Financial Management
Chart of Accounts: "Clean in '19"

Opportunity:

After working with the chart of accounts for more than a year, staff shared concerns about invalid chart of accounts value segments and inconsistent system rules and accounting procedures. Employees were allowed to enter any chart string combinations in the financial management system (Oracle Financial Cloud), which lead to invalid and duplicate entries. To improve the chart and how it is used, Rutgers made process improvements to make the chart more user-friendly and better serve the community. These included better controls and education, guidance, support, and policies to ensure the data are accurate and easily reportable, and ensuring the project ledger interacts seamlessly with the general ledger.

Strategy:

Rutgers developed clearly defined chart segments and values and provided communications for how to use the segments. By implementing consistent rules, the university reduced ambiguity, minimized overlap across chart segments, and ensured that data were accurate and easily reportable. Rutgers implemented business changes, communications, and training to assist in the effort. Best practice activities include:

- Open forums to demonstrate the outreach
- Formation of the Chart of Accounts Advisory Group
- Creation of a single online resource on the University Controller's Office website

Results

74% increase	Decreased errors	Communication	Simplified Process
…in correct transactions entered.	**…and reconciliations, leading to fewer accounts.**	**…eased transition to new way of working.**	**…and clarified process.**
It improved controls and education, and ensured that the project ledger interacts seamlessly with the general ledger.	System changes and controls – cross validation rules, sub-ledger accounting rules, and employee charging instructions helped reduce the volume of reconciliation issues and to ensured accurate and easily reported data.	This initiative improved operations by making the chart of accounts easier to use, ensuring the data is accurate and easily reportable across the university.	By allowing appropriate quantity of only valid Unit-Division-Organization combinations in the system to reduce errors and reconciliations.