it and contact UCO
	   o You do not know the reclassification entry, contact UCO

Internal Purchase Order (IPO) credits applied to default account	• If you have not received IPO credits, run OTBI query, "IPO Invoices and Payments" report and contact Controller's office to ensure the IPO process is working credits have been reclassified to your accounts. • If credit needs to be recorded to a project, do a general ledger-to-Projects entry. This will need to be done on an ongoing basis.
Change in Source of Funds (CISF) and Salary and Wage Redistribution and Justification Cost Transfers (SWRJ) forms	• Refer to salary cost transfers adjustments update for guidance on the forms and instructions.

March FY17 Close and Year-End Guidance

- March close is scheduled for April 24 at 2:00 p.m.
    - Change to previously communicated date of April 18
    - Additional time is necessary to complete and review activities related to fringe benefit rates, FICA, Medicare, and State-paid fringe benefit entries for FY17
- The Controller's Office is developing year-end close guidance

ONGOING ACTIVITIES

Human Resources and Payroll

- HR/Payroll Business Process Redesign (BPR) initiative kicked off March 31

- The purpose of the BPR is to:
  - Understand current state processes, which will aid in development of consistent and aligned future-state business processes
  - Develop future state business processes leveraging voice of the customer; diverse stakeholders and subject matter experts from departments and schools across the University
  - Develop change management process for transition to Human Capital Management (HCM) solution; improve service by reducing cycle times and removing administrative inefficiencies

- Business process validation workshops begin April 18 to help understand current state processes; key input to develop future state processes after technology is in place

- Additional information will be available on Cornerstone next week

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Budget Planning and Forecasting (Hyperion)

Key Dates

- **May 10** – Responsibility Centers' budgets due

- **May 18** – All Responsibility Centers' budgets finalized
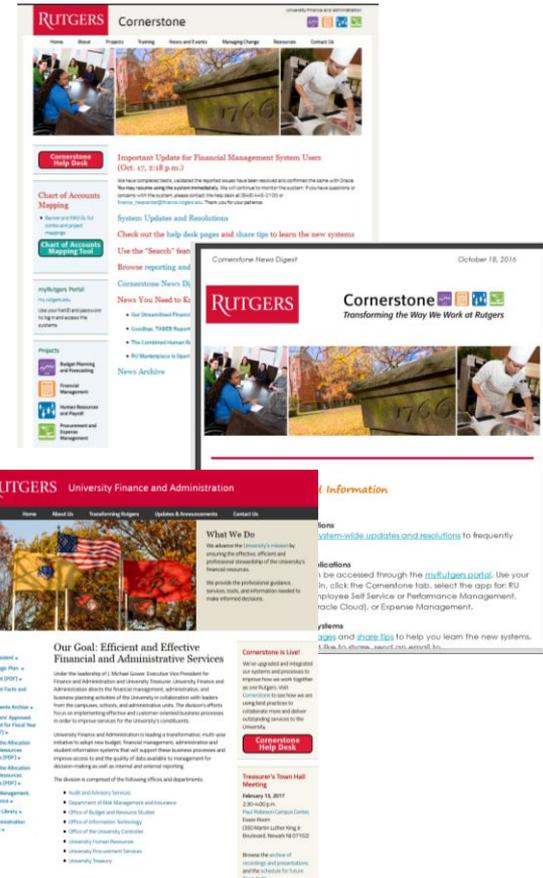
RESOURCES

Resources

- **Stay connected**
  - Cornerstone and Finance websites
  - Treasurer's Town Hall
  - Cornerstone News Digest

- **Send questions, suggestions and feedback to:**
  - cornerstone@rutgers.edu
  - finance@rutgers.edu

- **Grant Administrators**
  - Join the RAIN listserv

QUESTIONS?