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Prerequisites

Prior to reading the instructions on the Account Negative Balances Report, it is beneficial to review the following sections of the IU Accounting Standards Book to gain foundational information along with report requirements and best practices:

- 1. Accounting Fundamentals Section
- 2. Chart of Accounts and General Ledger Section
- 3. Financial Statements Section

Overview

The Account Negative Balances Report was introduced to help locate and investigate negative asset & liability and revenue & expense balances within financial statements. Negative balance is an important process because it helps fiscal officers and users of the financial statement pinpoint and isolate issues on the balance sheet and income statement. Without reviewing for negative balances, both the income statement and the balance sheet may include balances that misrepresent the overall financial position of the entity. Reviewing for negative balances also assists entities to identify potential issues such as negative cash flows, non-collection on receivables, etc. Negative balance(s) need to be investigated and adjusted to ensure assets and liabilities are properly and accurately reported on the balance sheet according to Generally Accepted Accounting Principles (GAAP).

An asset and expense are expected to be debit balances and a liability and revenue are expected to be credit balances within financial statements unless it is an allowance code. Typically an allowance object code has a credit balance that offsets a corresponding asset or liability account. For example, an allowance for doubtful accounts acts to reduce the receivable balance for outstanding amounts that IU expects not to collect during the fiscal year. This balance is typically shown at net (the combination of both balances) within the University's financial statements. See Accounting for Revenue Section – Write-offs and Collections for further details.

How Does the Report Determine a Negative Balance

The Account Negative Balances Report is dependent on one condition:

1. The present balance (Year 0: Actual Thru Present) must be negative for either an asset, liability, revenue or expense as highlighted in the screenshot below.

Financial Object Code Name	Financial Object Codes	I/S and B/S Classification Description	YEAR 0: ACTUAL THRU Present	YEAR 1: ACTUAL THRU 6/30/2019	YEAR 2: ACTUAL THRU 6/30/2018	YEAR 3: ACTUAL THRU 6/30/2017	YEAR 4: ACTUAL THRU 6/30/2016	YEAR 5: ACTUAL THRU 6/30/2015
BARS ACCOUNTS RECEIVABLE	8160	ASSET	(203,410.35)	(203,410.35)	(203,410.35)	(203,410.35)	(203,410.35)	(203,410.35)
ALLOWANCE FOR DOUBTFUL AC	8950	ASSET	(1,507,716.97)	(1,507,716.97)	(1,529,323.36)	(1,689,166.64)	(1,418,303.93)	(1,644,247.86)
ACCOUNTS PAYABLE	9000	LIABILITY	(25,736,740.68)	(25,736,740.68)	(24,889,273.05)	(24,145,739.06)	(23,493,258.02)	(22,868,485.72)
ACCUM DEPR. LIBRARY BOOKS	8913	ASSET	(11,858.69)	(11,329.06)	(17,423.39)	(17,284.40)	(27,514.21)	(42,300.97)
CAP LAND IMPRV	8665	ASSET	(5,850.00)	(5,850.00)	(5,850.00)	(5,850.00)	(5,850.00)	0.00
DEFERRED CHARGES	8400	ASSET	(13,468.00)	(13,468.00)	0.00	0.00	0.00	0.00
DEFERRED INCOME	9400	LIABILITY	(1,290,000.00)	0.00	0.00	0.00	0.00	0.00
ALLOWANCE FOR INV SHRINKAG	8955	ASSET	(742.25)	(689.68)	(689.68)	(869.06)	(2,420.61)	(374.50)
ACCOUNTS PAYABLE	9000	LIABILITY	(1,500.48)	(1,500.48)	(1,500.48)	(1,500.48)	(1,500.48)	(1,500.48)

Once this condition is met, the report generates a row showing the details related to the transaction. The report can display negative balance information going back 3, 5 or 10 years. By selecting 5 or 10 years of information, you can quickly pin-point the origin of the balances. The more often these balances are checked and corrected, the shorter the duration that needs to be selected.

Where to Find the Account Negative Balance Report

The Account Negative Balance Report can be found on the report instructions on the Controller's Website - refer to the top right blue button labeled "Go to Report" which will automatically redirect users to the report within the Controller's Toolkit.

In addition, the report can be found in <u>One.IU</u>. To find the report, search for "Controller's Office Reporting Tools" in the search bar, and select Controller's Office Reporting Tools (Report Center) in the drop down menu. Mark this task as a favorite by clicking the heart icon near the start button and then select *Start* or click on the title. Ψ

Account Negative Balance Report Instructions

The Office of the University Controller

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One.IU		Controller's Office	XQ		
search, click, dor	ne.	Browse Categories 👻	All IU Campuses 👻 All Roles 👻		
🔒 🔪 Search Result	♠ Search Results Controller's Office Reporting Tools △ ▲ Hello, Mardi				
Controller's Office Reporting Tools Report Center (All IU Campuses) ***********************************					
Description	User Reviews	Related Tasks	Announcements		
Description	or all roles			Resources & Support	
The report center for IU Internal Financial Statements 812.855.0375				812.855.0375	

Once in the Controller's Tools, users will see all available reporting tiles. Navigate to the Audit Reports folder. A new tile opens which displays all of the available audit reports. Select the Account Negative Balances Report.

☆ Home♥ My Favorites	What information do you need?	۹
Categories	UCO Reports	
	お For all roles The report center for all UCO reports (IU Internal Financial Statements and other financial reports)	
	Reports	
	Financial Statement Reports Financial Forecast Report Controller's Output Financial Forecast Statement Report Controller's Output Financial Forecast Statement Reports Controller's Output Financial Forecast Statement Reports	
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Running the Report

Define the search parameters to return results relevant to your organization or to a specific account. The search parameters available in the Account Negative Balance Report are divided

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into three parameter types: chart of account report parameters, report specific parameters and display parameters.

If there are questions related to running the report, requirements or reviewing results, please contact your (RC) fiscal officer or campus office. Each campus may have individual specific requirements related to the Account Negative Balance Report, so be sure to reach out to the related campus office or fiscal officer prior to quarter closings.

General Notes: Do not include any special characters other than approved wildcards in any of the below parameters. Additionally, do not run reports by campus as it will take up valuable computing services.

Chart of Accounts Parameters

A number of parameters are available to assist users. Users can enter the responsibility center (RC) code, organization code, and account for their respective organization. At this time, all of the parameters are optional; however, this may result in a long report run time.

If unsure, several of the parameters have a valid values function which displays the available codes and corresponding descriptions

Parameters	Description
University Fiscal Period Code	Used to limit report to a specific fiscal period(s).
Chart Code	Used to limit report to one or more specific chart of accounts. For
	assistance determining your chart code, refer to KFS Chart Lookup.
Responsibility Center	Used to limit report to a specific RC. Users are encouraged to use
Code	this parameter in conjunction with a chart of accounts code. For
	assistance determining your RC code, refer to KFS RC Lookup.
Organization Code	Used to limit report to a specific organization code. Users are
	encouraged to use this parameter within conjunction with a chart
	code.
Account Number	Used to limit report to one or more specific account(s).
Sub-Account Number	Used to limit report to one or more specific sub-account(s).
Object Level Code	Used to limit report to specific financial object level code(s).
Object Code	Used limit report to specific financial object code(s).
Sub-Object Code	Used to limit report to specific financial sub-object code(s).
Fund Group Code	Limits report to specific fund group(s).
Sub-Fund Group Code	Limits report to specific sub-fund group(s).

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Report Specific Parameters

A report specific parameter is a parameter that is limited to a single or small group of reports. For example, on the account negative balance reports you would expect to see a parameter for balance sheet classification, but that is likely not going to be applicable on the majority of other reports.

Parameter	Description
I/S & B/S Classification	Used to limit report to a specific B/S classification; three options
	 ALL, Revenue & Expense, or Assets & Liabilities.
Hide Fund Group	Check/Uncheck – If the user checks the Hide Fund Group, the
	fund group will not be displayed in the report output.
Hide Sub-Fund Group	Check/Uncheck – If the user checks the Hide Sub-Fund Group,
	the sub-fund group will not be displayed in the report output.
Hide I/S & B/S	Check/Uncheck - If the user checks the Hide I/S & B/S
Classification Description	Classification Description, the specific classifications will not be
	displayed in the report output.

Display Parameters

Display parameters are parameters that define and restrict the visual presentation of the stale balance report. They are found on the lower part of the parameters.

Parameter	Description
Report Style	The report style parameter is used to limit
	level of detail required in the reports:
	Consolidated – presents financial
	information in a consolidated format
	for the display level requested i.e.
	organization or account.
	Detailed- higher level of detail
	showing the different accounts
	separately.
Number of Years to Display	Used to limit report to specific period; three
	options:
	 Current Year – By selecting Current
	Year, the report will show the current
	fiscal year only.



	 3 years – By selecting 3 years, the report will show the current fiscal year and the two previous fiscal years in the report output. As old balances are resolved, the 3 year option will be adequate. 5 years – By selecting 5 years, the report will show the current fiscal year and the four previous fiscal years in the report output. Both the 5 year and 10 year options are helpful to identify the year (and potentially the transaction) when cleaning up stales balances. 10 years – By selecting 10 years, the report will show the current fiscal year and the nine previous fiscal years in the report output. Both the 5 year and 10 year options are helpful to identify the year (and potentially the transaction) when cleaning up stales balances. 10 years – By selecting 10 years, the report will show the current fiscal year and the nine previous fiscal years in the report output. Both the 5 year and 10 year options are helpful to identify the year (and potentially the transaction) when cleaning up stales balances.
Select the Output Format	Check/Uncheck selects whether the report is generated in Excel or HTML format. If a user selects HTML format, the report will appear in a separate tab within the user's browser and will look identical to the excel version. Output format is based on personal preference.
Select the Output Destination	Once the report has finished generating in the background, a pop-up box will appear on the screen allowing you to access it. If the report takes too long to generate, the system will automatically send it to your email.

Click *Save Parameter Settings* to save your parameters for future use of this report. For instructions on how to save settings, review the Save Parameter Settings document on the Controller's Office Reporting Tools page.