

## Agenda

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- *Introduction*
- *Budget Department*
- *Purchasing Department*
- *Accounts Payable Department*
- *Closing*

## Introduction

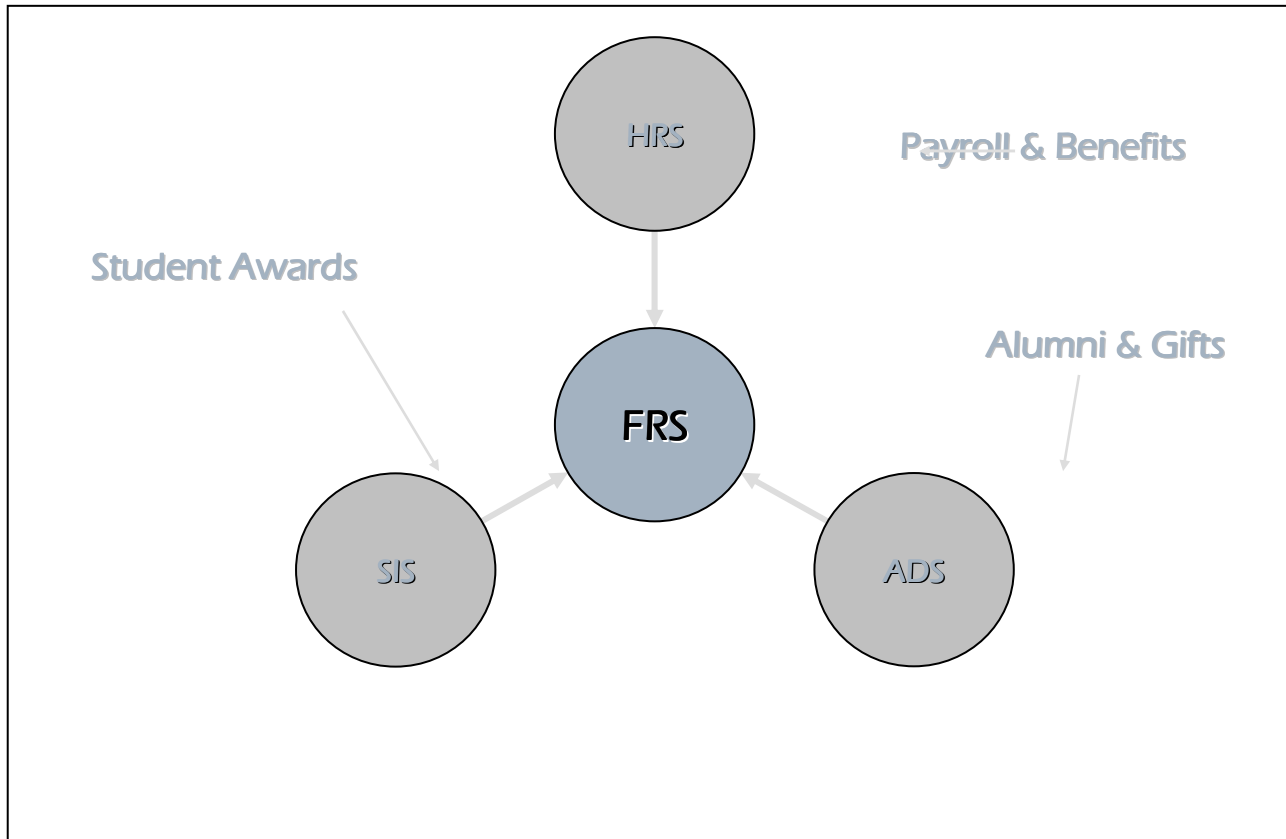
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*The Financial Records System (FRS) allows for the budgeting and tracking of commitments and expenditures, placement and approval of purchases, recording of purchase information and the authorization of payment and receipt of goods/services rendered. FRS enables managers to monitor account balances and budgets electronically by providing information that is reflected in real-time. All financial aspects of University account management are dependent on the FRS system.*

*NOTE: This entire package is available online @ <http://www.njit.edu/budg/homepages>*

## Introduction (Con't)

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## Account Access

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- *Administrative Account Application Form - Appendix A*  
*[Account Application \(click here\)](#)*
- *FRS Account Access Authorization Form - Appendix B*  
*[FRS Access Form \(click here\)](#)*
- *Non-sharing of User ID's*

## Budgeting Process (Non-personnel)

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- *Cost Center - 6 digit account*
- *Object Code - 4 digit code identifying type of expense*
- *Budget Pooling (Categories are, 3000, 3300, 3900, 4000, 5000, 6000, 6216, 6302, 6904, and 6905)*
- *Chart of Accounts (Object Codes) - Appendix C*  
*[Object Codes \(click here\)](#)*
- *Budget Transfer/Journal Voucher - Appendix D, E*  
*[Budget Transfer Form \(click here\)](#)*

## Allowable Vs Unallowable Expenses

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*Certain expenses are inappropriate charges to sponsor agreements and university accounts. Costs must meet the following tests to be considered appropriate:*

*Reasonable - a prudent person would have purchased this item and paid this price.*

*Allocable - expenses are at least partially applicable to research activity.*

*Consistency - expenses for similar purposes must be treated the same way under like circumstances across all NJIT cost centers.*

*Allowable - not specifically excluded by government regulation.*

## Unallowable Costs, E.g., (A-21)

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- Advertising and public relations
- Alcoholic beverages
- Alumni activities
- Bad debts
- Commencement and convocation
- Personal use of automobiles
- Contingency budgets
- Interest
- Student activity costs
- Legal fees when you lose, fines
- Donations, incl. services or property
- Entertainment costs
- Lobbying costs
- Goods or services for personal use
- Civic or community organization membership costs
- A-21 discusses 50!

## Accessing FRS

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### *TeraTerm Installed on PC*

*If not already installed, call the Help Desk @ x2900 for instructions.  
Once installed, click on the icon for TeraTerm to launch the program.*

### *Type in Admin/Apha Username & Password*

*If Admin/Apha account not created, go to [Account Application \(click here\)](#)*

### *Administrative Menu*

- Type "F" for FRS and then press enter.*
- System Number? Type "002"*
- Your Operator Number? (4 digit number provided by Budget Department.)*
- "Your Password? (Provided by Budget Department. Note: Password is case sensitive.) Press enter once completed.*
- N01 Screen – FRS Main Menu*

## Valuable FRS Screens

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### *PWC - Password Screen*

*Allows user to change login password. (Show PWC Screen)*

### *19 Screen - SL Account Summary*

*Cost center screen reflecting current account budget, expense, encumbrance and balance available data. (Show 19 Screen)*

### *29 Screen - List SL Actual Data*

*Summarizes by object code, month-to-date, year-to-date, and project-to-date actual expenses for a specified account. (Show 29 Screen)*

## Other Support Screens

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### *21 Screen - SL Open Commitments by Account.*

*Lists all encumbered purchase orders and requisitions for a specified cost center, showing original amount, liquidated amount, adjustments and available amounts. (After creation of requisition, display 21 Screen.)*

### *20 Screen - SL Object Code With Encumbrance.*

*Lists encumbered purchase orders and requisitions, by specified cost center and object code, showing original amount, liquidated amount, adjustments and available amounts. (After creation of requisition, display 20 Screen.)*

## Other Support Screens

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### *22 Screen - SL Budget Summary*

*Summarizes by object code, original, revised, last fiscal year, and next fiscal year's budgets. (Show 22 Screen)*

### *23 Screen - Transactions by Account*

*Lists by object code/date, all activity pertaining to a specified account. (Show 23 Screen)*

### *23A Screen - Actual Expenses by Account*

*Lists by object code/date, all actual expense activity pertaining to a specified account. (Show 23A Screen)*

## Other Support Screens (Con't)

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### *30 Screen – Open/Close FA Session*

*Facilitates proper entry of purchase requisitions into the FRS system. (Show 30 Screen)*

### *881 Screen – Set Fiscal Year*

*Allow access to prior fiscal year information. (Show 881 Screen)*

### *Getting Online Help*

*Tab to field in screen you would like help on. Press the forward slash key ("/") on the number pad of the keyboard. Press the minus sign ("-") on the number pad to exit online help.*

## Other Support Screens (Con't)

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### *P19 Screen – HRS Labor Distribution*

*Lists current fiscal year payroll information by employee for a particular account/object code.*

### *Q19 Screen – HRS Labor Distribution*

*Lists prior year payroll information by employee for a particular account/object code. NOTE: User must use screen 881 to access prior fiscal year and in order to use Q19 screen.*

## Transaction Codes

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*Listed on the Account Detail Screen (023), these codes indicate the type of budget, expense or encumbrance action occurring in the account. The most common transaction codes and their descriptions are as follows:*

*020 - Amount budgeted for the current fiscal year posted during the current fiscal year.*

*021 - Revised budgeted amount for the current fiscal year posted during the current fiscal year.*

*022 - Transfer of budgeted amount from one object code to another during the current fiscal year.*

*030 - Posting of income.*

*040 - Posting of payments to students such as financial aid.*

*048 - Posting of payments to vendors for goods and services processed through FRS Purchasing.*

## Transaction Codes (Con't)

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*050 - Encumbering of purchase requisitions and purchase orders.*

*051 - Disencumbering of of purchase requisitions and purchase orders.*

*053 - Encumbering of anticipated payroll expenses based on feed from Human Resources System.*

*058 - Encumbering of prior year purchase orders brought forward to current fiscal year.*

*063 - Payroll expenses on feed from HRS.*

*068 - Payments for non-purchasing documents such as travel and vision care.*

*069 - Posting of various items including cost center chargebacks and corrections.*

*098 - Carry forward of grant prior year income and expense charges.*

## Purchasing Module

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### *Introduction*

#### *Why use Purchasing*

- *Knowledge of legal, technical and market environment*
- *Speeds acquisition process*
- *Officially commits funds for the University*

#### *Procurement Cycle*

#### *Pre-Planning for the Procurement Process*

#### *Basic Steps in the General Procurement Cycle*

## General Purchasing Guidelines

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### *Procurement Regulations*

- *Need for planning:*
- *Board of Trustee*
- *Resolution*
- *Bidding Regulations*
- *Affirmative Action*
- *Set Aside*
- *State Contract*

## Types of Requisitions (Non-Grant Related)

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*Accounts with first digit 0, 2, 3, 5, 6 and 8 except grant match.*

*UR - University Regular Order*

*UB - University Blanket Order*

*NOTE: Blanket orders should not be used for one time orders.*

*UC - University Computer Order*

*UL - University Library Order*

*UW - University Check With Order*

*UE - University Equipment Order (except computers)*

*UX - University Chemical Order*

## Types of Requisitions (Grant Related)

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*Accounts with first digit 4, 9 and 8 if a match to a grant.*

*GR - Grant/Research Regular Order*

*GB - Grant/Research Blanket Order*

*NOTE: Blanket orders should not be used for one time orders.*

*GC - Grant/Research Computer Order*

*GW - Grant/Research Check with Order*

*GE - Grant/Research Equipment Order (except computers)*

*GX - Grant/Research Chemical Order*

## The Approval Process

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### *Grant Funds*

- *Principal Investigator - All purchases*
- *Grants and Contract Service - All purchases*
- *General Accounting – Fixed Asset System - Capitalized equipment (equipment purchases greater than \$2,500)*
- *Computing Services - Computer supplies/equipment – Greater than \$500*
- *Dean/Center Director - Greater than \$5,000*
- *Vice President - Greater than \$15,000*
- *President - Greater than \$50,000*
- *Board of Trustees – Greater than \$750,000*

## The Approval Process (Cont)

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### *University Funds*

- *Chairperson - All purchases*
- *General Accounting - All purchases*
- *General Accounting – Fixed Asset System - Capitalized equipment (equipment purchases greater than \$2,500)*
- *Computing Services - Computer supplies/equipment – Greater than \$500*
- *Dean/Center Director - Greater than \$5,000*
- *Vice President - Greater than \$15,000*
- *President - Greater than \$50,000*
- *Board of Trustees – Greater than \$750,000*

## Creating a Purchase Requisition

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### *Valuable Purchasing Screens*

- *202 Screen - Vendor Search*
- *203 Screen - Vendor Information*
- *250 Screen - Requisition Header Maintenance*
- *251 Screen - Requisition Header - Shipping and Text*
- *254 Screen - Requisition Line Item  
Create/Modify/Delete*
- *256 Screen - Requisition Trailer*
- *252 Screen - Requisition Approval*
- *253 Screen - Requisition Delete*
- *258 Screen – Requisition Line Item*

## Creating a Purchase Requisition (Con't)

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*Check 019 screen for availability of funds.*

*Gather information for input in FRS System.*

1. *Vendor - NOTE: Check system to insure the vendor information is not already available on the vendor database. If vendor is not on FRS database user should enter the complete address, telephone number, and tax identification number on the 251 screen. If vendor is a consultant, payment will not be processed without TIN#.*
2. *Item - Description*
3. *Pricing/Terms - CAUTION: Items over \$17,700 may require public bidding. Items over \$10,500 do require Affirmative Action documentation. Contact the Purchasing Department early in the process to avoid delays. Consultants require consulting contract on file.*
4. *Delivery Address - NOTE: Valid delivery addresses on Screen 251: (Your Department and Name, New Jersey Institute of Technology, 161 Warren St., Newark, NJ 07102)*
5. *Funding Information - NOTE: Purchasing can render assistance on 1-4 if contacted*
6. *Requirements:*
  - Business Registration Certificate*
  - Affirmative Action Documentation – AA302, AA201, AA202*
  - Insurance*
  - Contractor Registration Form*

## Creating a Purchase Requisition (Con't)

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*Input requisition into FRS.*

- 1. On Screen 30 open a batch session.*
- 2. Got to Screen 202 to search for vendor. If more than one of the same vendor name appears, check the address for appropriate vendor using Screen 203.*
- 3. On Screen 250 input in "PR:" field "R 0" (ZERO). System automatically assigns sequential requisition numbers. (Write req# down. See Appendix F for sample log book form.) If an error is made when initiating, please delete the incorrectly lettered requisition, via 253 screen, and start again.*
- 4. In "Req Type:" field, insure proper requisition type code is used. See page 17 & 18.*
- 5. Enter Disp code if necessary. I.e., HD – hold for pickup, DM – do not mail to vendor, FX – fax to vendor. (Enter fax number on screen 251). Coding cannot be used on check with orders. All check with orders go directly to Accounts Payable.*
- 6. in "Account No." field, insure proper account and object code to be charged. Review the latest edition of the Expense Object Code Definitions (Appendix C) and use the object code most closely describing the actual expense being incurred. After reviewing Appendix C, if still uncertain as to which object code to use, see key contact offices on page 36.*
- 7. In "Pct" field, type in "100." This will insure 100% of amount of purchase is charged to the inputted account/object code.*
- 8. Enter the name and extension of the contact person in the Contact field. This will speed the process of communication should questions or problems arise when reviewing the requisition for approval.*

## Creating a Purchase Requisition (Con't)

9. *Press enter key now. You are now ready to go on to Screen 251 for "deliver to" data input. Always include name, department, street address, building and room number. This information facilitates the process of arranging appointments to have equipment purchases tagged for inventory purposes. If your vendor is not in the system you should enter the information in the "requisition text" field. This field can also be used for any special instructions. Once complete, press enter key.*
10. *Go to screen 254 for line item data input. Please be as detailed and accurate as possible when entering descriptions. This will save time on phone calls and/or e-mails requesting additional information or clarification from the requisitioner. Note: when purchasing equipment exceeding \$500, the first two lines should include a clear, accurate narrative description of the item and then the subsequent lines should be used to include the model number, part number, or catalog number of the item. If there are more than one item being purchased on the same requisition, you must list each item separately with a detailed and accurate description. When possible, items of equipment (3xxx) versus items of supplies (4xxx) should be ordered on separate requisitions. However, when accessories are ordered that are directly related to the main equipment being purchased, use the same equipment object code for these accessories regardless of unit cost. The main piece of equipment, along with its related accessories, will be recorded as one complete package within the Fixed Asset System. Always include unit cost and quantity for each item on your requisition.*

*For example:*

*Dell 2000 Computer with Monitor, 900 MHZ  
Catalog NO. 95607 Model 905  
As per quotation #357, dated 1-24-2000  
Instructional Laboratory use: Tiernan Rm 209*

## Creating a Purchase Requisition (Con't)

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- 11. Once data entry is completed, user should "trailer" the requisition using screen 256 to make sure the requisition has been accepted by the system. At the bottom of screen 250, the "IN-PROC" field should read "0". If the field reads "1" make sure there are sufficient funds in the account/object code, and check your data entered into the requisition. CAUTION: Do not give requisition number to the vendor.*
- 12. Check 250 screen daily to monitor process of the requisition in obtaining approvals. NOTE: To determine which approvals are needed, check screen 252. Once all approvals are obtained the requisition is usually converted in one working day from last approval to an approved purchase order.*
- 13. Once requisition has been converted to a purchase order, the purchase order can be seen in the "Ref No.:" field on screen 250. Once a purchase order number has been issued, the user should use the 220 series screens to view the purchase order.*
- 14. Using the purchase order number from Screen 250, check screen 220 to determine if the purchase order is "in process". At the bottom of Screen 220 in the "In Proc.:" field should read "0". If the field reads "1", make sure there are sufficient funds in the account/object code.*

## Purchasing Follow-up Procedure

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*Check 250 Screen - Requisition in process? Converted to PO?*

*Check 252 Screen - All approvals?*

*Check 220 Screen - Purchase Order in process?*

## Converting to an Approved Purchase Order

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- *Copy sent to vendor (if disp field is left blank on screen 250).*
- *FX – Copy faxed to vendor (screen 251 must have a vendor fax #).*
- *HD – Hold copy for pick-up (Purchasing will hold copy for 3 days after which will be sent to originating department).*
- *DM – Do not mail to vendor (vendor copy will be destroyed in Purchasing).*

*Note: If PO type is either UW or GW, no code is necessary. PO is automatically sent to Accounts Payable.*

## Miscellaneous Purchasing Tips

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- *When requisitioning direct vendor payment for official receptions and meetings, Object Code 5115 or 5198, please indicate clearly the **purpose of the function, the date, and the location, as well as the names and/or number of persons attending.***
- *Do not use an object code solely because that is the only budget line in which you have available funds. Use the correct object code as it relates to the actual expense. If a Budget Transfer is needed, please process the request to the Budget Office.*
- *Do not use Budget Holding Codes (3000, 4000, 5000, 6000, etc.) in place of the actual expense object codes that most closely describes the actual expense, as per the Expense Object Code Definitions Listing. The Budget Holding Codes are to be used solely by the Budget Office when entering the annual departmental Budget Allocations. **They are not to be used to charge actual expenses on FRS.***
- *Please also note that personal reimbursements for this type of expense, luncheon or dinner meetings, if done as part of your normal official duties at NJIT or as part of a specific project or program, should be submitted on a regular basis on a Travel Expense Voucher Report to the Budget Office.*

## Miscellaneous Purchasing Tips (Con't)

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- *When requisitioning direct vendor payment for the **Registration Fee** to a conference, workshop or seminar, please use object code **5102**. In addition, please indicate **the date(s) of the conference, the location, and the names of the staff members who will be attending.***
- *Direct vendor payments to **hotels, airlines or travel agencies** for official travel to conferences, workshops and seminars will require **the date(s) of the conference, the location, and the names of the staff members who will be attending.** Here, however, use object codes 5101, 5105, 5110 or 5198, as appropriate.*
- *For **personal reimbursements** for registration fees, hotels and travel expenses, **do not** initiate a Requisition in FRS. Submit a **Travel Expense Voucher Report** to the Budget Office. Please note that this procedure should be followed for all NJIT staff members **as well as** NJIT students traveling and attending conferences as representatives of NJIT academic departments and/or recognized NJIT student organizations and clubs.*
- *Please note the distinction between travel-related object codes for NJIT staff members and students, the 5xxx series, and travel-related expenses for **NON-NJIT** staff members and students, object code **6916 – Participant Support:***
  - Payment to a Non-NJIT employee/student for travel costs for involvement in a specific program, project or contracted work assignment. Normally, payment is to cover out of pocket transportation expenses and does not require a 1099. (Federal Form 1099 = Non-employee compensation.)

## Miscellaneous Purchasing Tips (Con't)

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- *This Object code, 6916, would be “the companion” to the Fee Payments to Outside Consultants (6101) or Honorarium recipients (6908) if and when a separate invoice is submitted by them requesting reimbursement for their travel costs.*
- *Payments for **services, prizes or awards** to NJIT faculty, staff members and students must be processed by means of an approved **Personnel Action Form**.*
- *Before processing requisition payments to NJIT students for special awards, prizes, grants or other supplements, please notify the Financial Aid Office so that student records may be verified and updated. In some cases, upon consultation with the FAO, payment may be processed through the SIS system and you will be instructed to delete the current requisition in FRS.*
- *Before processing requisition payments for outside **Consultants and/or Independent Contractors**, a contract or letter of agreement must already have been signed and on file in the department’s records. When inputting the description on Screen 254, please indicate clearly **the dates of service** and include a statement confirming that a **contract and/or agreement is on file** in the department. You must also include a valid **taxpayer identification number**.*
- *Before engaging **foreign nationals** as outside consultants, independent contractors **OR** as an NJIT employee, please consult with the **Human Resources and/or Legal Office**, as appropriate, in order to complete and resolve all necessary contractual, legal and tax issues.*

## Miscellaneous Purchasing Tips (Con't)

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- *Object Code 6108 should be used for **EXTERNAL** printing and publication services (includes photography, offset, duplicating and design services). Object Code 6905 is used to reflect **IN-HOUSE** charges for these types of services as rendered by our on-campus provider, Xerox Business Services.*
- *When you are requested to delete a requisition from FRS, please do so promptly. If you do not know how to delete a requisition in the system, please contact the Purchasing Office for instructions.*
- *Please be attentive to the distinction between **Capitalized Equipment - 30xx**, (\$2,500 or more per unit) versus **Non-Capitalized Movable Equipment - 31xx**, (less than \$2,500 per unit). Also, bear in mind the distinction between an item of **Equipment** versus an item that should be correctly classified as a **Supply**.*
- *When purchasing equipment exceeding \$2,500, the first two lines of Screen 254 description is transferred directly into the Fixed Asset System.*
- *The first two lines should include a clear, accurate narrative description of the item and then the subsequent lines should be used to include the model number, part number, or catalog number of the item. For example:*

## Miscellaneous Purchasing Tips (Con't)

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*For example:*           DELL 2000 computer with monitor  
                                  900 MHz memory and CD ROM  
                                  Catalog No. 95607    Model 905  
                                  As per quotation #357, dated 1-24-2000  
                                  Instructional Laboratory use;   Tiernan Room 209

- **DO NOT** use descriptions that start with “As per telephone quotation with Mr. Jones from DELL...” or “Ironbound computer for student use.....” This information is meaningless to be transferred into the Fixed Asset System and it is also not meaningful to the vendor. Remember that the Screen 254 description becomes the description printed on the Purchase Order sent to the vendor.
- If there is **more than one** item being purchased on the same requisition, you **MUST** list each item **separately** with a detailed and accurate description. **Always Include unit cost and quantity for each item on your requisition.**
- The Fixed Asset System requires that a unique and **distinct asset number** be assigned to each and every item purchased. Therefore, clearly defined **descriptions, quantities and unit prices are extremely important.**

## Miscellaneous Purchasing Tips (Con't)

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- When possible, items of equipment (3xxx) versus items of supplies (4xxx) should be ordered on separate requisitions. **However, when accessories are ordered that are directly related to the main equipment being purchased, use the same equipment object code for these accessories regardless of unit cost.** The main piece of equipment, along with its related accessories, will be recorded as one complete package within the Fixed Asset System.
- For stand-alone minor equipment (unit cost less than \$2,500), use the Non-Capitalized (Minor) Movable Equipment Object Codes, the 31xx series. Examples are fax machines, scanners, and certain models of printers.
- When using multiple 6-digit FRS account numbers or multiple object codes, (3xxx and 4xxx), use the **exact dollar amount** to be charged for at least one of the object codes. The remainder of the total requisition amount should be reflected as a percentage (%). For example:  
9-97754-3112      \$900.00    2-17965-4005      100%  
Requisition Total = \$1,245.67.  
Therefore, \$345.67 will be charged to account 2-17965-4005.

## Miscellaneous Purchasing Tips (Con't)

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- Personal reimbursements for purchases of equipment, computer or non-computer and related accessories and/or supplies are **DISCOURAGED**. **Direct payments to vendors** provide a clear audit trail and facilitate the process of updating the Fixed Asset System. When and if a personal reimbursement is necessary, all, repeat **ALL, of the above-described information must be provided on the reimbursement requisition**. Failure to include all relevant information will only cause delays in the requisition approval process.
- **Do not use the Unit of Measure as "OTH" on Line No. 1 of your requisition.** This description causes problems in the Fixed Asset System since it does not create a unique asset with the unit of measure as "Other".

## Accounts Payable Module

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- *Introduction*
- *Approving Invoices for Payment*
  - 3 way match ...2 way match*
- *Documentation Required for Payment*
- *Valuable Accounts Payable Screens*
  - 113 Screen - Vendor Analysis Screen*
  - 228 Screen - Purchase Order Line Item Inquiry*
  - 230 Screen - Receiving Report Create*
- *Receiving Reports*
  - 239 Screen - PO Receiving Report Line Deletion*
  - 248 Screen - PO Invoice Line Item List*
  - 249 Screen - PO Invoice Line Inquiry*

## Closing - Key Contact Offices

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- *Budget Department - x3125*
- *Purchasing Department - x3070*
- *Accounts Payable Department - x3153*
- *General Accounting Department*
  - Equipment Purchases – x7737*
  - Non-Equipment - 2984*
- *Grant and Contract Services - x2941*
- *Information provided located within the Division of Finance and Budget on NJIT's Homepage @*  
*<http://www.njit.edu/budg/homepages>*

## Appendix / Forms

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- A) [Account Application \(click here\)](#)
- B) [FRS Access Form \(click here\)](#)
- C) [Chart of Accounts - Object Codes \(click here\)](#)
- D) [Budget Transfer Form \(click here\)](#)
- E) [Journal Voucher Form \(click here\)](#)