BUY.IU Financial Report Instructions

The Office of the University Controller

Contents

Prerequisites

Prior to reading the instructions on the BUY.IU financial statement report, it is beneficial to review the following sections of the IU Accounting Standards:

1. Accounting Foundations Section
2. Chart of Accounts Section
3. Financial Statement Section
4. Movement of Funds
5. Closing Procedures Section

Overview

BUY.IU is Indiana University's procurement system which was introduced in fiscal year 2020. The Office of the University Controller developed the BUY.IU Financial Report to help users through reconciliations, analysis and location of errors. Running the BUY.IU Financial Report returns four reports simultaneously: the BUY.IU Aging Report, the BUY.IU Transactions Report, the Departmental 9045 Reconciliation Report and the BUY.IU Year-End AP Accrual Detail. Users are encouraged to pull the BUY.IU Financial Report in verse of each individual report as most quarterly and year-end close procedures require all four reports to be pulled.

Importance & Impact on Financial Reporting

BUY.IU Financial Report analysis helps fiscal officers and executive leadership assess overall spending, ensure payments are made in a timely manner and provide supporting documentation for the main financial statements. Transactions processed through BUY.IU are both material in dollars and in transaction volume. Without proper reconciliation and verification of transitions between BUY.IU and the general ledger, there is a higher risk that the financial statements may not represent the true financial positon of the entity. Misrepresentation of the financial statements can have negative impacts on Indiana University and the individual organizations. If errors are discovered in the audit process, audit findings can be issued and result in potential restatements and impact future funding.

Understanding of Outputs of the Reports Included In the BUY.IU Financial Report

The BUY.IU Financial Report comprised of the four BUY.IU reports and is organized in the following eight tabs:

- **Summary Tab**: The initial tab is the reconciliation of the BUY.IU data to the General Ledger. The summary tab reconciles all four reports against one another to ensure accuracy of data throughout the report and helps pinpoint issues within a specific report.
- **Recon Detail (9045 Reconciliation Report):** The recon detail tab provides side-by-side comparison of specific invoice transactions and their corresponding statuses in BUY.IU, the General Ledger and any corresponding corrections. This information is then used to identify any reconciliation errors between the various systems.
- **Out of Balance Transactions:** The out of balance transactions tab is very similar to the recon details tab but it only lists those transactions where a reconciliation error exists.
- **BUY.IU Aging Summary:** The summary aging report shows the condensed version all outstanding invoices that have not been paid as of the date the BUY.IU Financial Report is pulled. This tab breaks out the payable information by invoice status, volume of transactions and invoice amount in aging buckets ranging from less than 30 days to over 90 days outstanding.
- **BUY.IU Aging Detail:** Like the aging summary, the aging detail shows all invoices outstanding that have not been paid as of the date the report is pulled. This tab shows

invoices at an individual level with more detail on the specifics of the invoice, how it is recorded and similarly, presents the amounts due in aging buckets. The tab also includes direct links to the invoice within BUY.IU.

- **Paid Transactions Details:** The paid transactions in detail tab shows all invoices paid during the fiscal year thru the date the report is pulled. The tab includes information such as supplier, invoice number (#) and quantity, invoice and disbursement date and specific information on how the invoice was recorded. The tab also includes direct links to the invoice within BUY.IU.
- **Year-End AP Accrual Details:** The accrual details presents all accounts payable invoices which were included in the automatic AP accrual process. This tab assists users to determine if all material expenses have been properly recorded. Within the tab, information such as BUY.IU invoice number, transaction ledger entry description and date along with the total of the accrual.
- **Report Parms:** Summarizes the parameters selected on the Controller's Toolkit report website including run date fiscal year, chart code and account information.

Note, each individual tab includes a subtotal function which is included in the reconciliation on the summary tab. An example of BUY.IU Financial Report is included below for reference, showing all tabs within the report.

Reporting to TEST CAMPUS

BUY.IU System Reconciliation

Expense Reconciliation	
Status	**Amount**
Aging Transactions in Payable Status	112,456.98
Plus Aging Correction from 9045 Recon	0.00
Calculated Aging Transactions	**112,456.98**
Paid Transactions	17,939,402.49
Plus Paid Correction from 9045 Recon	0.00
Calculated Paid Transactions	**17,939,402.49**
Calculated BUY.IU Expenses	**18,051,859.47**
GL Detail BUY.IU Expense Transactions	18,051,859.47
Plus GL Detail Correction from 9045 Recon	0.00
Calculated Paid Transactions	**18,051,859.47**

9045 Reconciliation	
Status	**Amount**
GL 9045 Total	112,456.98
Plus GL 9045 Correction from Recon	0.00
Calculated 9045	**112,456.98**
Aging Transactions in Payable Status	112,456.98
Plus Aging Correction from 9045 Recon	0.00
Calculated Aging Transactions in Payable Status	**112,456.98**

Subtotal Function

Summary | Recon Detail | BUY.IU Aging Summary | BUY.IU Aging Detail | Paid Transaction Details | Report Parms

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Department 9045 Recon Report (Recon Detail Tab)

The BUY.IU Departmental 9045 Reconciliation report's purpose is to provide users a summary of the balances included in object code 9045 in the general ledger.

The format of the Department 9045 Reconciliation Report provides a side by side comparison between the BUY.IU transactions and General Ledger 9045 object code transactions. Any between the two systems differences (i.e. the GL balance does not agree to the BUY>IU transaction) are explained in the Controller's Office columns within the report. Users are not expected to make changes directly to the GL. In the event an adjustment is required the Office of the University Controller will record any entries to reconcile any differences between BUY.IU and the GL.

Invoices, Credit Memos and Check Request Invoices that appear on this report display information in four different sections:

- **Invoice Information:** The invoice information section identifies the supplier, invoice number, doc type, and organizational information; i.e. RC Code, Chart, Org, Account, etc.
- **BUY.IU:** The BUY.IU section will list relevant BUY.IU information such as the BUY.IU status, create date, invoice amount, and invoice balance.
- **GL 9045:** The GL 9045 section displays the GL liability create date and liability balance.
- **Controller's Office**: The Reconciles to BUY.IU section will identify any reconciliation errors and the action that should be taken to correct the error, if any. Remember not all errors require action by the unit. The Controller's Office runs this reconciliation regularly and addresses issues to correct reconciliation errors due to integration, timing or rounding.

BUY.IU Aging (Aging Summary)

The BUY.IU Aging report, is a type of accounts payable aging report. This report tracks the suppliers an entity owes money to, how much is owed and how long the entity has owed the debt. The balance shown on the aging report represents the total purchases the department, RC or campus have made that as of the date the user selected as a parameter when running the BUY.IU financial report, have not yet been paid for.

Invoices, Credit Memos and Check Request Invoices that appear on this report will be in two different statuses.

1. **InProgress** invoice status means the invoices are still in workflow routing (**enroute)**. Since these invoices have not reached final approval (not marked OK To Pay), the transactions will **NOT** appear in the general ledger as the business service may not have been received.

2. **Payable** invoice status represents invoices that have been **approved** (OK To Pay). These invoice balance totals will appear in object code 9045 and various expense object codes.

The BUY.IU expenses in the general ledger can be calculated by the following equation:

	Aging Transactions in ‘Payable’ Status
+	Paid Transactions
+	Reconciliation Differences (if any)
=	BUY.IU Expenses* in the General Ledger

**Note: BUY.IU expenses in the general ledger have a System Origin Code =’BY’*

BUY.IU Paid Transaction Report (Paid Transactions Detail)

The BUY.IU Transactions Report highlights which payments have been processed with relation to their procurement transactions. Once an invoice is paid, the transaction is removed from the BUY.IU Aging report and appears on the BUY.IU Paid Transaction report.

The BUY.IU Paid Transactions Report includes the BUY.IU Supplier Number, Invoice Number, Invoice Line and Invoice Source amongst other fields. The user can drilldown the BUY.IU Invoice number to review the invoice in BUY.IU. Payment Methods (i.e. Check, ACH and PCard) and Invoice Amount paid are also included.

Before a transaction will appear within the BUY.IU Paid Transaction report, a check, ACH or wire payment must have been issued to the supplier. The BUY.IU expenditures in the general ledger can be calculated by the following equation and is used on the cover page to ensure balances reconcile:

	Aging Transactions in ‘Payable’ Status
+	Paid Transactions
+	Reconciliation Differences (if any)
=	BUY.IU Expenditures* in the General Ledger (or on the Income Statement)

**Note: BUY.IU expenditures in the general ledger have a System Origin Code =’BY’*

BUY.IU Year-End AP Accrual Report

The AP Year-End Accrual Detail Report analysis helps identify what has been accrued and assists in the identification of any material accounts payable liability that was not automatically recorded in the GL during first or second closing.

In order to understand how the report determines which invoices were accrued, you must have a general understanding of the AP Accrual process. During the AP Accrual batch job, BUY.IU identifies the invoice transactions posted to the General Ledger (GL) in July that had an invoice date on June 30 or prior. Those entries, which include actual expense and liabilities will be posted back to June (period 12). This process is repeated a second time prior to second close to capture additional BUY.IU invoices where the invoice was dated June 30 or prior. These transactions will be posted back to June (period 13).

In both cases, the reversal of the July entry and the posting of the June entry will occur on the BUY.IU Accrual Entry document type (doc type code =BYAC).The AP Year-End Accrual Detail Report looks for transactions in June with a doc type code equal to BYAC and lists them on the report.

Format wise, the BUY.IU Year-End AP Accrual Report is made up of BUY.IU payable transactions presented by BUY.IU invoice and/or purchase order (PO) number. It highlights the BUY.IU transaction information, detailing transaction entry documentation, date and FDOC Ref Type code. The user can drilldown the BUY.IU Invoice number to see the actual invoice.

Where to Find the BUY.IU Reports

The BUY.IU Reports are located in both the Controller's Office Reporting Tools tile in One.IU and available on the controller.iu.edu. The below describes how to find the BUY.IU reports on One.IU. Using the search bar located at the top of the page, search for "Controller's Office Reporting Tools". Mark this task as a favorite by clicking the heart icon near the start button. To access the tools, select Start.

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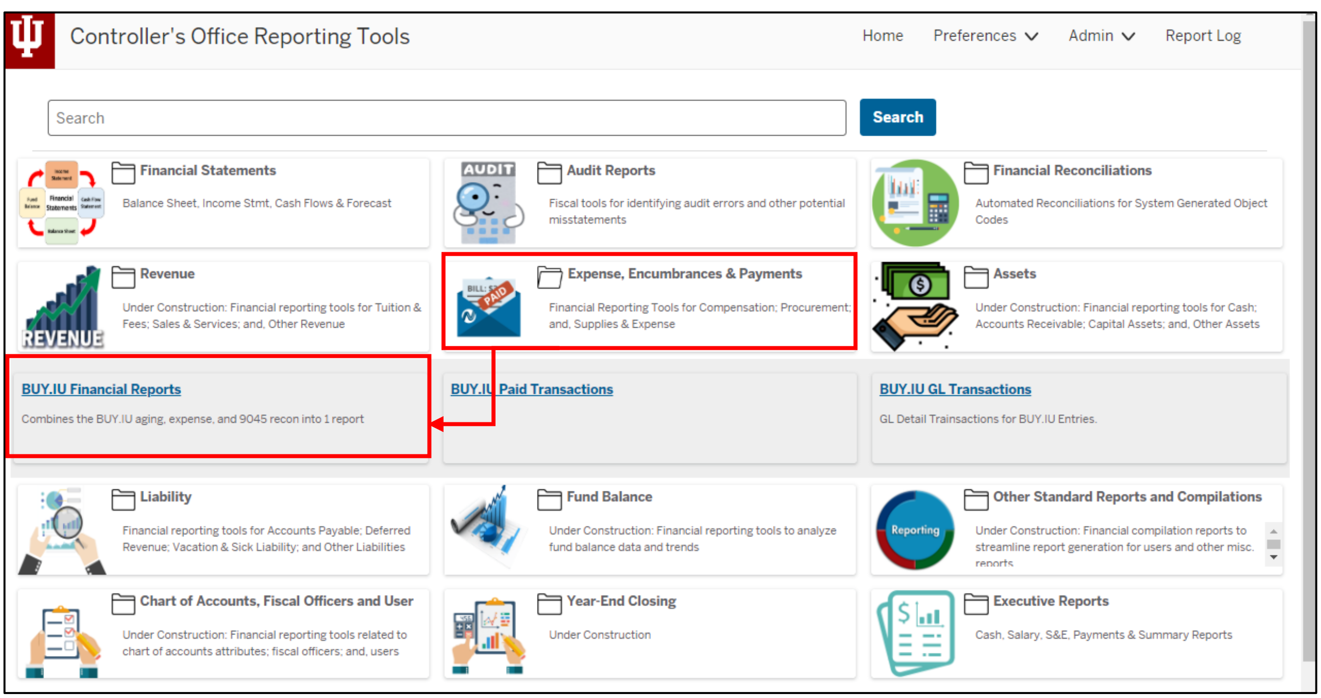
Once in the Controller's Toolkit, users will see all available reporting tiles. Navigate to the Expense, Encumbrances & Payments folder. A new tile opens, which displays all the available reports. Select the appropriate BUY.IU Financial Reports.



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Reporting Requirements & Best Practices

Requirements

1. Run the Procurement (BUY.IU) Financial Reports quarterly.
2. Review the Procurement (BUY.IU) Financial Reports for errors, misstatements and abnormalities. See Reviewing Reports section below for further detail.
3. If required, make accounting entries prior to the period closing. Refer to the Movement of Funds Section for further information on making adjustments. See Reviewing Reports section below for further detail.

Best Practices

4. Run the Procurement (BUY.IU) Financial Reports monthly.

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 BUY.IU Financial Report is divided 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 BUY.IU Financial Report, be sure to reach out to the related campus office or fiscal officer prior to quarter closings.

Chart of Accounts Report Parameters

Click on a search parameter to review its definition in the Glossary.

Parameters	Description
University Fiscal Year	Used to limit report to a specific fiscal year(s).
Chart of Accounts	Used to limit report to one or more specific chart of accounts. For assistance determining your chart code, refer to KFS chart report.
Responsibility Center Code	Used to limit report to a specific RC. Users are encouraged to use this parameter in conjunction with a chart of accounts code. For assistance determining your RC code, refer to KFS RC report.

Organization Code	Used to limit report to a specific organization code. Users are encourage to use this parameter in conjunction with a chart of accounts code. At this time, BUY.IU is not configured to allow organizational hierarchy reporting. For example, if the user entered BA-RPAS the report would not return any results. In order to see all of the data for BA-RPAS, the user would need to enter all of the individual organizations. However, a user can save the parameter set (with all of the individual organizations) for the next time they need to run the report to avoid having to rekey them each time.
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).

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 BUY.IU Financial Reports users would expect to see an invoice number, but that is likely not going to be applicable on the majority of other reports. For the BUY.IU financial report, it is split into BUY.IU Aging, BUY.IU Paid Transaction Report and Department 9045 Rec Report specific parameters, but most report parameters remain the same between individual reports.

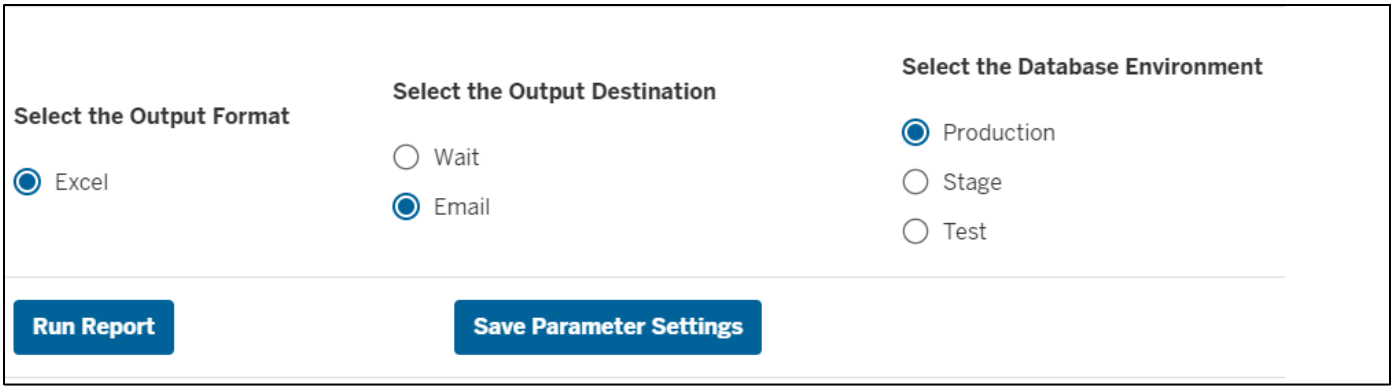
BUY.IU Invoice Number	By entering a single BUY.IU Invoice Number, the user would be able to identify the invoice type and the invoice status. Note: If the invoice has been paid, it will not appear on the BUY.IU Aging Report.
As of Date (MM/DD/YYYY)	By entering in an 'As of Date' users should be able to reconcile back to their financial statements (if they also run the BUY.IU Aging and Departmental 9045 Reconciliation Report as of the same date.)
Financial Document Type Code	Limits report to one or more specific document type codes.
Financial Document Number	Limits report to one or more specific financial documents.
As of Date	By entering in an 'As of Date' users should be able to reconcile back to their financial statements (if they also run the BUY.IU Aging and Departmental 9045 Reconciliation Report as of the same date.)

Display Parameters

Display parameters are parameters that define and restrict the visual presentation of the BUY.IU Financial Report. They are found on the lower part of the parameters.

Parameter	Description
Include Subtotaling	Check/Uncheck - If the user selects clicks on include subtotaling, the report will insert a subtotal at the account level.
Include Excel Links	Check/Uncheck – If the user checks include hyperlinks in excel output, the report will include links within the excel version and the user will have the ability to drill down for additional detail.
Select the Output Format	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	The user has the option to choose where they want their report to go once it is ready. The user can either **Wait** for it to pop up on the screen or have it sent to their **Email**. If the user selects email output destination, an email will be sent with the link to you selected output format (excel or html).
Include Subtotaling	Check/Uncheck - If the user selects clicks on include subtotaling, the report will insert a subtotal at the account level.

The screenshot below shows a report that is being run based on the above display parameters. It is in excel format and will be sent to the users email address once it is generated.



After all parameters are defined, click “Save Parameter Settings” to save your parameters for future use of this report. For instructions regarding how to save a parameter set please refer to Controller's Office Reporting Tools.

Reviewing Report Results

After the report runs, evaluate the data and determine if the entity’s BUY.IU financial transactions are accurately presented. Users should consider the below list of questions in addition to any campus or department specific requirements:

1. Expenditures have been charged to appropriate account?
2. Are expenditures properly recorded based on compliance related issues i.e. financial aid requirement, contracts and grants (C&G) requirements such as the type of grant, tax requirements, and ensuring proper restrictions have been put in place?
3. Are there payments that are of a significant age (over 90 days old) on the aging?
4. Have credits been appropriately applied to outstanding expenditures and to the correct suppliers?
5. When reviewing the again, are the expenditures on the aging what the user is expecting to see coming from BUY.IU?
6. Are there suppliers with multiple open invoices open? Is there a reason why the supplier has multiple invoices open?
7. Are there any unusual or unknown suppliers listed on the aging?