Accounting for Special Projects

Departments often sponsor on-campus workshops, conferences and other activities that should be accounted for outside of their annual operating budget. A “special project” created in the Oracle general ledger is the perfect vehicle to track revenue and expenses specifically associated with this type of activity.

Accounting will work with departments to establish a special project account under the following conditions:

1. Revenue will be generated from external sources (e.g. conference registration fees).
2. Specific non-budgeted expenses will be incurred to support the event.
3. There is a start and an end date (i.e., typically the project is set up once the event is approved, prior to incurring any expenses and it closed when the last expenses have been paid and all revenue is received).
4. A project manager and a project administrator is identified.

Once the project is set up, the department will deposit all revenue received from outside sources directly into the special project account. Accounting will work with the department to set up the appropriate revenue object code(s). The department will charge all expenses associated with the activity directly to the project using the appropriate object codes.

Example of a Special Project
In January 2011, Student Affairs decides to sponsor a conference to be held on May 15, 2011.

- They are expecting 25 attendees for the event; the registration fee is $100.00 per person.
- Each attendee will receive materials related to the conference which will be produced by the RIT HUB at a total cost of $1,000.00.
- The conference will be held at the RIT Inn and Conference Center – the cost of the meeting room for the day will be $500.00.
- Lunch will be provided to participants during the conference at a cost of $500.00.
- The keynote speaker will be paid an honorarium of $500 following the event.

Student Affairs contacts Accounting to request that a special project account be established. They provide the required information including department number, the contact name, the start and end date of the project and a description of the type of revenue they will receive and expenses they expect to incur.
Accounting sets up project number “12345” in the general ledger and provides the 24-digit account combination information to the project manager and administrator – 01.30000.xxxxx.30.12345.00000 (note: the correct revenue or expense object code will be substituted for the “xxxxx” in the account combination).

Accounting sets up the required revenue and expense account combinations to account for the activity – see examples below:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Ledger Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue – Registration Fees</td>
<td>01.30000.59350.30.12345.00000</td>
<td>($2,500.00)</td>
</tr>
<tr>
<td>Expense – Hub Printing</td>
<td>01.30000.90210.30.12345.00000</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Expense – RIT Inn Room</td>
<td>01.30000.90295.30.12345.00000</td>
<td>$500.00</td>
</tr>
<tr>
<td>Expense – RIT Inn Meal</td>
<td>01.30000.90296.30.12345.00000</td>
<td>$500.00</td>
</tr>
<tr>
<td>Expense – Honorarium for the keynote speaker</td>
<td>01.30000.75050.30.12345.00000</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

Project Balance $ 0.00

As registration payments are received, the project manager or administrator will complete RIT deposit slips to deposit the funds into the project account at Student Financial Services.

The charges from the HUB will be recorded on the project via the internal chargeback process based on the account information provided by the project manager.

The charges from the RIT Inn will be recorded on the project via an internal chargeback.

The payment to the keynote speaker will be made via an Invoice Payment Form approved by the project manager via Accounts Payable.

At the conclusion of the conference, once all activity has been accounted for and the account balance is -0-, Accounting will close the project.

**Other Information**

When departments from within the University provide financial support for an event, Accounting will prepare a journal entry to transfer funds from the account provided by the department as long as these funds are not restricted for another particular purpose (i.e., donor-restricted gifts or externally sponsored grants and contracts).

When there are donor-restricted gifts that may be used to support the purpose of the special project, Accounting will transfer the funds from the gift account to the special project so that a complete record of revenue and expense activity, including internal transfers, resides in the special project.

**Tracking Project-Related Activity**

Each month the project manager or administrator will generate an “OTHER PROJECTS STMT” out of the Oracle general ledger as well as a report that provides detailed transaction information. There are three detail reports to choose from: 1) General Ledger - (180 Char); 2) RIT Account Analysis – Subledger; or, 3) RIT Account Analysis-(180 Char).
In the conference example above, based on the event date of May 15\textsuperscript{th}, it is expected that all activity would be recorded on the project by May 31, 2011. When Accounting completes the May close, the manager or administrator will run the “OTHER PROJECTS STMT” to reconcile the revenue and expense activity (total revenue received = $2,500.00 ($25.00 x 100 participants; total expenses = $2,500 resulting in a $0.00 balance). To obtain more information about reports, please contact Accounting at gpmatg@rit.edu or ext. 5-2237.

Once the project manager has confirmed the project balance, he/she will contact Accounting (gpmatg@rit.edu) to request that the project be closed. If there is a remaining balance (i.e., conference expenses exceeded revenue), Accounting will transfer funds to the special project from an account approved by the dean/department head. When a surplus balance remains on the account (i.e., conference revenue exceeds expenses), Accounting will transfer the remaining funds from the special project to an account approved by the dean/department head.

If the conference will be held again next year, the department will follow the same process to request a new project number and track related revenue and expenses.

**Requesting a Special Project**

- Requests to create special projects are made by the department with approval from the dean/department head or the person who is at least one position above higher the project manager.
- The requests must be in writing providing the purpose for the project and anticipated start and end dates. Sending the request via email or by fax is the most common forms of communication.
- Once the project is set up, Accounting will send a “New Project Notice” to the approver, project manager, administrator, and any other requested individuals. The notice will contain the new project number, the 24-digit account combination structure, the title of the project as it appears in the general ledger, and the Accounting contact information.

If you have questions regarding special projects, please contact Accounting at ext. 5-2237.