



RICE

ACCOUNTING AND FINANCIAL MANAGEMENT PROCESS GUIDEBOOK

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This document describes how to use the current Chart of Accounts structure and how to perform specific common business practices.

Budget Office & Controller's Office

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1. Introduction

The Accounting Guidebook describes Rice University's Chart of Accounts (CoA) as well as common financial management processes and practices. The Guidebook provides the University community with information to develop an understanding of the CoA structure and values and serves as a guide to the performance of common accounting and financial management processes.

The Accounting Guidebook covers the following topics related to Rice University's CoA:

- Key Chart of Accounts and Oracle ERP Cloud Concepts
- Chart of Accounts Structure
- Common Financial Management Processes & Practices

2. Key Chart of Accounts and Oracle ERP Cloud Concepts

This section provides an overview of the system architecture of Rice's financial management system, Oracle ERP Cloud, and describes how each module/subledger works together to support financial administration and reporting at Rice University.

2.1. Chart of Accounts

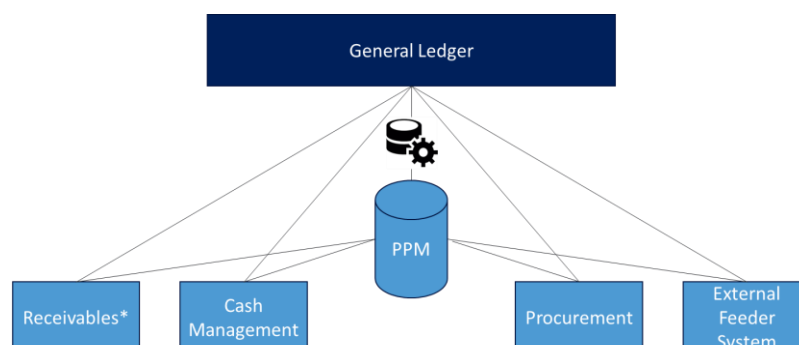
The Chart of Accounts (CoA) is a bookkeeping term referring to the basic information used to record the financial effects of transactions. It uses a combination of segments, values, and hierarchies within Oracle ERP Cloud General Ledger to determine how accounting information is collected, categorized, and stored for reporting purposes.

2.2. General Ledger

The General Ledger (GL) is a module within the Oracle ERP Cloud management system. The GL houses the CoA and serves as the final recording location of every financial transaction that occurs in the system, including those that initially occur in other Oracle modules/subledgers such as Purchasing, Payables, Receivables, Expenses, Cash Management, or Project Portfolio Management (PPM).

For example, when an AP invoice is validated, the system will automatically create an accounting entry to book an expense. In this situation, the transaction occurs in the Payables module, but the system ultimately records the expense entry to a complete Chart of Accounts string in the GL.

The diagram below illustrates the relationship of the various subledgers with the GL (this diagram is illustrative and does not include all the Oracle ERP subledger)



2.3. Subledgers

2.3.1. Project Portfolio Management (PPM)

Project Portfolio Management (PPM) is a module within the Oracle Cloud ERP system that enables financial administrators to track additional detail beyond what is captured in the GL. Project Portfolio Management is typically used to track project-type activity. Rice University uses PPM to track Contracts/Grants (including internally competitive faculty awards), faculty funds, internal projects (e.g., development of educational products by OpenStax), and capital projects – all generically referred to as “projects” throughout this document.

As costs are incurred against projects, transactions are recorded in the PPM subledger. Unlike transactions that are recorded directly in the GL, which are stated in terms of CoA *value set values*, PPM transactions are stated in terms of the *project cost collection fields* (Project Number, Expenditure Organization, Expenditure Type, and Task) which are commonly referred to as “POET.” The results of POET transactions that are entered through PPM are subsequently translated to CoA value set values and recorded in the University’s GL.

In addition to the POET fields used for projects in the PPM module, sponsored and non-sponsored research projects have two additional cost collection fields – Award and Funding Source. Due to the inclusion of these two additional fields, the acronym “POETAF” is commonly used in reference to research costs. Populating the Award and Funding Source fields on research costs enable Rice to accurately report on research awards, even if the award is split among multiple faculty, organizations, and schools.

Subledger Accounting (SLA) is the mechanism that translates project transactions from POET or POETAF in PPM to the CoA in the GL. SLA specifies how each CoA segment should be populated for a given project transaction based on several rule sets that were developed during system design. The four distinct types of projects tracked in PPM by Rice University are described below with the relevant SLA logic described for each.

2.3.1.1. Contracts/Grants

Rice tracks contracts and grants in PPM.

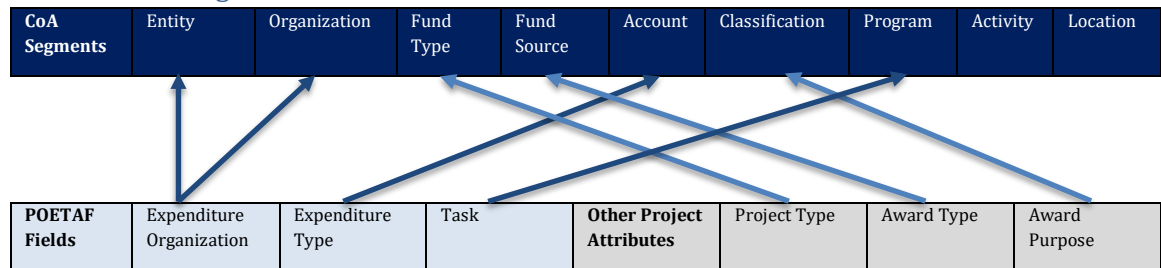
- Awards represent the Grant or Contract received by the University. Awards may be thought of as the “funding” for the Project.
- The Project represents a “body of work.” There may be multiple projects funded by an award or it can be a one-to-one relationship. Projects and Awards are set up by the Research and Cost Accounting Office (RCA) to aggregate costs and revenue in accordance with the granting agency’s financial management and reporting standards.
- Tasks represent a work breakdown structure for the project. Each project must have at least one task.

In addition to tracking financial transactions, the PPM module serves as a mechanism to store important demographic and qualitative information related to sponsored and non-sponsored research grants. For example, Award, Project, and Task organizational ownership is recorded upon setup as is other data such as sponsor details, billing information, key dates, and principal



investigator information. Storing information in a single location simplifies reporting for Rice and enhances data accessibility for faculty and other financial administrators.

2.3.1.1.1. SLA Logic:



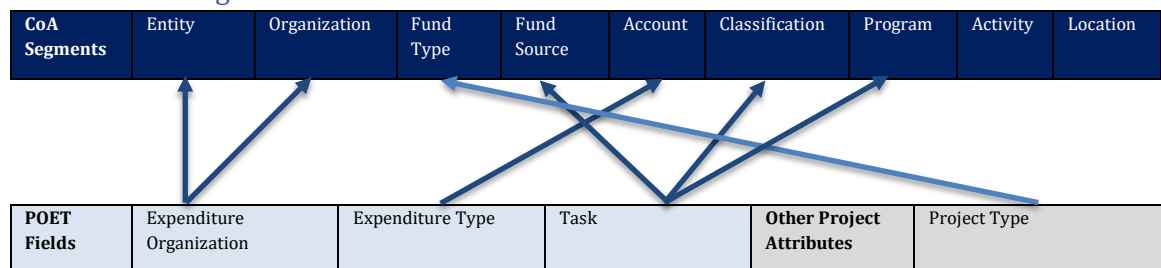
2.3.1.2. Faculty Funds

Faculty Fund projects are used to track funds that have been allocated to specific faculty members either from a department chair, dean, Provost, etc., or through a specific gift or contribution. These funds include discretionary, start-up, retention, and non-sponsored general research support funds.

A project is set up for each faculty member that receives such funding. Multiple Tasks may be set up on the project to represent different sources and uses of funds. In other words, each faculty member will have a single project; however, the number of Tasks set up on the project will vary based on the number of varying funds available to the individual faculty member.

Please reference the [Faculty Funds](#) section for more information on the use of Tasks on a faculty member's project in PPM.

2.3.1.2.1. SLA Logic:



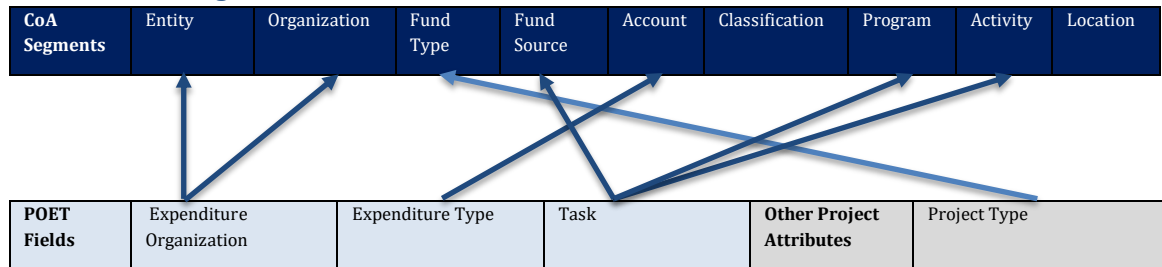
2.3.1.3. Internal Projects

Internal projects are used to track major University projects with a defined body of work, a start and end date, and over \$50,000. To consolidate costs, a project in PPM will be established for each internal project. Examples of internal projects are listed below:

- The development of open-source educational products (books, courses, learning software) by OpenStax.
- The development of individual patents by the Office of Technology Transfer (OTT) (patent developments that do not meet the \$50,000 threshold can still be tracked in PPM as internal projects)



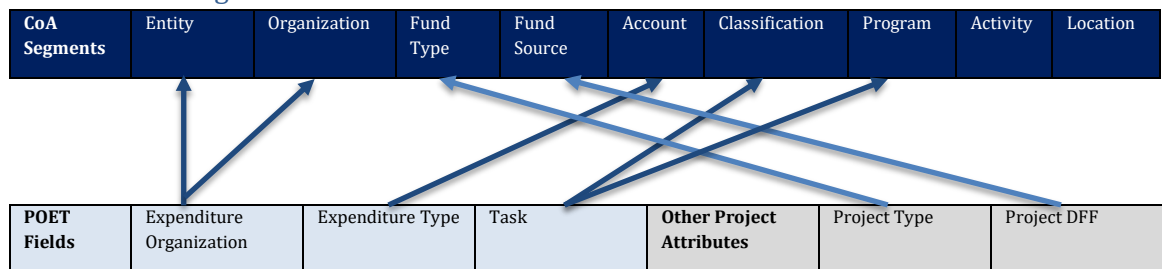
2.3.1.3.1. SLA Logic:



2.3.1.4. Capital Projects

Capital Projects are tracked in PPM to consolidate the costs associated with new construction, expansion, renovation, or replacement of University infrastructure. Once the projects are deemed substantially complete, the resulting assets are created within the Asset Management module and depreciated in accordance with the Financial Accounting Standards Board (FASB).

2.3.1.4.1. SLA Logic:



2.3.2. Procurement

The Procurement module is used to create requisitions for new goods and/or services. The Procurement module feeds encumbrance data to the GL when a requisition is converted to a purchase order. The purchase order is then sent to the supplier and made accessible in the Payables module for payment upon receipt of the goods. Purchasing and Payables are natively linked within the Oracle Cloud ERP system allowing administrators to easily identify, and review information related to the full procure-to-pay lifecycle.

2.3.3. Payables

The Payables module is managed centrally to validate and pay the University's outstanding bills and invoices. To ensure that invoices are legitimate before they are accounted for and paid, this module enables the University to verify that the goods received match the goods ordered through native integration with Oracle's Procurement module.

Additionally, this module helps ensure that Rice's financial statements are accurate by automatically accounting for invoicing and payment transactions. For example, when an invoice is validated, the Payables module will immediately record a liability to the GL and convert the encumbrance to an expense to the appropriate GL CoA string or PPM Project-Task-Award. Later, when payment for the invoice is disbursed, the Payables module will clear the outstanding liability.



2.3.4. Fixed Assets

The Fixed Assets module is used to support asset management across the University and simplifies capital asset accounting. This module provides the Controller's Office with visibility into the capital assets owned by the University and provides the ability to add, depreciate, dispose of, and reclassify assets. The Fixed Assets module enables the University to correctly account for its fixed assets by directly integrating with both the PPM and Payables modules. All relevant asset accounting transactions, such as the creation, sale, depreciation, and retirement of an asset originate within the Fixed Assets module and are posted to the GL.

When a capitalizable asset is purchased, relevant invoice information is transferred from the Payables module to the Fixed Assets module and an asset is created. Similarly, PPM collects construction-in-process (CIP) costs for capital assets that the University is constructing. When the capital project is substantially complete, the associated costs are capitalized and transferred to the Fixed Assets module.

2.3.5. Expenses

The Expenses module supports the expense reimbursement process. All Rice employees that need to submit expense reports will be required to process and submit their requests in the Expenses module.

When expense reports are submitted via the Expenses module, they are automatically transferred to the Payables module for payment to the employee. Consequently, accounting for expense reimbursements is driven by the Payables module, while the Expenses module is used primarily to aggregate information relating to reimbursable expenses and to produce standardized expense reports.

2.3.6. Receivables

The Receivables module is used for billing and revenue recognition for transactions unrelated to student accounts. This module is managed centrally and used to send invoices to customers, receive payment, and book revenue to PPM projects which then translates information to the GL through SLA rules.

2.3.7. Cash Management

The Cash Management module is used to account for cash transactions within the various University's cash accounts. This module integrates directly with Rice's banking partners and primarily deals with loading Bank statements and matching bank statement lines with transactions in the Payables, and Receivables modules.

2.3.8. Payroll

The Payroll module is used for payroll processing, tax calculations, and helps the University comply with any regulatory rules. The Payroll module is managed by organization administrators, who are responsible for inputting an employee's payroll and benefits information. Based on this information, payroll costs are transferred from the Payroll module to the GL. The Payroll module also integrates with the PPM module and allows for payroll costs to be charged directly against a project.



2.4. Reporting Tools

This section provides an overview of the out-of-the-box Oracle Cloud reporting tools and capabilities and describes how information stored throughout Oracle Cloud can be reported. These reporting tools allow University administrators to produce transactional and operational reports.

2.4.1. Oracle Business Intelligence (OTBI)

OTBI is a general, all-purpose, interactive reporting tool that allows users to dynamically change graphs, charts, and tables on dashboards through prompts. It is an easy-to-use reporting tool that allows for real-time ad-hoc analysis of data and requires no SQL knowledge. All users have access to develop OTBI reports, but the primary users will be administrative analysts.

2.4.2. Oracle Business Intelligence Publisher (BI Publisher)

BI Publisher is a reporting tool that enables users to create pixel-perfect formatted templates, develop SQL data models to query Oracle Cloud ERP database tables directly, and build reports from custom data models. BI Publisher has limited ad-hoc reporting capabilities and generally, reports should be developed by IT or report developers for end-user consumption.

2.4.3. Oracle Hyperion Smart View (Smart View)

Smart View is a reporting tool that uses Microsoft Excel to interactively investigate data contained in the GL. Users start with a blank sheet and then shape and alter the grids of data based on values in the Chart of Accounts. Smart View provides users with a familiar Excel interface to conduct real-time ad-hoc reporting on GL balances. It does not come with any delivered reports, but users can build reports based on the data extracted from the system. All users have access to Smart View, but the primary users will be administrative analysts.

2.4.4. Oracle Hyperion Financial Reporting Studio (FR Studio)

FR Studio is a reporting tool that enables users to design traditional, formatted financial reports such as balance sheet reports, profit and loss statements, and cash flow reports. These financial reports are built upon real-time GL balances and can be published in multiple formats. Generally, FR Studio reports will be developed by IT or report developers for end-user consumption.

3. Chart of Accounts Structure

3.1. General Ledger Chart of Accounts

The table below outlines the Rice University Chart of Accounts structure. Each column represents a segment, and detail relating to the segment's definition and use is described in the rows. Note that all segments are required on all transactions, but some segments are used conditionally (i.e., some segments will have an "Unspecified" value that users can select if they do not intend to track anything in that segment on a specific transaction). Additional detail relating to the use of each segment can be found in the sections below the table.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location	Future
Length Total:37	2	5	3	6	4	3	4	4	3	3

Definition	Identifies the major operational unit	Organizational Units with positioned employees, space, budget authority, and permanence	Overall spending restriction of the fund source	A University fund that is separately budgeted, managed, or reported	Nature of transaction – revenue, expense, asset, liability, equity.	Designates the purpose of a transaction as it applies to NACUBO	Formalized set of ongoing activities	Tracking mechanism for activities occurring within and across organizations	Operational location	Reserved for future use
Use	Who?	Who?	How?	How?	What?	Why?	Why?	Why?	Where?	N/A
Required/Conditional	Always Required	Always Required	Always Required	Always Required	Always Required	Required on Expense Transactions	Conditional Use	Conditional Use	Conditional Use	N/A
Budget	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
Carry Forward	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A

3.1.1. Segment 1 – Entity

The Entity segment is used to identify major operational units at Rice for which a balance sheet needs to be produced – Rice has determined that to be at a legal organization level. This segment is designated as a balancing segment within Oracle ERP Cloud, which means transactions that cross Entity values will automatically generate balancing lines. This functionality enables Rice to maintain a trial balance for each Entity value.

The Entity segment has a one-to-many relationship with the Organization segment which means that for every Entity, there may be multiple valid Organizations. However, each Organization value may only be used with a single Entity value.

3.1.1.1. Example Entity Values:

- 10 - William Marsh Rice University
- 20 - Rice Trust Inc
- 30 - The Center for Collaborative Research

Please reference section [A.1 Entity Hierarchy](#) for an illustrative overview of the Entity segment hierarchy.

3.1.2. Segment 2 – Organization

The Organization segment is used to identify units within the entity (Rice) that have:

- An ongoing business objective
- An established budget
- Fiscal oversight by a responsible individual
- An identifiable group of positioned employees
- Physical space

Within each Organization, there is an individual responsible for managing the organization's activities, supervising staff, monitoring budgets, planning for the use of resources, and protecting University assets. All values that meet the criteria listed above are arranged in a hierarchy that represents the organizational reporting structure of the University. Although the hierarchy is not viewable when entering a transaction, it is critical for University and organizational reporting. An ad-hoc analysis tool



such as Smart View, for example, may be used to produce an income statement at any level of the organizational hierarchy. Please reference the [Reporting Tools](#) section for more information on the reporting tools within Oracle ERP Cloud.

In many cases, Organizations will be equivalent to departments. However, larger organizations may choose to represent groupings within their organizations as separate sub-organizations, if the separate sub-organizations meet the definition described above.

Organizations are differentiated from Programs or Activities by the above criteria. For example, a recruiting office with dedicated staff, a manager, and office space would qualify as an Organization, while the recruiting efforts of numerous individuals throughout an Organization may be captured as an Activity.

Additionally, Organization values are never shared across units. For example, if two distinct schools each have a Dean's Office, then two unique Organization values exist—one for each Dean's Office. In this example, the Dean's offices will have different names to indicate which unit it belongs to such as "Nat Sci - Dean's Office" or "Humanities - Dean's Office".

The Central University Operating Organization is the sole organization value that deviates from the criteria outlined above.

3.1.2.1. Example Organization Values:

- 11000 - Vice Provost for Academic Affairs
- 14400 - Library Service Center
- 24240 - Nat Sci- Kinesiology

Please reference [Section B.1](#) for an illustrative overview of the Organization segment hierarchy.

3.1.3. Segment 3 – Fund Type

The Fund Type segment is the high-level classification of the source of funds for a transaction. It is used as a mechanism to categorize and report on the overall restrictions and designation of the Fund Source and is critical for both internal management and external reporting needs.

Internally, University management needs to examine the University's financial results based on the different types of funds being used (e.g., Unrestricted Operating, Unrestricted Designated, Restricted Operating, etc.). The Fund Type segment allows financial administrators to ensure that they have budgeted for and are using the various types of funds available to them. Restricted funds must be spent prior to unrestricted funds. In addition, the Fund Type hierarchy is used to distinguish between operating and non-operating financial activity.

Externally, FASB describes the external reporting requirements for all organizations to ensure consistency for external readers of financial statements. FASB requires Not-for-Profit entities to present the University's financial results by net asset category. Net assets are the balance of assets minus liabilities (previously called "fund balance"). FASB requires the classification of net assets into two categories: restricted and unrestricted. This allows readers to easily differentiate the net assets

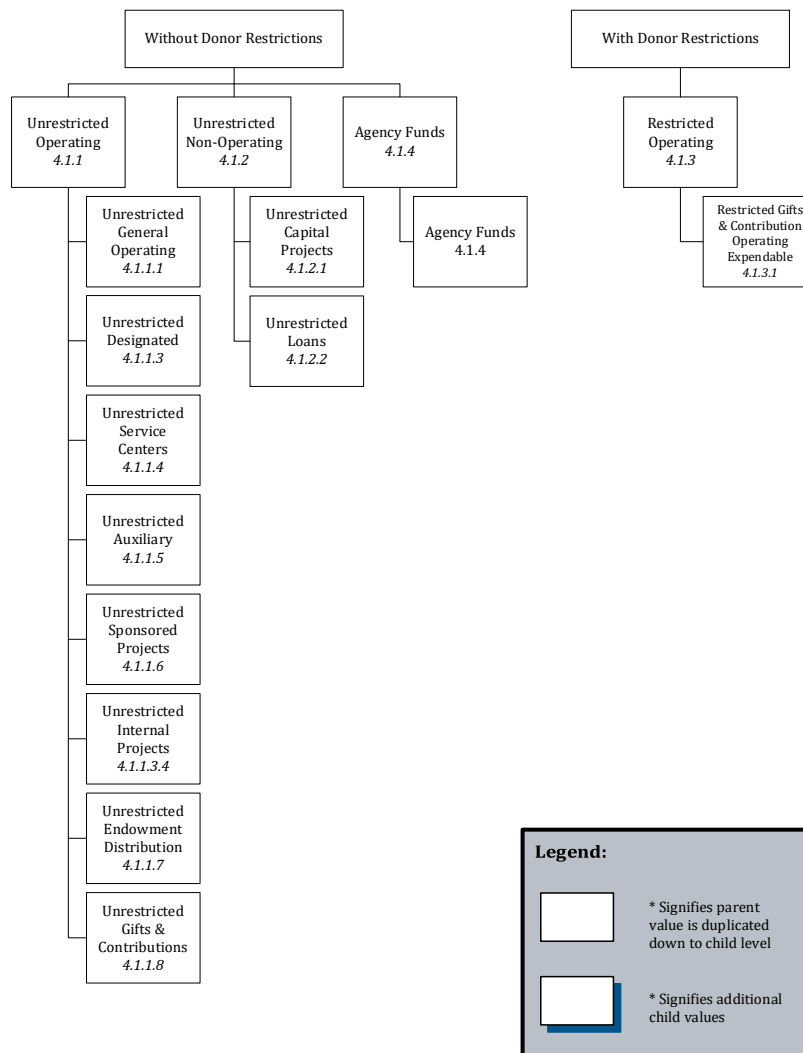


available for spending without donor restrictions (unrestricted) and the net assets that must be used in accordance with donor restrictions (restricted).

Restricted funds are funds with an externally designated limitation(s) placed on them by external agencies or donors. These funds may be limited to a specific purpose, program, department, or time. Unrestricted funds do not have a limitation placed on them by an external agency and should be used in accordance with University policy. At Rice, once restricted funds are used, in accordance with externally designated limitation(s), they are released from restriction.

To meet the FASB reporting requirements, the Fund Type hierarchy arranges Fund Types into two groups, “Without Donor Restrictions”, and “With Donor Restrictions”. The Fund Type hierarchy diagram below illustrates how individual Fund Types are grouped into one of the two categories. Discussion of individual Fund Types and their uses can be found in the [Fund Type Management and Accounting Processes](#) section of this document.

3.1.3.1. Fund Type Hierarchy



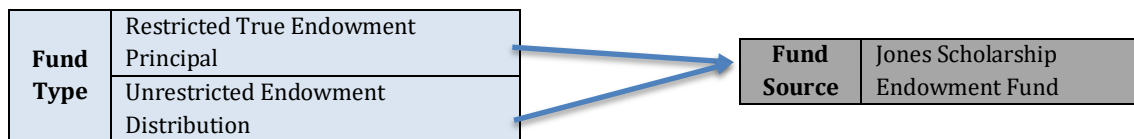


3.1.4. Segment 4 – Fund Source

Fund Source values identify the University's sources of revenue (e.g., earned from educational and operating programs, sponsored projects, contributions from donors, and endowment income, etc.) and matches those revenues with expenses.

The Fund Source segment expands upon the Fund Type segment and specifies the University fund that is separately budgeted, managed, or reported being used on a transaction. In some cases, the Fund Type is used to identify the expendable or non-expendable portion of the Fund Source. By taking this approach, the volume of Fund Sources is greatly reduced.

For example, when recording the endowment principal (non-expendable portion), a central office will use the "Restricted True Endowment Principal" Fund Type with the corresponding endowment Fund Source value. When recording endowment distributions (expendable portion), a central office will use the "Unrestricted Endowment Distribution" Fund Type with the same corresponding endowment Fund Source value. Instead of having two endowment Fund Sources, one for the principal and one for the distribution, a single endowment Fund Source will exist. The figure below illustrates this relationship.

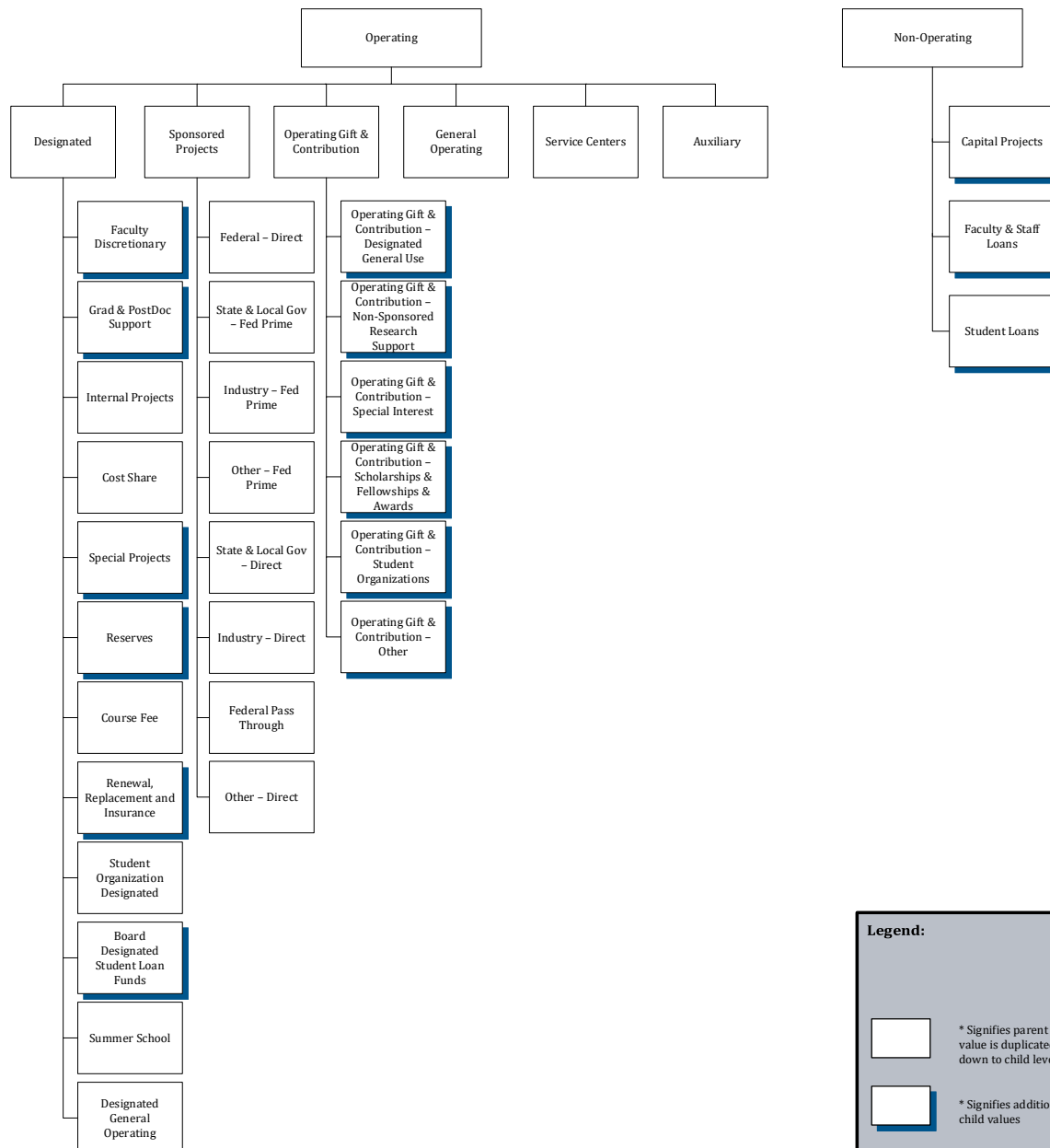


The majority of organizations will only use the "Unrestricted Endowment Distribution" Fund Type when recording transactions against their endowment distributions. Only central offices will use the other endowment related Fund Types (Restricted True Endowment Principal, Restricted Endowment Earnings, Unrestricted Endowment Earnings, etc.).

Fund Sources are classified in two groups, Operating, and Non-Operating. The Fund Source hierarchy diagrams below illustrates how individual Fund Sources are grouped into one of the two categories.



3.1.4.1. Fund Source Hierarchy



3.1.5. Segment 5 – Account

The Account segment is used to categorize the nature of the transaction as a specific type of asset, liability, net asset, revenue, or expense.

3.1.5.1. Assets

Asset accounts represent resources owned by the University that are bought, leased, or created. Assets can be categorized into short-term (or current) assets, or long-term (or non-current) assets. Asset accounts begin with a 1 or 2.



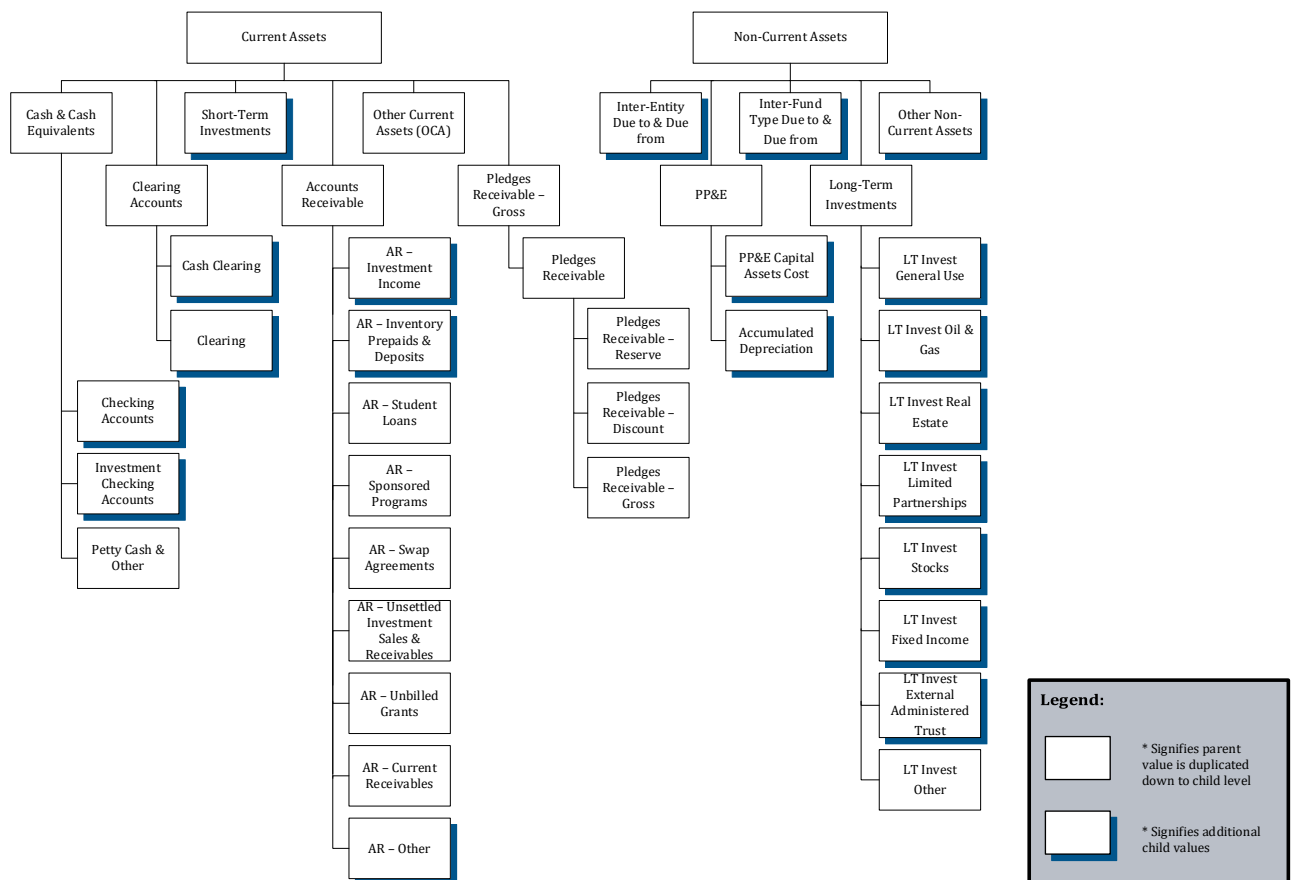
3.1.5.1.1. Current Assets

Current assets are the University's assets that are expected to be used over the next fiscal year. Current assets include cash, accounts receivable, pledges receivable, and short-term investments.

3.1.5.1.2. Non-Current Assets

Non-current assets are the University's long-term investments for which the full value will not be realized within the fiscal year. Non-current assets include capital assets, accumulated depreciation, and long-term investments.

3.1.5.1.3. Assets Hierarchy



3.1.5.2. Liabilities

Liability accounts capture the University's financial debt or obligations that arise during business operations. Liabilities can be classified into short-term (or current), or long-term (or non-current) liabilities. Liability accounts begin with a 3 or 4.

3.1.5.2.1. Current Liabilities

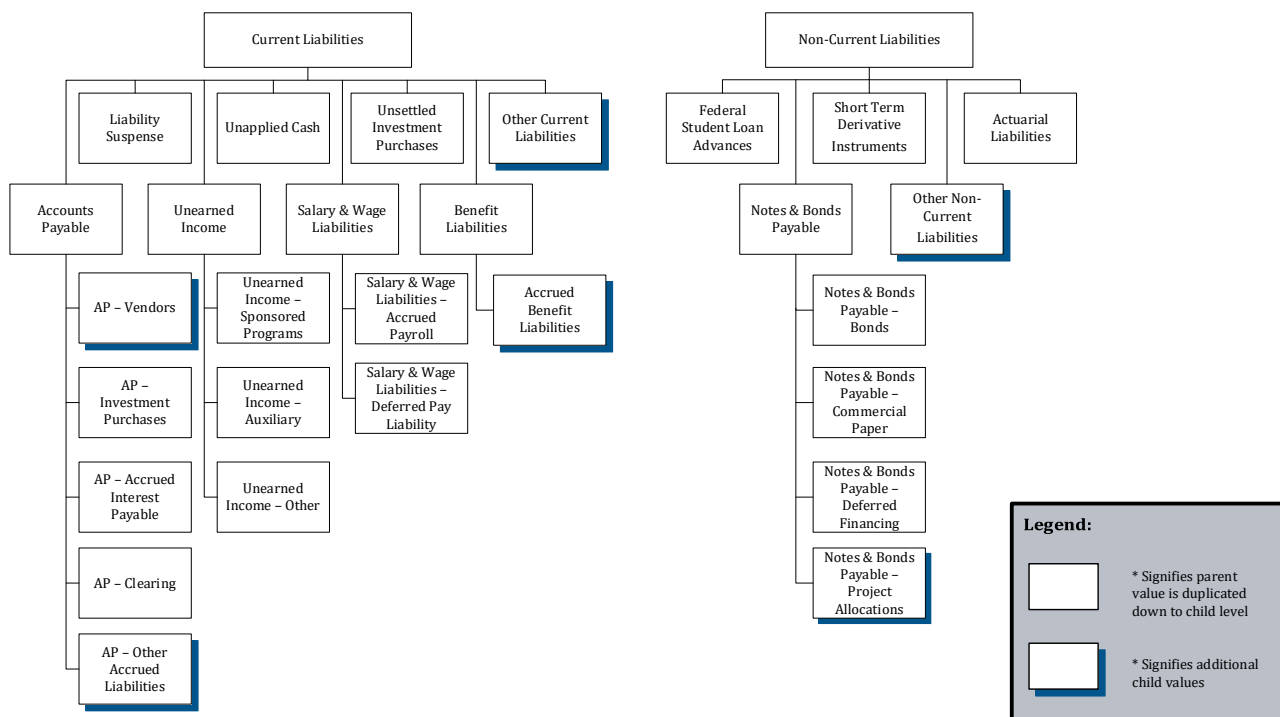
Current liabilities are the University's short-term financial obligations that are due within one year. Examples of current liabilities include accounts payable, salary and wage liabilities, accrued benefit liabilities, the current portion of long-term debt, and unearned income.



3.1.5.2.2. Non-Current Liabilities

Non-current liabilities are the University's long-term financial obligations that are not due within the next twelve months. Examples of non-current liabilities include notes and bonds payable, student loan advances, and swap agreements.

3.1.5.2.3. Liabilities Hierarchy



3.1.5.3. Net Assets

Net assets are the difference between the University's total assets and total liabilities. Net assets are one indicator of the financial condition of the University, and the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Net Assets accounts begin with a 499.

3.1.5.4. Revenues

Revenue accounts are used to capture the amount of income that is brought into the University by its various activities. Revenues are generally classified as either operating revenues or non-operating revenues. Revenue accounts begin with a 5 or 6.

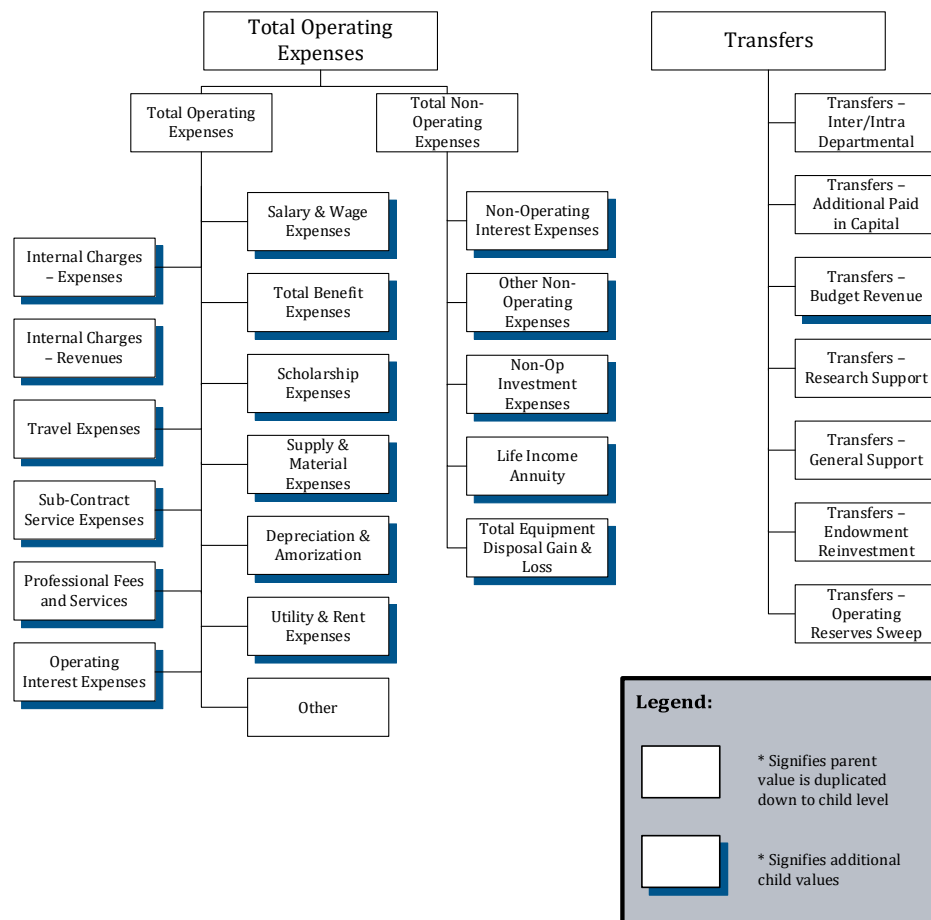
3.1.5.4.1. Operating Revenues

Revenues received from the University providing goods and services to its customers in alignment with the University's mission are considered operating revenues. Endowment distribution, and student tuition and fees are two of the largest components of total operating revenue. Student tuition and fees will be captured in Banner and integrated into Oracle ERP Cloud. Other examples include auxiliary enterprises, most federal, state, and municipal, and other nongovernmental grants and contracts.





3.1.5.5.3. Expenses Hierarchy



3.1.6. Segment 6 – Classification

The Classification segment is used to designate the purpose of an expense transaction as it applies to federal and other external financial reporting requirements; this is essential for compliance with federal cost principles (including indirect cost calculations), GAAP, and NACUBO guidelines.

Rice policy requires that a Classification value other than “Unspecified” be recorded when an expense account is used in the Account segment.

Academic organizations will primarily use one of the Instruction or Research Classification values. Most research related transactions will be associated with a project in PPM and through SLA rules be recorded against Classification value 300 (Res – Sponsored). If a department is using non-sponsored funds to support research related expenses, that are not associated with a project, they should charge the expenses directly against Classification value 303 (Res – Departmental). Together a summary report of spend against value 300 and 303 would represent total research spend. Please reference the [Classification Definitions](#) section for more information on the various Classification values.

3.1.6.1. Example Classification Values:

- 100 - Instruc – General
- 101 - Instruc – Undergrad



- 300 - Res – Sponsored
- 303 - Res – Departmental
- 700 - IS&GA – General Administration
- 701 - IS&GA – Sponsored Program Administration

Please reference [Section C.1](#) for an illustrative overview of the Classification segment hierarchy.

3.1.7. Segment 7 – Program

The Program segment is used to capture formal academic or administrative programs that may be either Entity/Organization specific or inter-disciplinary and need to be tracked on a year-over-year basis. By default, this segment will have an “Unspecified” value, but a meaningful value may be used at the discretion of the user to indicate that a transaction is related to a Program. Before transactions can be recorded to a Program value, the value must be set up in the system by the Controller’s Office. Please reference the [Chart of Accounts Maintenance](#) section for more information on how to request a new value.

In some cases, the Program segment is used to aggregate multiple activities that are similar to support local reporting requirements. For example, the Jones Graduate School of Business may use the “AP&S - Executive MBA” Program value in conjunction with multiple Activity values, such as recruiting activities, specific events, etc. to capture additional costs associated with the “Executive MBA” degree program.

3.1.7.1. Example Program Values:

- 1072 - AP&S (*Academic Programs and Studies*) – JD MBA
- 5000 - Community Outreach Programs
- 9001 - D&I - Diversity and Inclusion Program

Please reference [Section D.1](#) for an illustrative overview of the Program segment hierarchy.

3.1.8. Segment 8 – Activity

The Activity segment provides a tracking mechanism for activities occurring within and across organizations. By default, this segment will have an “Unspecified” value, but a meaningful value may be used at the discretion of the user to indicate that a transaction is related to an Activity.

For some activities, there may be a desire to track individual occurrences of the Activity, such as seminars. For these activities, generic values have been established to allow each organization to track according to their needs. Organizations are responsible for establishing meaning for the Activity values they are using.

For example, one organization may use “Seminar A” to record transactions related to a seminar that they are sponsoring. Meanwhile, another organization may use “Seminar A” for a different seminar. In other words, “Seminar A” may mean something different to the Chemistry Department than it does to Mechanical Engineering. The table below highlights this example:

Activity Value	Organization	Local Meaning
Seminar A	Chemistry	Dr. Jones Leadership Seminar



Seminar A	Mechanical Engineering	Innovation Seminar
-----------	------------------------	--------------------

Values in the Activity segment are primarily generic (e.g., Course A, Seminar B, Event F, etc.). However, named Activity values are established if the University wants to track a particular activity University-wide, such as Commencement. Before transactions can be recorded to a named Activity value, the value must be set up in the system by the Controller's Office. Please reference the [Chart of Accounts Maintenance](#) section for more information on how to request a new value.

In general, Activities are distinguished from Programs in that Activities are typically “happening in the moment”. Programs are formalized ongoing activities and initiatives. These segments have clear definitions and uses, and Information should not be duplicated across these segments. Values can either be Programs or Activities, but they cannot be both. For example, Commencement will only be tracked in the Activity segment.

3.1.8.1. Example Activity Values:

- 3230 - Conference A
- 0220 - The Rice Investment
- 1010 - Commencement – University

Please reference [Section E.1](#) for an illustrative overview of the Activity segment hierarchy.

3.1.9. Segment 9 – Location

The Location segment provides the ability to track revenue and expenses by a specific physical or operational location. By default, this segment will have an “Unspecified” value, but a meaningful value may be used at the discretion of the user to indicate that a transaction is related to a Location.

The values in the Location segment will primarily be used by a select group of auxiliary units at Rice. For example, Transportation and Parking will use the Location segment to track the various Rice parking lots.

Below is a sample CoA combination that records an expense to one of the parking lots at Rice:

Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
William Marsh Rice University	Transportation & Parking Auxiliary	Unrestricted Auxiliary	Auxiliary	Expense	Auxiliary	Optional	Optional	North Lot

3.1.9.1. Example Location Values:

- 100 - Baker College
- 143 - Sid Richardson College Kitchen
- 170 - Rice Memorial Center
- 303 - Rice Stadium

Please reference [Section F.1](#) for an illustrative overview of the Location segment hierarchy.

4. Common Financial Management Processes & Practices

This section outlines common financial management processes & practices performed at Rice University. The goal of this section is to standardize certain financial management processes to be performed across the University.

4.1. Fund Type Management and Accounting Processes

4.1.1. Unrestricted Operating

Unrestricted operating funds are funds that are directly related to the University's core operations. These include general operating funds, endowment distributions, unrestricted gifts and contributions, designated funds, auxiliary, service centers, and sponsored projects. Each of these is described below.

4.1.1.1. General Operating

The General Operating Fund Source value is used to record monthly budget (income) allocations, and general unrestricted revenue and expenses. The primary sources of general operating funds are tuition and fee revenue, education program revenue, interest income on operating investments (those investments not "owned" by the endowment or funds functioning as endowment), unrestricted contributions, research overhead, royalty, and other fee-based income.

4.1.1.2. General Operating Reserves

The General Operating Reserves Fund Source value is used to record unspent prior year income allocations and will primarily be used by Organizations that receive a monthly budget (income) allocation. Please reference the [Income Allocations \(Budget Allocations\)](#) section for more information on the carry-forward process for unspent income allocations.

No expenditures will be posted against the General Operating Reserves Fund Source value; instead, most spending will be posted against the organization's General Operating Fund Source value with periodic income transfers into/out of the General Operating Reserves Fund Source to balance the organization's General Operating Fund Source. This will enable organizations to assess the true costs of their operations by recording them against one operating value. There may be scenarios in which General Operating Reserves are needed to fund expenses that are not posted against an organization's General Operating Fund Source. For example, an organization is funding a faculty start-up package with General Operating Reserves. In this scenario, income should be transfer from the Operating Reserves Fund Source to the Faculty Start-up Fund Source.

The General Operating Reserves Fund Source will essentially exist as a savings account and should be used to fund a specific activity that occurs outside of normal operations. Such as unexpected events, strategic one-time investments, or faculty commitments. General Operating Reserves should be used to fund temporary problems or events and not structural financial issues.

The General Operating Reserves Fund Source will be considered part of an organization's Unrestricted General Operating Fund Sources and will carry-forward across fiscal years.

The following entry records a transfer of funds from the General Operating Reserves Fund Source to the General Operating Fund Source:



	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating Reserves	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

4.1.1.3. Designated

Designated operating funds are unrestricted funds that University management has allocated to specific purposes and views differently than general operating funds; however, are included as a component of operating results.

4.1.1.3.1. Designated General Operating

The Designated General Operating Fund Source value is used to record operating funds outside of the annual budgeting process. This value will primarily be used by units that do not receive a monthly income allocation, are self-supporting, and do not have unrestricted General Operating funds. The Designated General Operating Fund Source should be used to record general expenses that are not program-specific, such as expenses related to a Dean's Office.

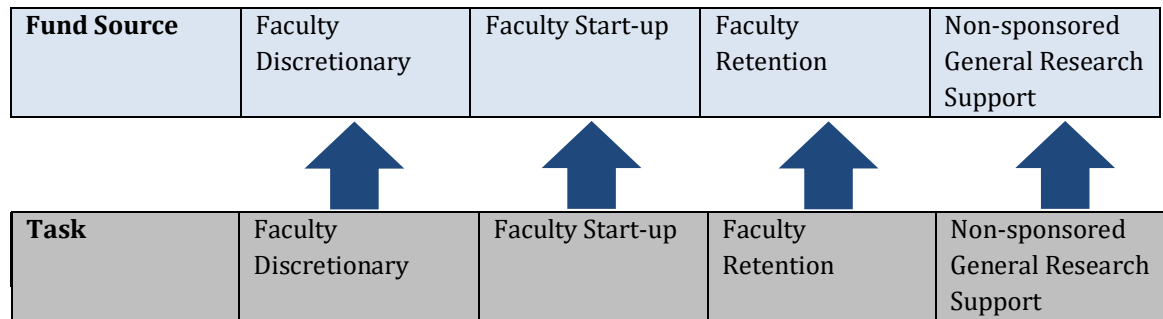
Organizations that use the Designated General Operating Fund Source will have a choice on whether they would like their unspent Designated General Operating Funds to carry forward within the Designated General Operating Fund Source or carry forward to the Designated Reserves Fund Source.

4.1.1.3.2. Faculty Funds

In certain areas of the University, some faculty (and in some cases fellows, graduate students, adjuncts, postdocs, and certain staff with concurrent academic roles) receive annual or periodic allocations of funds to spend at their discretion, in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures. The philosophy underlying the funding allocations is the belief that individual faculty members would prefer the option of personally managing the funds provided to them to support their many professional activities. A project will be established in PPM for each faculty member with discretionary, start-up, retention, or non-sponsored general research support funding.

These allocations are tracked individually in PPM, which maintains the details for each faculty discretionary, start-up, retention, and non-sponsored general research support funding including expenses, and funds remaining for spending. PPM maintains each year's installment (or one-time allotments) and rolls forward any balances or deficits remaining at year-end.

For faculty projects, there is a one-to-one relationship between Tasks in PPM and Fund Sources in the GL. The following diagram illustrates the relationship between Tasks and Fund Sources:



At the beginning of the year, organization administrators' budget (as appropriate) at the Task level for the faculty member's discretionary, start-up, retention, and/or non-sponsored general research support funding in PPM.

In accordance with the project budget, organization administrators should transfer funds from a Fund Source to the Faculty Discretionary, Faculty Start-up, Faculty Retention, and/or the Non-sponsored General Research Support Fund Source to fund the faculty member's budgeted spending. If the Provost Office or the Dean's Office is supporting the faculty spending the Transfers - General Support account should be used to record the transfer from the Provost or Dean's Office to one of the organization's faculty designated Fund Sources. If the organization is supporting the faculty spending with their funding, the Transfers - Inter/Intra Departmental account should be used.

The following entry records the transfer of funds from a Fund Source to one of the faculty designated Fund Sources:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - General Support, or Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Designated	Faculty Discretionary, Faculty Start-up, Faculty Retention, or non-sponsored general research support	Transfers - General Support, or Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

Throughout the year, faculty members (or PIs) will charge costs to their discretionary project by selecting the appropriate project number. The faculty member will use Task on their project to distinguish whether they are spending their discretionary, start-up, retention, or non-sponsored general research support funds. The project expenses, through SLA rules, will flow to the GL and be associated with the correct Chart of Account values.

Below is a sample CoA combination that records an expense flowing from PPM to the GL:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh	Organization	Unrestricted Designated	Faculty Discretionary,	Expense	Classification	Optional	Optional	Optional



	Rice University			Faculty Start-up, Faculty Retention, or non-sponsored general research support					
--	-----------------	--	--	--	--	--	--	--	--

4.1.1.3.2.1. Faculty Discretionary

Faculty Discretionary funds are earmarked monies to be spent at the discretion of faculty outside of their start-up packages, retention packages, and non-sponsored general research support funds. The funding can include chair stipends, research stipends, top-up awards, gift contributions, or other types of discretionary funding a faculty member may receive. These allocations are tracked in PPM as task-level budgets, which are managed by organization administrators. Typically, these monies are spent at the discretion of the faculty member, in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures.

Please reference the following policies when spending against faculty discretionary funds:

- [Discretionary Funds Policy](#)
- [Procurement Policy](#)
- [Travel Policy](#)

4.1.1.3.2.1.1. Faculty Discretionary from Contributions

In some cases, individuals may contribute money to the University that is designated for use by a faculty member. These contributions are considered restricted gifts as they must be used by the designated faculty member, and are spent at their discretion, in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures.

Faculty Discretionary from Contributions does not include donations contributed to a faculty member from a corporation or a foundation with a research focus.

Contributions from a corporation or a foundation with a research focus are considered sponsored research dollars and should be tracked as sponsored projects in PPM and are subject to facilities and administration (F&A) costs.

All contributions to the University that are designated for use by a faculty member must initially be recorded in a unique restricted gift Fund Source before it can be transferred to the Faculty Discretionary Fund Source. Creation of new restricted gift Fund Sources are requested through Development and Alumni Relations and set up by the Controller's Office.

Below is a sample CoA combination that records the receipt of a restricted gift:



	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Credit	William Marsh Rice University	<i>Organization</i>	Restricted Gifts & Contributions Operating Expendable	<i>Unique Gift Fund Source</i>	Gift Revenue	N/A	Optional	Optional	Optional

Once the receipt of the gift is accounted for, an organization administrator should update the discretionary Task budget in PPM and transfer the funding from the restricted gift Fund Source to the Faculty Discretionary Fund Source to fund the faculty members budgeted spending.

The following entry records the transfer of funds from a restricted gift Fund Source to the Faculty Discretionary Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Organization</i>	Restricted Gifts & Contributions Operating Expendable	<i>Unique Gift Fund Source</i>	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	Faculty Discretionary	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

4.1.1.3.2.2. Faculty Start-up

Faculty Start-up funds are designated funds that are allocated to newly hired faculty members. These funds are provided to help the faculty member's transition to the University. Costs may include lab equipment, scholarly activities, and research expenses. All costs against a faculty member's start-up package should be in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures. These allocations are tracked as a Task on the faculty member's project in PPM and are spent at their discretion.

4.1.1.3.2.3. Faculty Retention

Faculty Retention funds are designated funds that are allocated to current high-performing faculty members to encourage them to remain at Rice University. In most cases, these funds are provided to a faculty member who is being recruited away by another institution. They can also be provided to a faculty member who is critical to the strategic initiatives of their organization or school and is at risk of being recruited by another institution. These monies are spent at the discretion of the faculty member, in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures. These allocations are tracked as a Task on the faculty member's project in PPM.

4.1.1.3.2.4. Non-sponsored General Research Support Funds

Non-sponsored General Research funds are designated funds that are allocated to faculty members by a Dean or the Provost to support their ongoing research activities. These funds are intended to support faculty members by allowing them to take advantage of



unforeseen opportunities or deal with unexpected problems encountered during a research project. These monies are spent at the discretion of the faculty member, in the pursuit of job-related goals and activities and in accordance with University purchasing policy and procedures. These allocations are tracked as a Task on the faculty member's project in PPM and

4.1.1.3.3. Internal Research Awards & Grants

In some areas of the University, organizations may provide funding to faculty members in the form of an internal research award. These awards are usually competitive, awarded based on a set of criteria, and may come with spending restrictions (e.g., for professional development, travel, etc.). In most cases, there is an application process, and proposals are reviewed by a central office/committee or the award granting organization. These allocations are tracked individually in PPM, which maintains details such as funds remaining for spending, expenses, or how the award is being dispersed amongst faculty members.

Each internal research award is tracked as a unique designated Fund Source on the GL, and some example internal research award Fund Sources are listed below:

- 010044 - Fac Int A&G - Brown Teaching Grants
- 010054 - Fac Int A&G - Houston Solutions Lab
- 010064 - Fac Int A&G – Teaching Innovation Fund

Internal research awards are treated in the same manner as sponsored research with Rice University as the sponsor. The award granting organization is responsible for reviewing and approving internal award applications. Once approved, the granting organization communicates the awardee information to RCA. RCA will then establish an Award and Project in PPM for each recipient. If a faculty member is also receiving discretionary, start-up, retention, and/or non-sponsored general research support funds they will have at a minimum two projects, one for their faculty funds, and one for their internal research award. In some cases, faculty members may receive multiple internal research awards. In this scenario, the faculty member will have multiple projects one for their discretionary funding, as well as one project for each of the internal awards.

For example:

- Humanities Research Center has a \$15,000 "Internal Research Award" split between three faculty members.
- Three Awards with \$5,000 budgets are set up in PPM.
- Three Projects with \$5,000 budgets are set up in PPM.

PPM (Project)	Dr. Scott Project (\$5,000)	Dr. Howard Project (\$5,000)	Dr. Hudson Project (\$5,000)
	↑	↑	↑
PPM (Award)	Dr. Scott Award (\$5,000)	Dr. Howard Award (\$5,000)	Dr. Hudson Award (\$5,000)



Before a faculty member spends against their internal award project, the granting organization is required to reserve funding by transferring funds from a Fund Source(s) to the unique internal research award Fund Source.

The following entry records the transfer of funds within the granting organization to reserve funding for the internal research award:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Granting Organization	Source Fund Type	Source Fund Source	Transfers - Research Support	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Granting Organization	Unrestricted Designated	Unique Internal Research Award	Transfers - Research Support	N/A	Optional	Optional	Optional

Once applications are approved, and Projects and Awards are established in PPM, a central office will initiate two transfers of funding. The first funds transfer will transfer funding from the granting organization's unique internal research award Fund Source to the awardee organization's unique internal research award Fund Source. This transfer allows the awardee organization to report on how much funding they have received for that specific internal research award. The second transfer will transfer funding from the awardee organization's unique internal research award Fund Source to the awardee organization's Internal Research Awards & Grants General Use Fund Source.

The following entry records the transfer of funds from the granting organization to the awardee organization's unique internal research award Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Granting Organization	Unrestricted Designated	Unique Internal Research Award	Transfers - Research Support	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Awardee Organization	Unrestricted Designated	Unique Internal Research Award	Transfers - Research Support	N/A	Optional	Optional	Optional

The following entry records the transfer of funds from the awardee organization's unique internal research award Fund Source to the awardee organization's Internal Research Awards & Grants General Use Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Awardee Organization	Unrestricted Designated	Unique Internal Research Award	Transfers - Research Support	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Awardee Organization	Unrestricted Designated	Fac Int A&G - General Use	Transfers - Research Support	N/A	Optional	Optional	Optional

Throughout the year, faculty members will charge costs to their internal research award project by selecting the appropriate project number in PPM. Transactions against an internal



award project are transferred at a summary level through SLA rules to the GL under the Internal Research Awards & Grants General Use Fund Source. All expenses against a faculty member's internal award project will reside in the faculty member's organization.

Below is a sample CoA combination that records expenses against a faculty member's internal award project:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Awardee Organization</i>	Unrestricted Designated	Fac Int A&G - General Use	<i>Expense</i>	Res – Internally Competitive	Optional	Optional	Optional

By establishing awards in PPM, the granting organization can track the balance of the awards and individual spending by awardee. Optionally, an end date can be established on the award so that unspent funds are returned to the granting organization upon expiration. If the award expires with unspent funding, the granting organization should communicate with the awardee organization and determine what to do with the unspent funding.

4.1.1.3.4. Graduate & Post-Doctoral Support

Graduate & Post-Doctoral Support are designated funds that are allocated by the University to organizations. These funds are provided to support graduate, post-doctoral, and TA students across the institution and spent at the discretion of the organization. Costs may include TA stipends, travel expenses, conferences, and events. All Graduate & Post-Doctoral Support costs should be recorded to one of the Grad & PostDoc Support Fund Sources.

Below is a sample CoA combination that records a Grad & PostDoc Support expense:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	<i>Grad & PostDoc Support</i>	<i>Expense</i>	<i>Classification</i>	Optional	Optional	Optional

If an organization needs to use a portion of their funding to support their graduate and post-doctoral students, they should transfer funds from one of their Fund Sources to one of the Grad & PostDoc Support Fund Sources.

The following entry records the transfer of funds to one of the Grad & PostDoc Support Fund Sources:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Organization</i>	<i>Source Fund Type</i>	<i>Source Fund Source</i>	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	<i>Grad & PostDoc Support</i>	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional



4.1.1.3.5. Internal Projects

Internal projects are major University projects with a defined body of work, a start and end date, and has a budget of over \$50,000. Internal projects are tracked individually in PPM and transferred at a summary level to the GL under a single “Internal Projects” Fund Source value.

Some examples of internally funded projects are:

- The development of open-source educational products (books, courses, learning software) by OpenStax.
- The development of individual patents by the Office of Technology Transfer (OTT) (patent developments that do not meet the \$50,000 threshold will still be tracked in PPM as internal projects).

A project is established, by the Controller’s Office, in PPM for each internal project. Please reference the [Project Setup](#) section of this document for more information on PPM project setup. At least annually, each participating organization funds its internal projects by transferring the total amount of funding from one of or a combination of their Fund Sources to the Internal Projects Fund Source value. For example, if an organization agreed to fund two internal projects at \$50,000 each, the organization would transfer \$100,000 from one of or a combination of their GL Fund Sources to the Internal Projects GL Fund Source.

The following entry records the transfer of funds to the Internal Projects GL Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - General Support	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Designated	Internal Projects	Transfers - General Support	N/A	Optional	Optional	Optional

4.1.1.3.6. Cost Share

Any costs (personnel, operating, equipment purchases, etc.) incurred and funded by the University, that can be considered support to an existing sponsored project should be treated as cost-sharing on that project. University contributions toward cost-sharing or matching are considered directly attributable if they meet all the following criteria:

1. Are verifiable from the University's records.
2. Are not included as contributions for any other federally assisted project or program.
3. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. Are allowable under the applicable cost principles.
5. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost-sharing or matching.
6. Are provided for in the approved budget when required by the Federal awarding agency.



The identification of cost-sharing in PPM is handled by establishing a separate “Internal” funding source on the Award in PPM for University-funded support of a sponsored project. Project expenditures funded by the University are charged directly to this Funding Source on the sponsored project. When expending cost-share funds in PPM, a user should select the “Internal” Funding Source value when inputting POETAF values.

Cost-share expenditures are transferred at a summary level from PPM to the GL and recorded against the Cost Share Fund Source value. Cost-share expenses should be funded upfront by the organization. If the Provost Office or the Dean’s Office is supporting the Cost-share expenses the Transfers - Research Support account should be used to record the transfer from the Provost or Dean’s Office to the organization’s Cost Share Fund Source. If the organization is supporting the cost-share expenses with their funding, the Transfers - Inter/Intra Departmental account should be used.

The following entry records the transfer of funds to the Cost Share Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - Research Support, or Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Designated	Cost Share	Transfers - Research Support, or Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

Please reference the following policy for additional information:

- [Cost Sharing](#)

4.1.1.3.7. Special Projects

Throughout the University, there are certain instances where organizations need to track ongoing activities outside of the Program, and Activity segment, and/or PPM. In these rare cases, organizations need to carry forward balances and report on the related income and expenses for the ongoing activities. Some examples include the Hispanic Alumni Fund, Alumni Tours, and the ARUBA fund.

Unique designated special project Fund Sources should be established if the following criteria are met:

- The activity crosses multiple fiscal years
- The activity does not have a completion date
- There is no work breakdown or phases of the project
- Income needs to be recorded separately from operating funds
- Reporting is required on the income and relevant expenditures



Please contact the Controller's Office to establish a Special Projects Fund Source value.

4.1.1.3.8. Reserves

4.1.1.3.8.1. Designated Reserves

Organizations may maintain Designated Reserves as directed by University management, including the President, Provost, Deans, or Vice Presidents.

No expenditures will be posted against the Designated Reserves Fund Source value; instead, spending will be posted against one of the organization's other Fund Sources such as their Unrestricted General Operating Fund Source value or their Designated General Operating Fund Source with periodic income transfers into/out of the Designated Reserves Fund Source to balance the organization's Fund Sources. This will enable organizations to assess the true costs of their operations by recording them against one operating value.

The Designated Reserves Fund Source does not include the unspent portion of the annual income allocation (see [General Operating Reserves](#)), but instead acts as savings account for designated funds that have not been allocated out. This Fund Source should be used to fund a specific activity that occurs outside of normal operations. Such as unexpected events, strategic one-time investments, or faculty commitments. Designated Operating Reserves should be used to fund temporary problems or events and not structural financial issues.

The Designated Reserves Fund Source will be considered part of an organization's Unrestricted Designated Fund Sources and will carry-forward across fiscal years.

The following entry records a transfer of funds from the Designated Reserves Fund Source to the Designate General Operating Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Designated	Designated Reserves	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Designated	Designated General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

4.1.1.3.9. Course Fees

Some organizations at Rice track revenue and expenses for course fees separate from their general operating funds. In most cases, these fees are related to non-credit granting courses, field trips for science courses, individual music instruction, art supplies, and similar items for-credit granting courses. Course fees capture non-routine costs, consumables, materials, services, or external activity fees used exclusively in the classroom and/or for class instruction. These fees must be documented and approved by the Budget Office prior to charging students. Additionally, certain restrictions are typically placed on the spending of the funds. All course fee activity should be captured in the Course Fee Fund Source. If needed, organizations can use a generic course Activity segment value to track individual courses.



Below is a sample CoA combination that records an expense against the Course Fee Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Designated	Course Fee	Expense	Instruc - General	Optional	Course A	Optional

4.1.1.3.10. Renewal, Replacement, and Insurance

Renewal, Replacement, and Insurance funds are designated funds that are maintained by organizations to fund the future replacement of local IT hardware/software, research hardware, or a future non-capitalizable maintenance or renovation project.

Similar to the Operating Reserves Fund Source, organizations should leverage the Renewal, Replacement, and Insurance Fund Sources as a savings account, and typically, at the end of the year, organizations will transfer a portion of their unspent funds to one of the Renewal, Replacement, and Insurance Fund Sources to fund future expenditures.

The following entry records the transfer of funds to one of Renewal, Replacement, and Insurance Fund Sources:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Designated	Renewal, Replacement, and Insurance	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

Unlike the Operating Reserves Fund Source, all renewal and replacement expenditures should be recorded against one of the Renewal, Replacement, and Insurance Fund Sources:

Below is a sample CoA combination that records an expense against one of the Renewal, Replacement, and Insurance Fund Sources:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Designated	Renewal, Replacement, and Insurance	Expense	Classification	Optional	Optional	Optional

4.1.1.3.11. Student Organizations

A student organization is any sponsored gathering of students to further social, academic, or research involvement of the campus community. These groups are semi-permanent and have an established student leadership structure. Student organizations do not receive central funding from the University. In some cases, student organizations impose fees on their members. In this scenario, the University will manage the collection of the fees on behalf of the student organization.



A unique Organization value should be established for each recognized student organization at the University, and all costs should be recorded against the Student Organization Fund Source value.

Below is a sample CoA combination that records an expense against a student organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Student Organization</i>	Unrestricted Designated	Student Organization Designated	<i>Expense</i>	<i>Classification</i>	Optional	Optional	Optional

Please reference the following policy for additional information regarding Student Organizations:

- [Clubs and Organizations](#)

4.1.1.3.12. Internal Loan

The Internal Loan fund is a designated fund that is maintained by organizations that borrow funds from the University to fund capital improvements. In most cases, there is an agreement between the organization and a central office that outlines the terms and the conditions of the internal loan. Once an agreement is established, funds will be transferred from the Central University Operating Organization's General Operating Fund Source to the borrowing organization's Internal Loan Fund Source.

The following entry records the transfer of funds from the Central University Operating organization to the borrowing organization's Internal Loan Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	Internal Loan Fund	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

Internal loan funds should only be used to fund capital improvements. At the onset of a capital project, an organization should transfer a portion of the internal loan funds to the appropriate unique capital project Fund Source. Please reference the [Capital Projects](#) section of this document for more information.

Based on the terms and the condition of the loan, the borrowing organization should repay the loan, including interest, by transferring money from one of their Fund Sources into the Central University Operating organization's Internal Loan Fund Source.

The following entry records the transfer of funds from the borrowing organization to the central office's Internal Loan Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
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Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Central University Operating organization	Unrestricted Designated	Internal Loan Funds	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

4.1.1.4. Service Centers

A Service Center is defined as an operating unit whose primary purpose is to provide goods, services, or groups of services in support of the University's education and research mission. These units are responsible for recovering only the direct costs associated with their operations through established pricing practices. Direct costs include personnel and operating expenses.

Please reference the following policy for additional information:

- [Service Center](#)

4.1.1.4.1. Internal Charges

An internal charge is a transaction associated with the procurement of goods and services that are provided by an organizational unit (usually, but not always, a service center) at Rice and received by an organizational unit at Rice. Comparatively, all transactions that occur between Rice and an external party do not qualify as an internal charge.

To appropriately record the financial impacts of an internal charge for the organizations participating in the transaction and the University in aggregate, specific expense internal charge accounts must be used. On a University level, the internal charge accounts will net to zero, and the actual expenses incurred by the service provider to provide the service are recorded separately in true expense accounts. If the organization participating in the internal charge does not use the internal charge accounts, then the University may misstate revenues and expenses on its financial statements.

In addition to exchanging transactions between Rice organizational units, internal charge accounts should be used to account for internal revenues from University designated Service Centers. However, internal charge accounts should never be used to transfer funding, allocate resources for a specific purpose, or recover funds from a 3rd party contractor with whom the University has established an MOU/contract to share costs.

To account for internal revenues and internal expenses, two ranges of internal charge accounts were established, one for internal charge income and one for internal charge expenses. Establishing separate account ranges allows service providers to report their internal income "above the line" when producing internal management reports such as profit and loss statements or budget vs actuals reports. On a University level, these internal charge accounts will net to zero.

Example Internal Charge Accounts:

- 8951 - IC Exp - Business Meeting Expense

- 8969 - IC Exp - Print and Copy Services
- 5969 - IC Inc - Print and Copy Services
- 5951 - IC Inc - Business Meeting Expense

4.1.1.4.1.1. Service Requestor/Receiver

For the organization receiving the service, the transaction is recorded as a debit to the appropriate internal charge expense account. The account is clearly distinguished from other expenses of the same nature that were procured externally, and an account hierarchy will ensure that organizations can budget according to the category rather than by service-provider.

Below is a sample CoA combination that records an internal debit against an organization for an internally provided service:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Organization</i>	<i>Fund Type</i>	<i>Fund Source</i>	<i>Internal Charges - Expenses</i>	<i>Classification</i>	Optional	Optional	Optional

4.1.1.4.1.2. Service Providers

For the organization (Service Center) providing the service, the transaction is recorded as a credit to the appropriate internal charge income account. The credit balance in the service-providing organization's internal charge accounts represents internal revenue generated from Rice organizations and is recorded to the Service Centers Fund Source.

Below is a sample CoA combination that records an internal credit for the Service Center providing the internally provided service:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Service Centers	Service Centers	<i>Internal Charges - Income</i>	<i>Classification</i>	Optional	Optional	Optional

4.1.1.4.1.3. Distributive Charges

Distributive charges are overhead costs, such as utilities, facilities operations and maintenance, accounting, procurement, human resources, information systems, delivery services, and property insurance, paid centrally and charged to certain units across the University such as Auxiliaries. Distributive charges should be recorded to the IC – Administrative Services account, with the activity value "Distributive Charges"

4.1.1.5. Auxiliary

An auxiliary is defined as a self-supporting operating unit whose primary purpose is to provide goods, services, or groups of services in support of the University. Auxiliary enterprises include food services, housing, parking, bookstore, and specialty stores. These units are responsible for recovering both the direct and indirect costs associated with their operations through established pricing practices. Direct costs include personnel and operating expenses; indirect costs include



general University overhead costs and facility costs. All transactions should be recorded to the Auxiliary Fund Source value.

In some cases, auxiliary units may provide goods and services to other organizations at Rice. Please reference the process outlined in the [Internal Charges](#) section for more information.

4.1.1.6. Sponsored Projects

Projects that meet any of the following criteria are considered sponsored projects:

- The proposed project binds the University to a specific scope of work.
- Progress, technical, or final reports, or other deliverables are required.
- Billing, separate accounting procedures, or reports of expenditures are required.
- Unexpended funds must be returned to the sponsor at the end of the project period.
- The project involves the disposition of property, whether tangible or intangible, that may result from the project (e.g., equipment, records, inventions, copyrights, or rights in data).
- The project has a specified performance period or completion date.

All sponsored projects are accounted for in PPM and relevant transactions are transferred at a summary level from PPM to the GL.

Below is a sample CoA combination that records an expense against a sponsored project in PPM:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Sponsored Projects	Sponsored Projects	Expense	Research	Optional	Optional	Optional

Please reference the [Project Portfolio Management \(PPM\)](#) section for more information.

4.1.1.7. Endowment Distributions

Most endowment and Funds Functioning as Endowments (FFAE) funds participate in the University investment pool and each fund is allocated shares. Periodically, income is distributed from the investment pool to the unique endowment Fund Sources. The distribution of endowment income to organizations is unrestricted and includes interest, dividends, and a portion of the accumulated capital gains. Any income not distributed is reinvested in the investment pool.

The following entry records the transfer of unrestricted endowment distributions to an organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted Endowment Distribution	Unique Endowment Fund Source	Endowment Distributions	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Endowment Distribution	Unique Endowment Fund Source	Endowment Distributions	N/A	Optional	Optional	Optional



Even though endowment distributions are unrestricted, organization administrators should adhere to the purpose of the endowment when expending against endowment Fund Sources. The purpose of each endowment can be found in the description of the endowment Fund Source value. For example, the purpose of “Operating Endowments - Scholarships – John Smith” is to support scholarship funding. In the example, “John Smith” is the donor, not the person the scholarship is supporting.

All expenses should be recorded directly against the unique endowment Fund Source, except for endowed chairs which will be transferred to the General Operating Fund Source. Below is a sample CoA combination that records an expense against an endowment Fund Source:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	<i>Organization</i>	Unrestricted Endowment Distribution	<i>Unique Endowment Fund Source</i>	<i>Expense</i>	<i>Classification</i>	Optional	Optional	Optional

4.1.1.7.1. Endowed Chair Support Distributions

Endowed chair support distributions are the distribution of endowed chair support funds to academic organizations. Unlike endowment distributions, endowed chair support distributions will be transferred to and spent out of an organization’s General Operating Fund Source. Please reference the [Endowed Chair Support Funding](#) section for more information.

4.1.1.8. Unrestricted Gifts & Contributions

Unrestricted gifts and contributions are voluntary transfers of cash, securities, and or property from a donor to the University. Unlike endowment funds, gifts and contributions are not meant to generate income and are typically not invested in the University’s investment pool but invested alongside working capital. These contributions do not have any spending restrictions and are considered unrestricted funds. All unrestricted gift contributions are comingled into the Annual Fund GL Fund Source value.

4.1.2. Unrestricted Non-Operating

Unrestricted non-operating funds are funds that are not related to the University’s core operations. These funds include unrestricted capital projects, which are described below.

4.1.2.1. Capital Projects

A capital project may be created when the University (1) Acquires Real Property; (2) Performs a new construction project with a total project cost exceeding \$50,000; or (3) Performs larger improvements, renovations, repairs, replacements, maintenance, or combination projects for a single building with a total project cost exceeding \$50,000. Capital projects are capitalized as University assets and depreciated over the life of the asset.

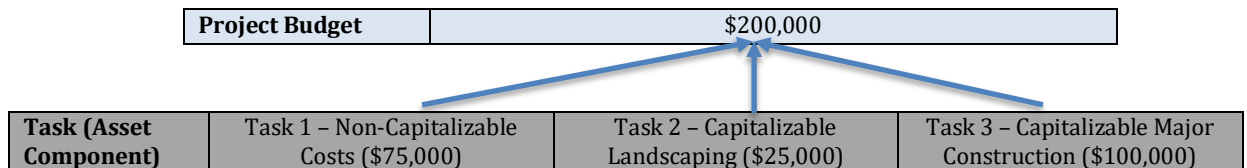
All University funded capital projects and renovations are accounted for in PPM and the GL. A unique PPM project (created by Property Accounting) and a Capital Project GL Fund Source (created by the Controller’s Office) will be established for each project. This creates a one-to-one relationship between the project in PPM and the Fund Source on the GL. Property Accounting is



responsible for creating, maintaining, and administering capital projects. Some organizations are responsible for transacting against capital projects and responsibility varies by the type of project:

- Facilities Engineering and Planning (FE&P) is responsible for construction-related capital project transactions.
- Information Technology is responsible for IT-related capital project transactions such as imagineOne, OwlConnect, etc.
- Athletics is responsible for minor Athletics related capital project transactions such as batting cage renovations. FE&P will be responsible for major Athletic capital projects such as the construction of a new stadium.

Asset components (and their budgets) will be tracked via the Task on the project. For example, Engineering is completing a \$200,000 building renovation; \$75,000 is being used non-capitalizable expenses, \$25,000 for landscaping, and \$100,000 for major construction expenses.



Once a project budget and GL Fund Source are established, the Controller's Office will initiate a transfer of funds from the organization(s) supporting the capital project to the Central University Operating organization.

The following entry records the transfer of funds from the supporting organization to the Central University Operating organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Source Fund Type	Source Fund Source	Transfers - General Support	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Central University Operating	Unrestricted Capital Projects	Named Capital Project	Transfers - General Support	N/A	Optional	Optional	Optional

Throughout the project life, the organization responsible for transacting against the project will charge costs to the project by selecting the appropriate PPM project number and the appropriate task based on the type of expense. Transactions against a capital project are transferred at a summary level from PPM to the GL under the unique capital project Fund Source. When the project is completed, the costs may be consolidated into a single asset and transferred to the Fixed Assets module within Oracle ERP Cloud for depreciation. All capital project expenses and future depreciation expenses will reside in the Central University Operating organization.



4.1.3. Restricted Operating

4.1.3.1. Restricted Gifts & Contributions Operating Expendable

Restricted gifts and contributions are voluntary transfers of cash, securities, and or property from a donor to the University. Unlike endowment funds, gifts and contributions are not meant to generate income and are typically not invested in the University's investment pool. A unique Fund Source value should be established for each restricted gift, and currently, there is not a threshold for the establishment of a restricted gift Fund Source.

Similar to endowment funds, the purpose of each restricted gift can be found in the description of the gift Fund Source value. For example, the purpose of "Operating Gifts – Student Organizations – John Smith Fund" is to support student organizations. In the example, "John Smith" is the donor, not the student organization the gift is supporting.

4.1.4. Restricted Non-Operating

Restricted non-operating funds are funds that are not related to the University's core operations. These funds are constrained to a particular purpose from the provider of the resources, such as a donor.

4.1.4.1. Restricted Gifts & Contributions Non-Operating Expendable

4.1.4.1.1. Plant Fund Contributions

Plant fund contributions are restricted donor contributions that are used to fund capital projects. A unique plant fund contribution Fund Source value should be established for the building/project the contributions are supporting, and the Fund Source value should be named after the building/project. In most cases, multiple donors contribute to a plant contribution fund. In this case, all contributions should be comingled into one unique plant fund contribution Fund Source. For example, the School of Social Sciences is raising money to build the John Smith Library, and three donors contribute money:

- Donor A contributes \$50,000
- Donor B contributes \$100,000
- Donor C contributes \$15,000

Instead of establishing a unique Fund Source for each contribution, a single "Plant Fund Contributions – John Smith Library" Fund Source value will be established, and all three donations will be pooled together.

All plant fund contributions are managed centrally and the threshold for the establishment of a plant fund contribution Fund Source is \$50,000.

4.1.5. Agency Funds

Agency funds are funds held by the University as a custodian or fiscal agent for another legal entity or a Rice approved student organization. Usually, Agency Fund Sources are used to fund activities dedicated to the mutual achievement of educational, research, and public service goals. If the Agency Fund Sources meets the threshold of \$25,000 in yearly activity, a unique GL Fund Source will be



established. Agency Fund Sources should be managed by the organization that is responsible for the relationship with the agent.

4.2. Other Accounting Processes

4.2.1. Transfers

A transfer is a journal entry that reclassifies or moves resources across chart segment values. Movements will primarily move across Entities, Organizations, or Fund Sources within a Fund Grouping or Type. An organization may need to perform a transfer to implement a financial decision, such as allocating support to a specific event or funding a project.

Rice University will utilize the following transfer accounts to move resources across chart segment values:

User	Account	Purpose	Transfer Type	Budgetary Funds Available Impact
Provost / Dean's Offices	Transfers - Research Support	This account is for transfers that support research (either sponsored or non-sponsored) to other organizations or faculty members. This transfer account can be used by any organization on campus.	Funding Transfer	+/-
	Transfers - General Support	This account is for transfers of support funding to organizations that may include purposes such as leadership support, faculty support, project support, and capital funding. This transfer account can be used by any organization on campus.	Funding Transfer	+/-
Campus Organizations	Transfers - Inter / Intra Departmental	This account is for transfers between organizations, funds, programs, and activities that grants spend authority to the receiving unit. It will appear as an income source for the receiving unit and an expense for the providing unit. This transfer account can be used by any organization on campus.	Funding Transfer	+/-
	Transfers - Endowment Reinvestment	This account is for transfers of remaining endowment distributions for reinvestment. This transfer account can be used by any organization on campus at the end of the fiscal year.	Funding Transfer	+/-
Investment Accounting	Transfers - Additional Paid in Capital	This account is for transfers of additional contributed capital, (i.e., cash) to Rice owned subsidiaries from the investment funds managed by RMC. Only to be used by the Rice Management Company.	Funding Transfer	+/-
	Endowment Income Distribution	This revenue account is for Investment Accounting to transfer funding between endowment Fund Sources/Fund Types. Endowment distributions to campus units will use the 5600 – Endowment Distributions revenue account.	Budgeted Income Transfer	None
Central University Operating	Transfers - Income Allocation	This revenue transfer account is for monthly transfers of planned budgetary allocations from a central organization to operating organizations. This transfer account can only be used by the Central University Operating organization.	Budgeted Income Transfer	None
	Transfers - Revenue Share	This account is for the annual transfers of revenue share programs. This transfer account can only be used by the Central University Operating organization.	Budgeted Income Transfer	None



User	Account	Purpose	Transfer Type	Budgetary Funds Available Impact
	Transfers - Chair Support Income Allocation Revenue	This account is for the credit side of the chair support allocation and will appear as income to the receiving organizations. This transfer account can only be used by the Central University Operating organization.	Budgeted Income Transfer	None
	Transfers - Chair Support Income Allocation Expense	This account is for the debit side of the chair support allocation and will appear as an expense on the endowment fund when funds are transferred to an organizations General Operating Fund Source. This transfer account can only be used by the Central University Operating organization.	Budgeted Income Transfer	None
	Transfers - Fringe	Unspent fringe that is returned to the Central University Operating organization.	Budgeted Income Transfer	None
	Transfers - Operating Reserves Sweep	This account is for the annual year-end process to sweep Operating Funds to the Operating Reserve funds source.	Budgeted Income Transfer	None
	Transfers - Graduate Tuition	This account is for the annual transfers of graduate tuition (20%) to the central university operating organization. This transfer account can only be used by the Central University Operating organization.	Budgeted Income Transfer	None
	Transfers - Budget Revenue & Transfers - Budget Revenue Offset	This account and its offsetting account are used for budgeting revenue.	Funding Transfer	+/-

Transfer accounts are not used to correct transactional errors, such as adjusting an incorrect natural account on a cash deposit or moving an expense balance into another account combination. This type of correcting entry should be completed in the subledger or source system where the transaction originated.

4.2.1.1. Example Transfer Journal Entries

Mechanical Engineering provides funds to Chemistry to help cover the expenses for a special event:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Mechanical Engineering	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Event A	Optional
Credit	William Marsh Rice University	Chemistry	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Event A	Optional

An organization provides resources to a specific faculty member for discretionary use (*in this scenario the organization administrator may need to update the PPM Project budget to reflect the additional funding*):

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional



Credit	William Marsh Rice University	Organization	Unrestricted Designated	Faculty Discretionary	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
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A central organization provides an organization with its monthly budget (income) allocation.

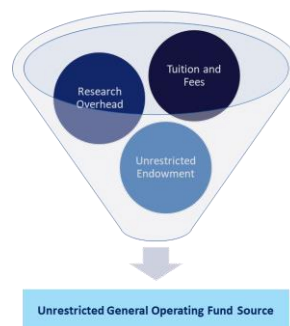
	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted General Operating	General Operating	Transfers - Income Allocation	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating	Transfers - Income Allocation	N/A	Optional	Optional	Optional

Chair support funding is transferred from the chair's endowment Fund Source to an organization's general operating Fund Source (*this transfer is initiated by the Budget Office*):

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Endowment Distributions	Unique Endowment Fund Source	Transfers - Chair Support Income Allocation Expense	N/A	Optional	Event 1	Optional
Credit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating	Transfers - Chair Support Income Allocation Revenue	N/A	Optional	Event 1	Optional

4.2.2. Income Allocations (Budget Allocations)

Income allocations are the distribution of University unrestricted resources (formerly "A1"), through recurring transfer journal entries (initiated centrally), to organizations across the institution. These distributions align with the University's mission and strategic goals and the organization's budget authority, which is determined during the annual budgeting process. Units are responsible for their distributions and are expected to operate and manage all costs within their approved budget.



Income will be allocated to organizations that are entirely or partially University funded. Self-supporting organizations, such as the Jones Graduate School of Business, or the Professional Masters Program in Engineering, will not be allocated income to support their operations (unless there is an agreement between the Budget Office and the organization).



Every month, organizations will be allocated income that is 1/12th of their annual unrestricted general operating budget. These transfers will be initiated by the Budget Office and transferred into the organization's Unrestricted General Operating Fund Source. For example, if an organization's annual unrestricted general operating budget is \$3,000,000, they will be allocated \$250,000 every month.

The following entry records the monthly allocation of Unrestricted General Operating funds to an organization.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted General Operating	General Operating	Transfers - Income Allocation	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted General Operating	General Operating	Transfers - Income Allocation	N/A	Optional	Optional	Optional

At the end of the fiscal year, unspent allocated general operating funds will carry forward to the next fiscal year, subject to carry forward rules. The general operating funds carry forward process differs from other Fund Sources, as unspent general operating funds will be swept back to the Central University Operating organization, and the Budget Office will perform a carry forward calculation to determine each organization's carry forward amount.

Once the calculation is complete, The Budget Office will transfer funding from the Central University Organization General Operating Fund Source to an organization's General Operating Reserve Fund Source. Please reference the [General Operating Reserves](#) section of this guidebook for more information on how General Operating Reserves should be managed. Please note, unspent fringe benefit dollars will not carry forward and will reduce the amount of the organization's carryover.

The following entry records the transfer of carry forward General Operating funds from the Central University Operating organization to an organization's General Operating Reserves Fund Source.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted General Operating	General Operating	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted General Operating	General Operating Reserves	Transfers - Inter / Intra Departmental	N/A	Optional	Optional	Optional

4.2.3. Endowed Chair Support Funding

Chair support funding is the distribution of endowed chair funds through recurring transfer journal entries to organizations across the University. These distributions align with the University's mission and strategic goals and the organization's budget authority, which is determined during the annual budgeting process. Endowed chair support offsets the compensation and other related costs of the chair holder that is budgeted in the organization's General Operating Fund Source.

Every month, organizations will be allocated chair support funding that is 1/12th of their annual endowed chair support budget. These transfers, as well as the monthly income allocations, will be



initiated by the Budget Office and transferred into the organization's Unrestricted General Operating Fund Source. For example, if an organization's annual endowed chair support funding budget is \$3,000,000, they will be allocated \$250,000 every month. This transfer of funding will draw the unique endowment Fund Source into deficit.

The following entry records the monthly allocation of endowed chair support funding from an organization's unique endowment Fund Source to an organization's General Operating Fund Source.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Unrestricted Endowment Distribution	Unique Endowment Fund Source	Transfers - Chair Support Income Allocation Expense	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted General Operating	General Operating	Transfers - Chair Support Income Allocation Revenue	N/A	Optional	Optional	Optional

At the end of the year, the Controller's Office will transfer funding to the organization's unique endowment Fund Source, making them whole. Using the example above, at the end of the year the organization's unique endowment Fund Source will have a negative balance of \$3,000,000. To make the organization's unique endowment Fund Source whole, the Controller's Office will transfer \$3,000,000 to the organization's unique endowment Fund Source.

The following entry records the transfer of endowed chair support funding from the Central University Operating organization to an organization's unique endowment Fund Source, making the endowment Fund Source whole:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted Endowment Distribution	Unique Endowment Fund Source	Endowment Distributions	N/A	Optional	Optional	Optional
Credit	William Marsh Rice University	Organization	Unrestricted Endowment Distribution	Unique Endowment Fund Source	Endowment Distributions	N/A	Optional	Optional	Optional

4.2.4. Continuing Education

The Glasscock School of Continuing Studies offers classes, certification programs, and graduate degrees geared towards adults interested in pursuing further instruction for professional or personal reasons. To perform accurate P&L reporting on their offerings, unique Program values should be established, by the Controller's Office, for each degree, certification, and educational program. It is recommended that these values should be used in conjunction with the Course Fee Fund Source value. If needed, individual courses can be tracked with generic course Activity values.

Below is a sample CoA combination that records revenue and an expense against the Continuing Education Human Resource Management Program.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Credit	William Marsh	GSCS Operations	Unrestricted Designated	Course Fee	Tuition - Non-Credit Tuition	N/A	AP&S - Human	Optional	Optional



	Rice University						Resource Management		
Debit	William Marsh Rice University	GSCS Operations	Unrestricted Designated	Course Fee	Salary and Wage Expenses - Faculty	Instruc - General	AP&S - Human Resource Management	Optional	Optional

4.2.5. Summer School

Summer school is an opportunity for currently enrolled Rice students and visiting students from other institutions to take college coursework. Revenue related to summer school courses will be recorded to the General Operating Fund Source, one of the Instruction-Summer Classification values, and one of the Summer School Program values within the Central University Operating organization. Academic organizations conducting summer school courses will be allocated a portion of the revenue every year. Typically, this allocation occurs in September, once summer school sessions are completed. All expenditures relating to summer school should be recorded to the Summer School Fund Source value, one of the Instruction-Summer Classification values, and one of the “Summer School” Program values. Depending on the timing of the course, manual adjustments will need to be made to move revenue and expenditures between fiscal years.

Below is a sample CoA combination that records summer school revenue within the Central University Operating organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Credit	William Marsh Rice University	Central University Operating	Unrestricted General Operating	General Operating	<i>Tuition – Grad or Undergrad Summer</i>	Optional	<i>Summer School</i>	Optional	Optional

Below is a sample CoA combination that records summer school expenses against an academic organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	Summer School	Salary and Wage Expenses - Faculty	<i>Instruc – Summer</i>	<i>Summer School</i>	Optional	Optional

The following entry records the allocation of summer school revenue from the Central University Operating organization to an academic organization:

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Central University Operating	Unrestricted Designated	Summer School	Transfers - Revenue Share	N/A	<i>Summer School</i>	Optional	Optional
Credit	William Marsh Rice University	<i>Organization</i>	Unrestricted Designated	Summer School	Transfers - Revenue Share	N/A	<i>Summer School</i>	Optional	Optional

4.2.6. Cash Deposits

Organizations that collect cash and checks are responsible to properly safeguard, reconcile, record, and deposit funds promptly. To minimize risk, cash must be stored in a secure location, recorded in



TouchNet (indicating the correct CoA string), and promptly forwarded to the Cashier's Office for processing and to be deposited to the University's banks. The list of University organizations that are permitted to collect cash and checks can be found in [Appendix G](#).

4.2.7. Asset Management

4.2.7.1. Acquiring Capital Assets

Rice University makes a variety of Capital purchases, including purchases of Equipment, Buildings, Software, etc. All purchases of this nature with a cost of \$5,000 or greater are considered capital and must be inventoried within the Asset Management module and depreciated. When a purchase of this nature is made, the cost is booked to an asset clearing account and a liability is created until payment is made. Following this transaction, a central office will create the asset in the Asset Module debiting the appropriate asset account and crediting the asset clearing account.

In order to reflect the purchase against an organization's budget, once the asset is created, the Controller's Office will record a journal entry to record the capital expense against the initiating organization's budget.

The following entry records the capital expenses against the initiating organization's budget.

	Entity	Organization	Fund Type	Fund Source	Account	Classification	Program	Activity	Location
Debit	William Marsh Rice University	Organization	Fund Type	Fund Source	Capital Expense	Classification	Optional	Optional	Optional
Credit	William Marsh Rice University	Central University Operating	Fund Type	Fund Source	Capital Expense	Classification	Optional	Optional	Optional

On a monthly basis, the asset is depreciated through a debit to a depreciation expense account and offsetting credit to an accumulated depreciation asset account. The amount of the depreciation expense will vary by the life of the asset and the depreciation approach. All depreciation transactions will reside within the Central University Operating organization.

4.2.8. Funds Transfers vs Split Distributions

Throughout the University there will be situations where multiple units are sharing costs for an initiative, event, or purchase. Although transfer accounts will be available for departmental use, they should be used sparingly, and primarily used to set aside funds for a specific purpose. To maximize efficiency, departments are encouraged to "split distributions" when appropriate to share costs. Guidance on when to use split distributions or fund transfer is outlined below.

4.2.8.1. Split Distribution Criteria

Use a split distribution when:

- Costs are split across multiple (2+) PPM Project codes.
- The sponsoring organization is making a purchase that is not associated with a large, separately tracked initiative. (e.g., two engineering organizations co-purchase new, general-use lab machinery).
- Salary costs are split across multiple organizations or chart strings.



4.2.8.2. Funds Transfer Criteria

Use a funds transfer when:

- Many (4+) sponsoring organizations plan to pay multiple invoices in support of a separately tracked initiative. For example, five organizations agree to co-sponsor the Biology organization's hosted conference. Rather than splitting each invoice for food, speaker fees, room rentals, etc., Biology can recoup a lump-sum of the costs from each sponsoring organization on a reimbursement basis after the conference concludes.
 - Alternatively, the Biology organization can request funding up-front from the co-sponsoring organizations.

4.2.9. Corrections/Adjustments

During regular business operations, there is occasionally a need to make correcting journal entries. This may be the result of accidental, incorrect data entry or a miscommunication. Regardless of how the error is identified, when transactional errors are identified, the person/organization who made the error will be notified and is responsible for making appropriate and timely corrections.

In all cases, the correction should be made to the original transaction. Generally, this requires updating a transaction in the originating subledger by coordinating with the Controller's Office. Once the originating transaction is corrected, the appropriate accounting will flow automatically to the GL.

If a correcting entry is made directly to the GL for a transaction that originated in the subledger, then GL balances will not reconcile with subledger balances.

4.2.10. Project Setup

To ensure consistent use of PPM across the University, the project setup process will be centralized. The process for setting up each type of project is explained below.

4.2.10.1. Sponsored Projects

Once negotiations are finalized and the sponsored award is approved, RCA will be notified of the new award. To set up the award in PPM, RCA requires the following: the award documents, including all exhibits and attachments; and the proposal documents, which include Rice's Internal Processing Form (IPF), the proposal budget, the budget narrative, the scope of work, and the cost-sharing budget (if applicable).

When RCA receives the required documentation, an RCA research accountant will create the award in PPM, entering award data (budget period, Award Type and Purpose, demographic data), and create the related PPM Project(s).

Once an Award and relevant Projects are active, RCA will send an email to the PI, DA, Chairman, Dean's representative, and SPARC so the PI can begin spending against the award.

4.2.10.2. Capital Projects

To create a capital project, an organization must submit a request through the [Rice Annual Capital Budget website](#). The annual capital budget process begins in September when Facilities Engineering and Planning (FE&P) solicits facility budget requests from each school and division.

Once the capital project is approved, the Controller's Office will create a project in PPM, establish a unique capital project GL Fund Source, and will initiate a transfer of funds from the organization(s) supporting the capital project to the Central University Operating organization.

4.2.10.3. Faculty Projects

When a faculty member joins the University and receives a start-up funding award, department administrators must notify RCA to create a project for them in PPM. In their communication to RCA, the departmental administrator must provide support to validate the amount of start-up funding awarded to the faculty. This amount will be set up as a budget for the faculty fund Project, more specifically the start-up Task on the project. Once the project is established, RCA will notify the PI and departmental administrator by providing a Project number.

Faculty members will charge costs to their faculty fund Project by selecting the Project number provided to them by RCA. The faculty member will use Tasks on the project to distinguish start-up, discretionary, retention, and non-sponsored research funds that have been allocated to him/her by the Dean or President. When the project expenses flow to the GL, they will automatically be associated with the correct faculty Fund Source based on the Task used.

If a faculty member receives incremental funding, the responsibility of increasing the Task level budget depends on the source of funding. If the incremental funding is sourced from the faculty member's departmental funds, the departmental administrator is responsible for increasing the Task level budget. If the incremental funding is sourced from a central office, RCA is responsible for increasing the task level budget.

4.2.10.4. Internal Projects

If an organization at Rice University would like to establish an internal project, they must notify the Controller's Office to create a project for them in PPM. In their communication, the organization must clearly outline the purpose, scope of work, and budget for the internal project. Once the Controller's Office verifies that the request meets the definition of an internal project, they will establish a project in PPM. Once the project is established, the Controller's Office will notify the PI and departmental administrator by providing a Project number.

Organizations will charge costs to their internal project(s) by selecting the Project number provided to them. When the project expenses flow to the GL, they will automatically be associated with the current CoA strings based on the POET values selected.

4.3. Chart of Accounts Maintenance

The CoA is designed to evolve in lockstep with the University as organizational and regulatory changes require the institution to modify reporting or transacting. To initiate a change in the Chart of Accounts, a departmental administrator must submit a request to the Controller's Office for review. Departmental administrators may only request changes to the Organization, Program, Activity, and Location segment. Requested changes may include:

- Adding a new value
- Renaming or end-dating an existing value

- Rearranging the reporting hierarchy

The Controller's Office, on the other hand, can make changes to all segments but changes will most likely pertain to the Fund Type, Fund Source, and Account segments.

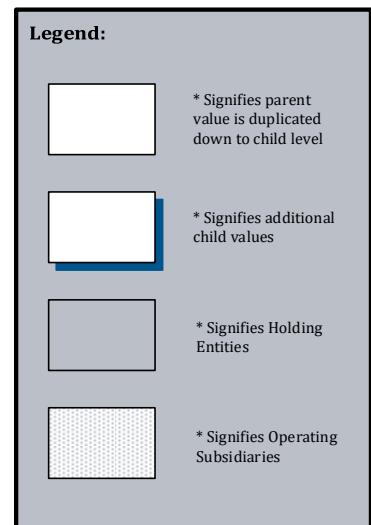
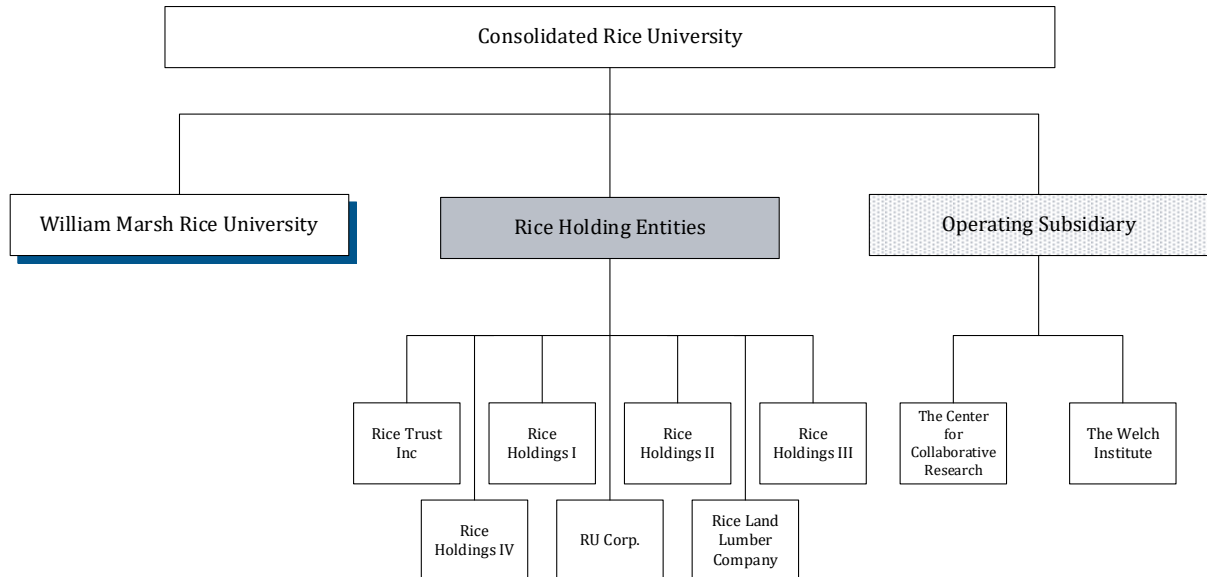
Requests for new restricted gift and endowment funds is handled through Development and Alumni Relations.

After the request is reviewed, a notification is sent to the requestor informing them of the group's decision. If the request is approved, a central administrative resource executes the update in the system.



Appendix A – Entity Value Set and Hierarchy

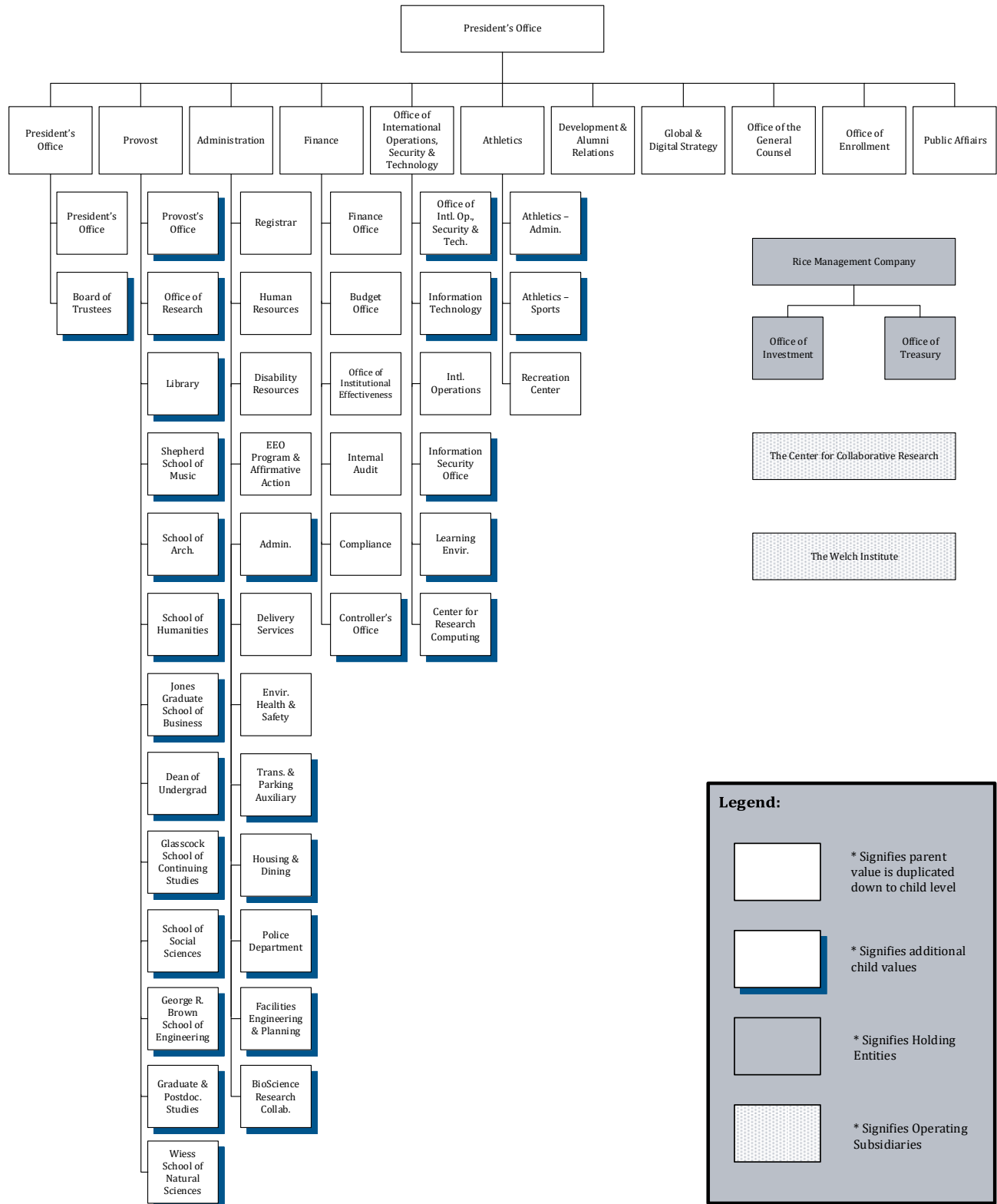
A.1. Entity Hierarchy





Appendix B – Organization Value Set and Hierarchy

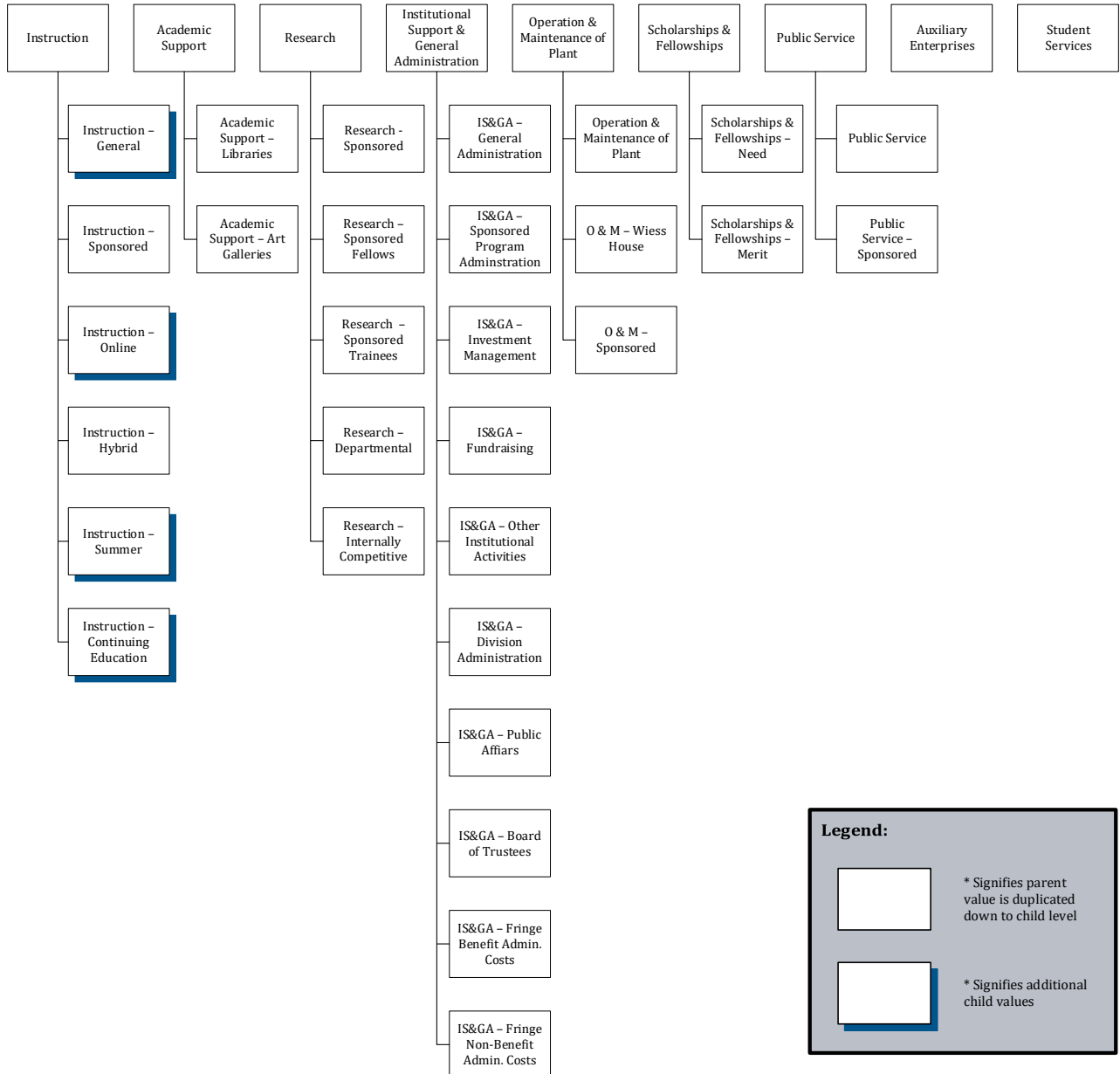
B.1. Organization Hierarchy





Appendix C –Classification Value Set and Hierarchy

C.1. Classification Hierarchy



C.2. Classification Definitions and Use Cases

Instruction	
Definition	<p>The Instruction Classification Value includes:</p> <ul style="list-style-type: none"> • All costs that are part of Rice University's instruction program. • Costs incurred for teaching and training activities, whether for credit toward a degree or not, offered through regular academic departments or separate instructional divisions (e.g., Glasscock School of Continuing Studies). <ul style="list-style-type: none"> ◦ Including specific instructional or training activities, which are funded by grants or contracts from Federal or non-Federal sponsors. • Research and public service costs which are not separately budgeted. <p>The Instruction Classification value does not include:</p> <ul style="list-style-type: none"> • Developing or teaching in-house skills training sessions for employees (e.g., supervisory training). • Expenses for academic personnel whose primary activity is administration – for example, academic deans. • Instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher education level, such as adult basic education.
Use Cases	<ol style="list-style-type: none"> Academic instruction Co-curricular student activities that complement a course or academic program Community education Conferences, seminars, and workshop that are hosted by Rice and have an academic focus or that offer certification or continuing education Credit and non-credit courses English as a Second Language (ESL) instruction Faculty start-up funding for instructional activities Information technology for instructional activities which are separately budgeted and are provided at the unit level: <ol style="list-style-type: none"> Classroom technology Instructional technology Computing labs Pre-college bridge programs for incoming students Regular, special, and extension sessions Science or art fairs connected with an academic course Student internships that are required as part of a course to earn degree credit Student instruction in art or performing arts as part of an academic course or program of study Student marching band activities which are treated as a for-credit academic course Technical instruction Training grants that support graduate and undergraduate students working towards a degree Vocational instruction
Values	<ol style="list-style-type: none"> <u>Instruction – General</u>, child values include: <ol style="list-style-type: none"> Instruction - Undergrad Instruction - Grad Instruction - Dual



	<ul style="list-style-type: none"> iv. Instruction - Professional Masters v. Instruction - PhD vi. Instruction - PostDoc vii. Instruction - Other b. <u>Instruction – Sponsored</u> c. <u>Instruction – Online</u>, child values include: <ul style="list-style-type: none"> i. Online Instruction - Undergraduate ii. Online Instruction - Graduate iii. Online Instruction - Non-Credit d. <u>Instruction – Hybrid</u> e. <u>Instruction – Summer</u>, child values include: <ul style="list-style-type: none"> i. Online Instruction - Undergraduate ii. Online Instruction - Graduate iii. Online Instruction - Non-Credit f. <u>Instruction – Continuing Education</u>, child values include: <ul style="list-style-type: none"> i. Summer Instruction - Credit K12 ii. Summer Instruction - Credit College iii. Summer Instruction - Non-Credit
Primary User(s)	Academic Organizations
Academic Support	
Definition	<p>The Academic Support Classification Value includes:</p> <ul style="list-style-type: none"> • Costs incurred to provide support services for Rice’s primary programs of instruction, research, and public service. • Costs incurred for the operation of Fondren Library and other libraries administered by Fondren staff, including the cost of books and library materials. • Costs incurred for the operation of Sewall Art Gallery and Farish Architecture Gallery. <p>The Academic Support Classification Value does not include:</p> <ul style="list-style-type: none"> • Expenses of department chair • Expenses associated with the Provost’s Office. Instead, these expenses should be classified as institutional support due to the institution-wide nature of that individual’s responsibilities.
Use Cases	<ul style="list-style-type: none"> a. Fondren Library and other libraries <ul style="list-style-type: none"> i. Archives ii. Book appraisals, purchases, and repairs iii. Learning resource centers iv. Library reference room services v. Retention, preservation, and display of educational materials vi. Technology supporting the libraries b. Laboratory schools c. Living laboratories d. Museums and galleries (Sewall Art Gallery and Farish Architecture Gallery) e. Sponsored Program Development that supports broad new programs and enhances or upgrades the capability of the university to attract future sponsored support
Values	<ul style="list-style-type: none"> a. <u>Academic Support – Libraries</u> b. <u>Academic Support – Art Galleries</u>

Primary User(s)	Fondren Library Sewall Art Gallery Farish Architecture Gallery
Research	
Definition	<p>The Research Classification Value includes:</p> <ul style="list-style-type: none"> • All expenses for activities specifically organized to produce research, whether commissioned by an agency external to Rice or separately budgeted by an organizational unit within Rice. • Costs incurred for internally funded research that is separately budgeted and accounted for and provided after an internal competition much like the competition that is inherent in obtaining external funds. • Costs incurred for sponsored research fellowships and traineeships (normally includes stipend and tuition). <p>The Research Classification Value does not include:</p> <ul style="list-style-type: none"> • Expenses for research that are not separately budgeted. • All sponsored programs. • Federally funded research and development centers, which are classified as independent operations.
Use Cases	<ul style="list-style-type: none"> a. Conferences, seminars, or workshops held by a research center to discuss research findings b. Faculty chairs used primarily for research activities c. Faculty fellowships used primarily for research activities d. Faculty professorships used primarily for research activities e. Faculty start-up funding used primarily for research activities f. Individual and project research g. Institutes and research centers h. Lectures held by a research center to disseminate research findings i. Opportunities where students can gain experience in their field of arts or performing arts, not tied to an academic course or program of study j. Research assistants and postdoctoral research associates k. Research equipment and research supplies l. Research commissioned by an external agency or separately budgeted by an organizational unit within Rice m. The research portion of faculty costs n. Travel to collaborate and network with researchers from other institutions o. Travel to conferences to learn more about a particular research topic or area of research
Values	<ul style="list-style-type: none"> a. <u>Res – Sponsored</u> b. <u>Res – Sponsored Fellows</u> c. <u>Res – Sponsored Trainees</u> d. <u>Res – Departmental</u> e. <u>Res – Internally Competitive</u>
Primary User(s)	Academic Organizations Central Organizations
Operation & Maintenance of Plant	
Definition	The Operation & Maintenance of Plant Classification Value includes:



	<ul style="list-style-type: none"> Costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of Rice's physical plant. Expenses for items such as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving. Costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of the Wiess President's House. Costs incurred for sponsored plant construction activities that are separately budgeted and accounted for. <p>The Operational & Maintenance of Plant Classification Value does not include:</p> <ul style="list-style-type: none"> Costs that will be capitalized in accordance with Rice's capitalization policy.
Use Cases	<ol style="list-style-type: none"> Facility emergency preparedness Facility planning and management Hazardous waste disposal Janitorial and utility services Landscaping and grounds care and maintenance Major repairs, maintenance, and renovations which are not capitalized New construction Physical plant operations, including the development of plans for plant expansion or modification Property, liability, and all other insurance relating to a property Repairs and ordinary or normal alterations of buildings, furniture, and equipment Routine repair and maintenance of buildings and other structures, including normal recurring repairs and preventative maintenance Security and safety (campus police) Space and capital leasing Utilities <ol style="list-style-type: none"> Gas Heating and cooling Lights Power Water
Values	<ol style="list-style-type: none"> <u>Operation & Maintenance of Plant</u> <u>O&M – Wiess House excluded from F&A</u> <u>O&M – Sponsored</u>
Primary User(s)	Central Organizations
Student Services	
Definition	<p>The Student Services Classification Value includes:</p> <ul style="list-style-type: none"> Costs incurred for Offices of Admissions, and Registrar. Costs incurred for activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program.



	<ul style="list-style-type: none"> Expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics, counseling and career guidance, student aid administration, and student health service. Costs incurred for activities of the Dean of Undergraduates, whose activities are institution-wide and therefore should be classified as institutional support. <p>The Student Services Classification Value does not include:</p> <ul style="list-style-type: none"> Costs incurred for formal academic counseling activities (which are included in institutional support) and informal academic counseling services provided by the faculty concerning course assignments (which are included in instruction). Outright scholarship or fellowship grants to students, which should be classified as revenue reductions, agency transactions, or expenses.
Use Cases	<ol style="list-style-type: none"> Extracurricular student activities which contribute to the student's well-being Financial aid administration Information technology for student service activities, including department-specific admission or recruiting systems Intramural sports activities Intercollegiate athletic teams <ol style="list-style-type: none"> Equipment Facility maintenance Recruiting and marketing Maintaining student records <ol style="list-style-type: none"> Admissions Academic Biographic Financial Health Non-credit bearing student internships focused on preparing students for careers Operating expenses for intercollegiate athletic programs Personal counseling services Reviewing and processing student admissions Services provided for types of students: <ol style="list-style-type: none"> Minority students Veterans Students requiring accommodation Student activities Student cultural events, programming, and group organizations operating under the control of Rice Student health services Student newspapers Student career services Student organizations Student recruiting activities Student services administration Student systems
Values	a. <u>Student Services</u>
Primary User(s)	Central Organization
Institutional Support & General Administration	

Definition	<p>The Institutional Support & General Administration Classification Value includes:</p> <ul style="list-style-type: none"> • Costs incurred by the general executive and administrative offices which serve the entire university (President, Provost, General Counsel, Human Resources, Administrative Computing, etc.) and other general expenses which do not relate solely to any major function of the university (instruction, research, public service, auxiliaries). • Expenses for all central, executive-level activities concerned with management and long-range planning for Rice. <ul style="list-style-type: none"> ◦ Activities such as operations as executive direction, planning and programming operations, legal, risk, compliance, and internal audit operations. • Expenses for operations related to fiscal control and investments. <ul style="list-style-type: none"> ◦ Includes the Controller's Office, Bursar's Office, and external audits. • Interest expense on working capital borrowings and any unallowable interest expense. • Bad debt expense arising from student loans, and student and other accounts receivables. • Expenses for activities related to general administrative operations and services. <ul style="list-style-type: none"> ◦ Includes personnel administration, space management, purchasing and maintenance of supplies and materials, University-wide communications, transportation services, general stores, and printing shops. • Costs incurred by separate university-wide organizations established primarily to administer sponsored projects. <ul style="list-style-type: none"> ◦ Such as the Office of Research, Research & Cost Accounting. • Costs incurred for fundraising, public relations, alumni relations, and other similar activities may not be included in any charges to the government. • Costs incurred for activities specifically designed and carried out to provide administrative and management support to the academic programs. <ul style="list-style-type: none"> ◦ Expenses of academic deans. ◦ Expenses for formally organized and/or separately budgeted academic advising. • Costs incurred for activities that provide the faculty with opportunities for personal and professional growth and development to the extent that such activities are formally organized and/or separately budgeted. • Costs incurred for formally organized and/or separately budgeted course and curriculum development. • Expenses for formally organized and/or separately budgeted information technology. • Costs incurred for providing to employees benefits other than salary or wage payments.
Use Cases	<ol style="list-style-type: none"> a. Academic administration b. Academic administrative support staff c. Academic advising d. Academic computing services e. Academic or faculty personal development f. Activities that provide support for the collection, preservation, and exhibition of educational materials g. Ancillary support services providing a student experience in a live setting h. Course and curriculum development i. Dean of a College or School



	<ul style="list-style-type: none"> j. Educational media, technology, and audio-visual services k. Faculty and academic support staff development programs l. Faculty chairs, professorships, and fellowships used primarily for academic support activities m. Faculty recruitment n. Faculty retreats o. Faculty start-up funding used primarily for academic support activities p. Formal academic counseling activities q. Bursar's Office r. University-wide administrative costs for advancement and development s. Central administrative services: <ul style="list-style-type: none"> i. Accounting ii. Accounts payable iii. Budgeting iv. Employee relations v. Human resources vi. Property control vii. Purchasing t. President's Office u. Research and cost accounting v. Faculty and staff governance w. General administrative operations and services, including personnel administration x. Governing Board y. Operations related to fiscal control and investments z. Planning, programming, and legal operations aa. Sponsored Funds Administration: <ul style="list-style-type: none"> i. Office(s) responsible for administering monies awarded for sponsored projects ii. Expenditures generated from the activities of these offices
Values	<ul style="list-style-type: none"> a. <u>IS&GA – General Administration</u> b. <u>IS&GA – Sponsored Program Administration</u> c. <u>IS&GA – Investment Management</u> d. <u>IS&GA – Fundraising</u> e. <u>IS&GA – Division Administration</u> f. <u>IS&GA – Public Affairs</u> g. <u>IS&GA – Board of Trustees</u> h. <u>IS&GA – Fringe Benefit Admin Costs</u> i. <u>IS&GA – Fringe Non-Benefit Admin Costs</u>
Primary User(s)	Central Organization
Auxiliary Enterprises	
Definition	<p>The Auxiliary Enterprises Classification Value includes:</p> <ul style="list-style-type: none"> • All expenses relating to the operation of auxiliary enterprises. <ul style="list-style-type: none"> ○ Auxiliary activities are self-supporting, generate revenue primarily by sales to individuals who are part of the Rice community, and exist to provide services as a convenience to students, faculty, or staff. ○ Examples are residence halls, food services, college stores, faculty clubs, parking, and faculty housing.



	<ul style="list-style-type: none"> • Depreciation expense for facilities, equipment, and infrastructure assets of Rice's auxiliary enterprises.
Use Cases	<ul style="list-style-type: none"> a. Resident Associates, Head Resident Fellows, and Magisters. b. Residence Halls <ul style="list-style-type: none"> i. Administrative costs ii. Building rehab and environmental costs iii. Equipment and repair costs iv. Grounds and custodial and refuse services v. Maintenance vi. Moving and trucking costs and motorized equipment vii. Utility costs c. Food Services d. Restaurants e. University recreational activities f. Rice Children's Campus g. Student centers h. Study abroad programs sold to students i. Student unions j. Transportation
Values	a. <u>Auxiliary Enterprises</u>
Primary User(s)	Auxiliary Organizations
Public Service	
Definition	<p>The Public Service Classification Value includes:</p> <ul style="list-style-type: none"> • Expenses for activities established primarily to provide noninstructional services for the benefit of individuals and groups that are external to Rice. • Costs incurred for community service activities organized and carried out to provide general community services, excluding instructional activities. <ul style="list-style-type: none"> ○ Examples include conferences and institutes, general advisory services and reference bureaus, consultation, testing services, and similar activities. • Expenses for operation and maintenance of broadcasting services operated outside the context of Rice's instruction, research, and academic support programs. <p>The Public Service Classification Value does not include:</p> <ul style="list-style-type: none"> • Broadcasting services conducted primarily in support of instruction. • Broadcasting services operated primarily as a student service activity, which should be classified in student services. • Broadcasting services are independent operations.
Use Cases	<ul style="list-style-type: none"> a. Agricultural and urban extension services b. Art exhibits and performing arts centers primarily for service to the public c. Community development programs d. Community-focused conferences, seminars, or workshops e. Community service f. Consulting services that benefit the general public g. Cultural events h. General advisory services and reference bureaus i. Health services j. Institutes

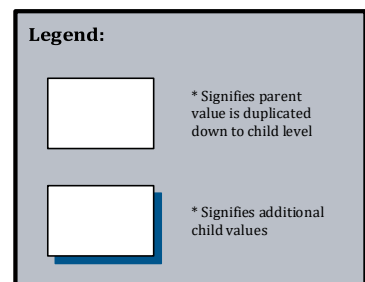
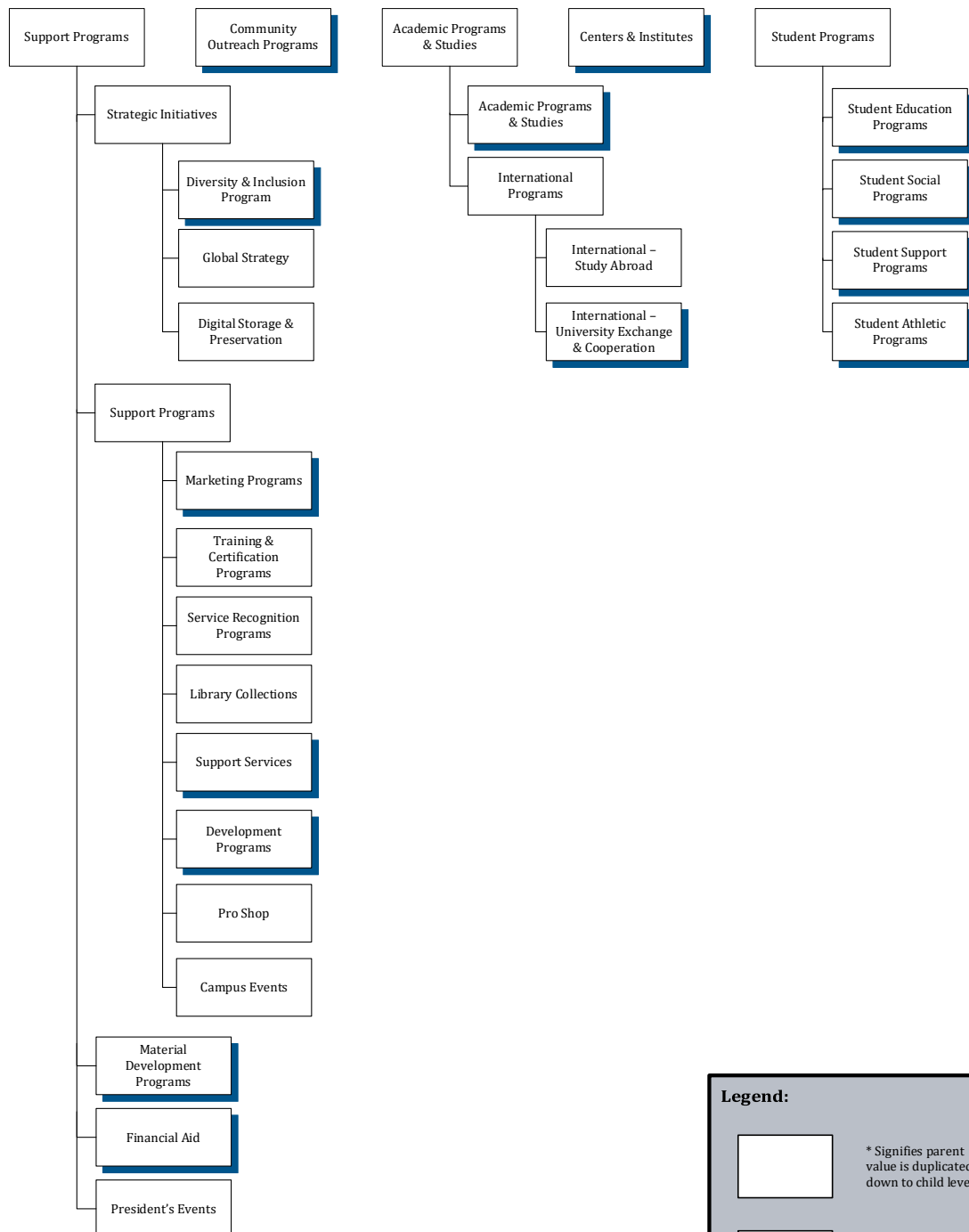


	<ul style="list-style-type: none"> k. Performing arts centers with a primary focus of benefiting the general public l. Public radio and public television activities m. Summer camps offered to the community from a county extension office n. Testing services meant to benefit the general public at large
Values	<ul style="list-style-type: none"> a. <u>Public Service</u> b. <u>Public Service - Sponsored</u>
Primary User(s)	Central Organizations
Scholarship & Fellowships	
Definition	<p>The Scholarship & Fellowships Classification Value includes:</p> <ul style="list-style-type: none"> • Expenses for scholarships and fellowships—from restricted or unrestricted funds—in the form of grants that neither require the student to perform service to Rice as consideration for the grant nor require the student to repay the amount of the grant to the funding source. <ul style="list-style-type: none"> ○ Grants-in-aid, trainee stipends, tuition, and fee waivers, and prizes to undergraduate students. ○ Grants-in-aid and trainee stipends to graduate students. <p>The Scholarship & Fellowships Classification Value does not include:</p> <ul style="list-style-type: none"> • Financial aid administration • Trainee stipends awarded to individuals who are not enrolled in formal course work, which should be charged to research. • Student awards made in exchange for services provided to Rice, such as graduate and teaching assistantships and student work-study programs.
Use Cases	<ul style="list-style-type: none"> a. Awards b. Fellowships c. Financial aid d. Grants-in-aid e. Intercollegiate athletic scholarships f. Merit-based scholarships g. Need-based scholarships h. Pell Grants i. Postdoctoral and graduate student fellowships j. Prizes k. Qualified scholarships covering tuition, mandatory fees, required books or supplies l. Scholarships to aid an individual in the pursuit of study or research m. Federal Supplemental Educational Opportunity Grant (FSEOG) n. Student waivers o. Trainee stipends p. Travel and research scholarships where the student is the primary beneficiary q. Tuition and fee remissions to students r. Unqualified scholarships covering room, board, travel, research, non-mandatory fees
Values	<ul style="list-style-type: none"> a. <u>Scholarships & Fellowships – Need</u> b. <u>Scholarships & Fellowships – Merit</u>
Primary User(s)	Central Organizations



Appendix D – Program Value Set and Hierarchy

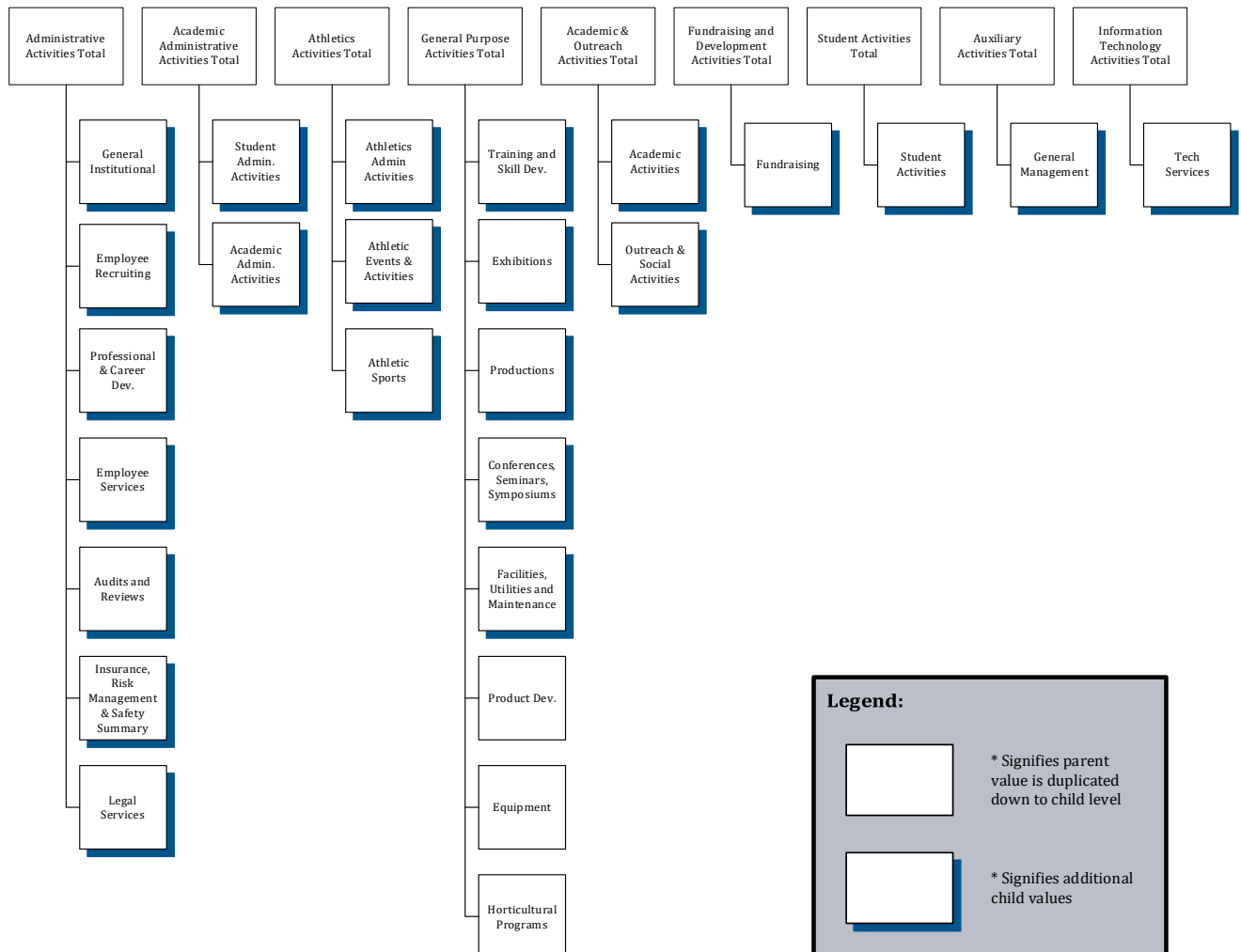
D.1. Program Hierarchy





Appendix E – Activity Value Set and Hierarchy

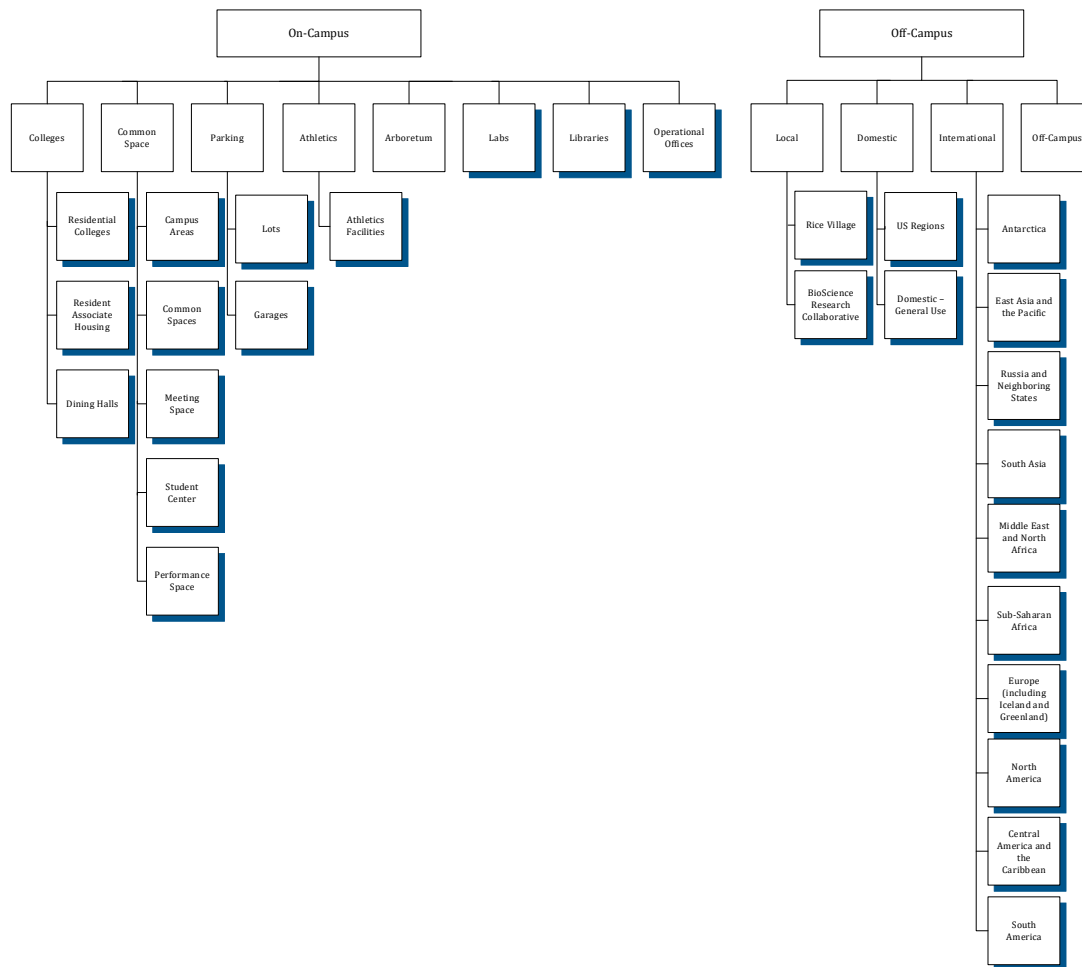
E.1. Activity Hierarchy





Appendix F – Location Value Set and Hierarchy

F.1. Location Hierarchy



Appendix G – Organization's Permitted to Collect Cash Deposits

The following organizations at Rice University are permitted to collect cash and checks:

- Administration Office
- Athletics
- BioScience Research Collaborative
- Center for Research Computing
- Central University Operating
- Dean of Undergraduates
- Delivery Services
- Development & Alumni Relations
- Disability Resource Center
- EEO Program & Affirmative Action
- Environmental Health & Safety
- Facilities Engineering & Planning
- Finance
- George R. Brown School of Engineering
- Glasscock School of Continuing Studies
- Global and Digital Strategy
- Graduate & Postdoctoral Studies
- Housing and Dining
- Human Resources
- Jones Graduate School of Business
- Library
- Office of Enrollment
- Office of International Operations, Security and Technology
- Office of Research
- Office of the General Counsel
- Police Department
- President's Office
- Provost's Office
- Public Affairs
- Registrar
- Rice Management Company
- School of Architecture
- School of Humanities
- School of Social Sciences
- Shepherd School of Music
- Transportation & Parking Auxiliary
- Wiess School of Natural Sciences