

Introduction to Accounting at  
Rochester Institute of  
Technology

*Accounting Practices, Procedures  
and Protocol*

## Table of Contents

---

<b>I.</b>	<b>The Role of the Controller's Office at RIT</b>	<b>Page</b>
	A. Overview .....	1
	B. Objectives of the Controller's Office .....	1
	C. Who's Who in the Controller's Office .....	1
<b>II.</b>	<b>The Role of the Budget Office at RIT</b>	<b>Page</b>
	A. Overview .....	1
	B. Objectives of the Budget Office .....	1
	C. Who's Who in the Budget Office .....	1
<b>III.</b>	<b>Introduction to the RIT Chart of Accounts</b>	<b>Page</b>
	A. Overview .....	1
	B. What is a Chart of Accounts? .....	1
	C. How Account Code Combinations Are Created .....	2
	D. Cross-Validation Rules .....	3
	E. Description of Each Segment .....	4
<b>IV.</b>	<b>The Budget Process at RIT</b>	<b>Page</b>
	A. Overview .....	1
	B. RIT Annual Budget Process .....	1
	C. RIT Permanent versus Working Budgets .....	2
	D. RIT Funded Expenses .....	3
	E. Preparing Budget Entries .....	4
	F. NTID Annual Budget Process .....	5
	G. NTID Planning & Budgeting .....	6
	H. Budgets for Externally Funded Grants and Contracts .....	7
	I. Annual Budget Process for Student Government Clubs .....	8
<b>V.</b>	<b>Understanding Journal Entries</b>	<b>Page</b>
	A. Overview .....	1
	B. What is a Journal Entry? .....	1
	C. Processing Journal Entries .....	2
	D. Journal Entry Documentation Requirements .....	4
	E. Chargeback Journal Entries .....	5
<b>VI.</b>	<b>When To Use Transfer Journal Entries</b>	<b>Page</b>
	A. Overview .....	1
	B. What is a Transfer? .....	1
	C. How to Request a Transfer .....	2
	D. When Transfers are not Allowable .....	2

<b>VII.</b>	<b>Accounts Payable Processes</b>	<b>Page</b>
	A. Overview .....	1
	B. Purchase Order Payments .....	1
	C. Invoice Payment Forms.....	2
	D. Petty Cash .....	3
	E. Encumbrance Accounting.....	3
	F. Payments to Independent Contractors .....	3
	G. Employee Travel Advances & Reimbursements .....	4
	H. Payments to Graduate Research Assistants .....	5
	I. Accounts Payable Check Processing Schedule .....	5
	J. Procurement Card Processes .....	6
<b>VIII.</b>	<b>Accounting for Fixed Assets</b>	<b>Page</b>
	A. Overview .....	1
	B. Property Standards .....	1
	C. Definition of Capital Equipment .....	1
	D. Depreciation .....	2
	E. Procurement .....	2
	F. Funding Capital Equipment Purchases < \$20,000.....	6
	G. Funding Capital Equipment Purchases > \$20,000.....	7
	H. Inventory Record Keeping .....	7
	I. Physical Inventory .....	9
	J. Surplus Equipment .....	10
	K. Oracle Asset Inquiry & Reporting .....	10
	L. New Capital Construction/Improvement Projects .....	11
	M. Tracking Project Expenses .....	13
	N. Project Close-Out .....	13
<b>IX.</b>	<b>Payroll Processes</b>	<b>Page</b>
	A. Overview .....	1
	B. New Employees .....	1
	C. Bi-Weekly Payroll Process .....	2
	D. Semi-Monthly Payroll Process .....	3
	E. Payroll Change Form .....	3
	F. Processing Additional Payments .....	3
	G. Access to Payroll Information in the General Ledger .....	3
	H. Benefits .....	4
<b>X.</b>	<b>Accounting Processes</b>	<b>Page</b>
	A. Overview .....	1
	B. Flow of Information in Accounting .....	1
	C. Daily Accounting Processes .....	3
	D. Month-End Accounting Processes.....	3

E. Year-End Accounting Processes—RIT .....	4
F. Year-End Accounting Processes—NTID .....	6
<b>XI. Oracle FSG &amp; Standard Reports</b>	<b>Page</b>
A. Overview .....	1
B. Oracle FSG Reports .....	1
C. Oracle Standard Reports .....	4
D. Requesting Oracle Reports .....	6
<b>XII. Reconciling Monthly Statements</b>	<b>Page</b>
A. Overview .....	1
B. Why Reconciliations are Important .....	1
C. How to Read Your Department Statement .....	2
D. Payroll Expenditures .....	3
E. Other Expenditures .....	4
F. Reconciliation Process .....	5
<b>XIII. Accounting for Grants &amp; Contracts</b>	<b>Page</b>
A. Overview .....	1
B. The Role of SPA .....	1
C. Characteristics of Grants & Contracts .....	2
D. Setting Up a New Grant or Contract .....	2
E. Compliance with Federal Guidelines & RIT Policies & Procedures	3
F. Facilities & Administrative Costs .....	4
G. Effort Reporting .....	5
H. Monitoring Expenditures on Grants & Contracts .....	5
I. Invoicing the Sponsor for Grant/Contract Expenses .....	6
J. Cost Share Expenses / Funding .....	6
K. Summer Contracts.....	7
L. Closing a Project .....	7
<b>XIV. Accounting for Gifts, Endowment Earnings &amp; Other Projects</b>	<b>Page</b>
A. Overview .....	1
B. What Gifts Are & Why They Are Important to RIT.....	1
C. The Role of the Development Office .....	3
D. Accounting for Gifts .....	4
E. Accounting for Gifts-in-Kind .....	5
F. Accounting for Pledges .....	6
G. Gift, Endowment and Other Income Projects .....	6
H. Setting Up New Project Accounts .....	6
I. Monitoring Expenditures on Restricted Projects .....	7
J. Scholarship Gift Accounts .....	8
K. Other Gift Accounts .....	9
L. Gifts for Plant Projects .....	9
M. Endowment Earnings Accounts .....	10
N. Special Project and Designated Fund Accounts .....	11

<b>XV. Purchasing Processes &amp; Procedures</b>	<b>Page</b>
A. Overview .....	1
B. What is Purchasing? .....	1
C. The Role of the Central Purchasing Department .....	2
D. Different RIT Purchasing Methods .....	2
E. Sources of Supply .....	3
F. Dealing with Suppliers .....	4
G. Surplus Equipment and Hazardous Waste .....	4
H. RIT Purchasing Department Location & Contact Information ...	4
<b>XVI. Appendix</b>	<b>Page</b>
A. Accounting Terminology .....	1
B. Chart of Account Information .....	18
1. Cross-Validation Rules .....	18
2. Project Types & Description .....	22
C. When to Use a Transfer or a Budget Journal Entry .....	26
D. Billing File Feeds .....	28
E. Donor Bill of Rights .....	29
F. Controller's Office Web Page sites .....	30
G. Sample Reports .....	31
1. RIT Department Statement .....	32
2. Payroll Distribution Report .....	35
3. RIT Account Analysis – Operating .....	37
4. RIT Account Analysis Subledger with AP .....	39
5. ITS Chargeback Employee Detail Report .....	40
6. NTID Department Statement .....	43
7. RIT Auxiliary Dept Statement .....	45
8. SPA Grant Statement .....	47
9. Other Project Statement .....	49
10. RIT Asset Inventory Report .....	50

## Introduction

---

The Accounting Practices, Procedures & Protocol workshops are designed to familiarize employees with the “how-to’s” of RIT accounting, budget, payroll and purchasing, as with basic accounting terminology used at RIT. Employees who perform financial functions as part of their role at RIT will benefit from the concepts addressed in this series.

This manual emphasizes key terms and useful information using the following conventions:

- References to other resources such as departmental contacts, web pages and information found in the Attachments chapter of the manual appear in shaded boxes throughout the body of the text and directly follow their respective text.
- Key words and terminology in each chapter appear in shaded boxes in the left margins next to the text in which they are referenced. Their complete definitions can be found in the Accounting Terminology section of the Appendix.

There are several other resources in addition to this manual that will supplement your learning:

- Refer to the [Controller’s Office](http://finweb.rit.edu/controller/) web page at <http://finweb.rit.edu/controller/> or additional information regarding RIT accounting policies and procedures.
- Employees may attend training workshops on these topics held throughout the academic year.

For information about Introduction to Accounting workshops, refer to the [Center for Professional Development’s](http://finweb.rit.edu/cpd/) web page at <http://finweb.rit.edu/cpd/>.

Chapters in this manual may be updated periodically by the Controller’s Office as changes occur. Revisions are available on the [Controller’s Office](http://finweb.rit.edu/controller/accounting/manual.html) web page at <http://finweb.rit.edu/controller/accounting/manual.html>.