**Accounting Terminology**

**Account**: Used to organize and catalog financial data. An account number identifies a specific pool of funds that are set aside for a specific purpose. All accounts at IU are seven digits, unique, and chart-specific. See the [Chart of Accounts & General Ledger](https://controller.iu.edu/compliance/fiscal-officer/accounting-standards/chart-of-accounts-general-ledger) page on the UCO website for additional information.

**Account Manager**: One of three individuals assigned responsibility to a financial account. The Account Manager ensures that an account's funds are spent according to a budgeted plan and that the allocation of expenditures is appropriate to the function identified for the account. See [Policy FIN-ACC-1](https://policies.iu.edu/policies/fin-acc-1-role-fiscal-officer-account-manager-account-supervisor/index.html) and [Policy FIN-ACC-10](https://policies.iu.edu/policies/fin-acc-10-ranking-fiscal-officer-account-supervisor-account-manager-delegation-signature-authority/index.html) for additional information.

**Account Supervisor**: One of three individuals assigned responsibility to a financial account. The Account Supervisor is responsible for the fiscal integrity of their organization. They provide leadership, oversight, and management to ensure that the account's funds are spent and managed according to the goals, objectives, and mission of the organization and in accordance with IU policies. See [Policy FIN-ACC-1](https://policies.iu.edu/policies/fin-acc-1-role-fiscal-officer-account-manager-account-supervisor/index.html) and [Policy FIN-ACC-10](https://policies.iu.edu/policies/fin-acc-10-ranking-fiscal-officer-account-supervisor-account-manager-delegation-signature-authority/index.html) for additional information.

**Actuals**: The total of all actual activity for a given balance line of the selected fiscal year. Only transactions that have posted to the General Ledger are included in the Actuals calculation.

**Base Budget**: The foundation amount that is created annually for, and guaranteed by, each unit by the unit's responsibility center or chart. Base budgets are based on historical performance and future plans and designate an ongoing fiscal commitment. General fund accounts have base budgets.

**Budget**: A plan for how resources will be used. IU uses both current and base budgets.

**Chart of Accounts (COA)**: Provides structure for all accounting, reporting, and budgeting at IU. IU's financial structure is built using chart codes, responsibility centers, organizations, accounts, object codes, and other COA components.

**Chart Codes**: IU's Chart of Accounts is divided into twelve charts. Each campus has a unique chart; in addition, subsidiary charts on the Bloomington and Indianapolis charts separate the activity of some auxiliary units. See the [Chart of Accounts Framework](https://controller.iu.edu/compliance/fiscal-officer/accounting-standards/chart-of-accounts-general-ledger/chart-of-accounts-documents/framework) page on the UCO website for additional information.

**Current Budget**: The resources a unit has to work with during the fiscal year. It is a temporary budget that only applies to the current fiscal year and is based on real-time events. Current budgets designate budgetary authority for the current fiscal year. All accounts, with the exception of 92 accounts, must have a current budget.

**Encumbrance**: An amount set aside to cover a future anticipated expense. Encumbrances allow for a more accurate picture of funds remaining on an object code. Different types of encumbrances represent different types of expenses. There 15 encumbrances at IU, but three are the most common:

* External Encumbrance (EX): Anticipated disbursement of funds to an entity outside IU. Examples: purchase orders, travel.
* Internal Encumbrance (IE): Anticipated disbursement of funds to an entity within IU. Examples: payroll, facility operations.
* Pre-encumbrance (PE): An encumbrance manually placed on an account before the amount is externally or internally encumbered. Example: plan to replace a copier but the purchase has not yet been initiated.

**Financial Balance Type Code**: Used to differentiate budget, actual, and encumbrance entries in the General Ledger tables. Some common balance types include:

* AC (Actual)
* CB (Current Budget)
* BB (Base Budget)
* MB (Monthly Budget)
* EX (External Encumbrance)
* IE (internal Encumbrance)
* PE (Pre-Encumbrance)
* FB (Fund Balance)

**Financial Object Type Code**: Identifies an object code as income, expense, asset, liability, or fund balance. Valid values include:

* Asset and Expense:
	+ AS (Asset)
	+ EX (Expense/Expenditure)
	+ EE (Expenditure Not Expense)
	+ ES (Expense Not Expenditure)
	+ TE (Transfer Expense)
* Liability and Fund Balance:
	+ LI (Liability)
	+ FB (Fund Balance)
	+ IN (Income/Cash)
	+ CH (Cash Not Income)
	+ IC (Income Not Cash)
	+ TI (Transfer Income)

**Fiscal Officer**: One of three individuals assigned responsibility to a financial account. The Fiscal Officer has daily oversight over how an account's funds are spent and managed. See [Policy FIN-ACC-1](https://policies.iu.edu/policies/fin-acc-1-role-fiscal-officer-account-manager-account-supervisor/index.html) and [Policy FIN-ACC-10](https://policies.iu.edu/policies/fin-acc-10-ranking-fiscal-officer-account-supervisor-account-manager-delegation-signature-authority/index.html) for additional information.

**Fund Group**: IU accounts are maintained in accordance with the principles of fund accounting, in which resources for various purposes are classified into funds in accordance with the activities or objectives specified. Fund groups are divided into Sub-Fund Groups to further classify activities and objectives.

**General Ledger (GL)**: The official, chronological repository of IU's financial and budget information. The GL stores account balances and budget information for multiple fiscal years, as well as detailed records of all financial transactions. When a KFS document reaches final status, the detail it contains is recorded to the GL. The GL is the basis for IU’s financial reports.

**Higher Education Function Code**: A functional expense classification that groups expenses according to the purpose for which the costs are incurred. The classifications explain *why* the expense was incurred rather than *what* was purchased; they help donors, granting agencies, and creditors to understand the various mission-related activities at IU and their relative importance.

**Income Stream Account**: Used when Budget Adjustments cross Responsibility Centers to generate a Transfer of Funds.

**Indiana University Information Environment (IUIE)**: Reporting tool for IU's institutional data, including transaction information. See the [Knowledge Base](https://kb.iu.edu/d/apey) for additional information.

**Object Code**: Used to organize and catalog financial data. An object code classifies a financial transaction as income, expense, asset, liability, or fund balance. All object codes at IU are four digits and unique to a chart and fiscal year. See the [Consolidation, Object Levels, and Object Codes](https://controller.iu.edu/compliance/fiscal-officer/accounting-standards/chart-of-accounts-general-ledger/chart-of-accounts-documents/consolidation-object-levels-and-object-codes) page on the UCO website for additional information.

**Object Code Consolidation Hierarchy**: An organizational system that allows for the grouping of similar object codes for reporting purposes. Made up of (in descending order) consolidations, levels, and codes.

**Object Consolidation**: A grouping of object levels for reporting purposes. Examples of expense object consolidations include compensation (CMPN), financial aid (SCHL), general expense (GENX), travel (TRVL), and capital (CPTL). Object consolidations may be used to restrict the object codes allowed on certain documents.

**Object Level**: A grouping of object codes for reporting purposes. Examples of object levels within the compensation consolidation include academic salaries (ACSA), professional salaries (PRSA), hourly compensation (HRCO), and benefits (BENF). Object levels may be used to restrict the object codes allowed on certain documents.

**Organization**: A collection of accounts and/or other organizations. Together, organizations form a hierarchy, starting with the university as a whole at the top and moving down through campuses, schools, and departments. The organization hierarchy can be used for reporting and KFS document routing.

**Origin Codes**: A required field in some KFS documents, this two-character code denotes the system from which a transaction originated. Some common codes include:

* 01 - KFS (as of 01/2013) or Financial Information System, or FIS (2012 and before)
* BY - BUY.IU (new purchasing system)
* CR - Chrome River (new expense management system)
* EP - EPIC (former Purchasing system)
* EU - General Ledger Generated Offsets (uploaded electronic file)
* PL - Payroll/HRMS
* TR - Travel@IU (former Travel system)

**Responsibility Center (RC)**: An attribute assigned to organizations that represent schools or major administrative units to facilitate the responsibility center management budgeting model.

**University Fiscal Period Code**: The period to which a transaction is posted. 01 is July, 02 is August, 03 is September, and so on. June is 12 and Closing is 13.

**University Fiscal Year**: IU's fiscal year runs from July 1-June 30 and is referred to by the calendar year in which the fiscal year ends. For example, the fiscal year that runs from July 1, 2017-June 30, 2018 is called "Fiscal Year 2018," or "FY18."

**Variance**: A calculation of the difference between the current budget amount and the actual and encumbered amounts.