# Financial Processing Auxiliary Voucher (AV)

# Contents

Overview	1
Document Layout Auxiliary Voucher Details Tab	2
Process Overview	3
Business Rules	3 3
Initiating an AV Document	4
Example: Auxiliary Voucher Accrual	4
Example: Auxiliary Voucher Recode	5
Example: Auxiliary Voucher Adjustment	6

# **Overview**

The Auxiliary Voucher (AV) document is used to record adjusting, accrual, or recode entries to the proper posting period of the transaction for preparation of accurate and timely financial reports.

Postings are allowed to the current period, future open periods, and the previous period if the document is posted/approved by the designated cutoff date. The standard cutoff date is the 10th of the following month. In certain months, the cutoff date may be moved to accommodate year-end, weekends and holidays. Please refer to the <u>Controller's Office Calendar</u> for actual cutoff dates for each month.

The AV document consists of three separate document types:

- Adjustment: The Adjustment type (AVAD) is used to post adjusting entries. The offset to these entries is to AV Generated Offset (9897) if the entry affects more than one account. If the entry affects only one account, then there is no offset. A reversal date is not allowed for this document type.
- Accrual: Accrual entries are made to recognize revenues in the period in which they are earned, and expenses in the period they are incurred. The Accrual type (AVAE) is used to post accrual entries to the General Ledger that must be reversed in a designated month following the posting period. A reversal date is required for this type of AV, which is normally during the next fiscal period, although it may be later. The offset to these entries are to the AV Generated Offset (9897) object code if the entry affects more than one account. If the entry affects only one account, then there is no offset. An accrual entry is always used to correct an accrual entry.
- **Recode**: The Recode type (AVRC) is used to properly reclassify account balances posted to the prior period. The recode entry creates an accrual in the fiscal period specified on the document and is automatically reversed in the current fiscal period. The reversal date defaults to the creation date of the document and cannot be changed. However, the actual reversal occurs on the date the document reaches full approval. In addition, a recode generates a Distribution of Income or Expense (DI) entry with Cash as the offset transaction, and posts in the current period.
- Note: A recode AV for transactions in the previous period must be submitted within 20 days of the end of the previous period.

Fiscal Officers and support staff, department, responsibility center, and campus administration staff are users of the AV.



## **Document Layout**

The AV document has its own unique tab called "Auxiliary Voucher Details" in addition to the standard financial transaction tabs with one additional field called "Total Amount" in the "Document Overview" tab.

For more information about the standard tabs, see "Standard Tabs" in the IU KFS Overview and Introduction.

iliory V												
	Voucher	2							Doc Nbr: 66233	5843 <b>Sta</b>	itus: INITIA	TED
, in the second s	oucher								Initiator: bbrck	alo Crea	ted: 10:45	AM 03/26
Docum	nent Over	view		▼ hid	le			· · · · ·			expand all (	collapse a equired fie
Docur	nent Over	view	-	_	_	_	_	_	_	_	_	-
		* De	scripti	ion:			Expla	nation:				
0	)rganizatio	n Document	t Numb	oer:								
Finan	cial Docun	ient Detail										
										Tota	al Amount:	
Auxili	ary Vouch	er Details		▼ hid	le							
			_									
Auxili	iary Vouch	er Details	-	_		_						
			* Ac	counting Perio	od: MAR. 2014	1 ▼						
		* A	uxiliar	y Voucher Ty	pe: O Adjustme	ent 🔘 Accru	ial 🔘 Recode					
Accou	inting Line	5		🔻 hid	ie 🔪							
Accou	inting Line	5		➡ hid	le \							
Ассоц	inting Line	s <b>?</b>		▼ hid		_	_	_	_	_	hi	de detail
Accou	inting Line Inting Line * Chart Code	s ? Sub-Fund	Org	✓ hid * Account Number	Sub-Account	* Object Code	Sub-Object Code	Project Code	Organization Reference	Debit	hi ir Credit	de detail nport lines Actions
Accou	inting Line inting Line * Chart Code	s ? Sub-Fund	Org	* Account Number	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	Debit	Credit	de detail nport lines Actions add
Accou Accou add:	nting Line Inting Line * Chart Code	s ? Sub-Fund	Org	* Account Number	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	Debit	Credit	de detail nport lines Actions add
Accou Accou add: Gener	nting Line Inting Line * Chart Code	s ? Sub-Fund Pending Ent	Org	★ hid * Account Number	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	<b>Debit</b>	ni Credit 0.00	de detail nport lines Actions add
Accou Accou add: Gener Notes	nting Line Inting Line * Chart Code	s ? Sub-Fund Pending Ent hments (0)	Org	★ hid * Account Number     S     ▶ sho	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	<b>Debit</b>	Credit	de detail nport lines Actions add
Accou Accou add: Gener Notes Ad Ho	Thing Line Inting Line * Chart Code al Ledger and Attac	s ? Sub-Fund Pending Ent hments (0) ts	Org	★ hid * Account Number • Sho • Sho • Sho • Sho • Sho	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	<b>Debit</b>	Credit	de detail nport lines Actions add
Accou Accou add: Gener Notes Ad Ho Route	* Chart Code and Attac	s ? Sub-Fund Pending Ent hments (0) ts	Org	<ul> <li>hid</li> <li>* Account Number</li> <li>Sho</li> <li>&gt; sho</li> <li>&gt; sho</li> </ul>	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	<b>Debit</b>	Credit 0.00	de detail nport lines Actions add
Accou Accou add: Gener Notes Ad Ho Route	Anting Line Inting Line * Chart Code ral Ledger and Attac cc Recipien Log	s Sub-Fund Pending Ent hments (0) ts	Org	<ul> <li>hid</li> <li>* Account Number</li> <li>Sho</li> <li>Sho</li> <li>Sho</li> <li>Sho</li> <li>Sho</li> </ul>	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	<b>Debit</b>	Credit 0.00	de detail mport lines Actions add

#### Auxiliary Voucher Details Tab

The "Auxiliary Voucher Details" tab is used to indicate the type of Auxiliary Voucher document being created (Adjustment, accrual or recode) and the accounting period to which the transaction should be posted. The "Reversal Date" field appears only when the **Accrual** or **Recode** type is selected (note the second and third examples below).

ſ	Auxiliary Voucher Details	2	
Ŀ	Auxiliary Voucher Details		I
L	* Accounting Period:	MAR. 2014 💌	I
L	* Auxiliary Voucher Type:		l

Auxiliary Voucher Details tab for Adjustment type



Auxiliary Voucher Details	
Auxiliary Voucher Details	
* Accounting Period:	MAR. 2014 💌
* Auxiliary Voucher Type:	◎ Adjustment ⑧ Accrual ◎ Recode
Reversal Date:	04/15/2014

Auxiliary Voucher Details tab for Accrual type

Auxiliary Voucher Details	
Auxiliary Voucher Details	
* Accounting Period:	MAR. 2014 💌
* Auxiliary Voucher Type:	◎ Adjustment ◎ Accrual ◎ Recode
Reversal Date:	Mar 26, 2014

Auxiliary Voucher Details tab for Recode type

#### Auxiliary Voucher Details tab definitions:

Title	Description
Accounting Period	<b>Required</b> . Select the period the transaction should be applied to from the Accounting Period list.
Auxiliary Voucher Type	Required. Select the option for the type of Auxiliary Voucher document you wish to process
	Appears only for the AV type of accrual or recode. Requirement varies depending on the selected auxiliary voucher type:
Reversal Date	<ul> <li>Accrual: Required. Select the date when the transaction entries are to be reversed from the calendar .</li> <li>Recode: Display-only. Defaults to today's date and cannot be changed.</li> </ul>

### **Process Overview**

#### **Business Rules**

- The accounting period chosen must be open.
- Auxiliary vouchers for an open period must be approved by the designated cutoff date. The standard cutoff date is the 10th of the following month. In certain months, the cutoff date may be moved to accommodate year-end, weekends and holidays. Please refer to the <u>Auxiliary Calendar</u> (<u>https://fms.iu.edu/auxiliary-accounting/calendar/</u>) for actual cutoff dates for each month.
- If the AV type is Accrual Voucher, a reversal date is required. An accrual entry may have a reversal date that reverses in the future, even the next fiscal year.
- There must be at least two accounting lines in the document.
- All accounts must belong to the same chart and sub-fund.
- On an accounting line, you must enter a credit or debit amount, but not both.
- Negative amounts are not allowed.
- Debits must equal credits.
- Certain object code sub-types may be restricted from being used on the Auxiliary Voucher.
- The fiscal officer for each account must approve.
- Additional approvals may be established within the review hierarchy.

#### Routing

Fiscal Officer for all credit and debit accounts must approve the AV document. Additional approvals may be established within the institution's review hierarchy or are designated through Ad Hoc routing. The document status becomes 'FINAL' when the required approvals are obtained and the transaction is posted to the G/L during the next G/L batch process.



# **Initiating an AV Document**

- 1. Click Create ( Auxiliary Voucher from the "Financial Processing" module.
- 2. Log into the KFS as necessary.
- A blank AV document with a new document ID appears.
- 3. Select the type of AV you wish to create on the "Auxiliary Voucher Details" tab.Select the posting period and reversal date if needed.
- 4. Complete the remaining tabs as necessary.
- 5. Click submit submit
- 6. Review the "General Ledger Pending Entries" tab.
  - This document generates offsetting entries, depending on the AV type selected. For accrual and adjustment entries that affect more than one account, the offsetting entry is to a defined fund balance object code. If the entry affects only one account, then there is no offset.
  - For a recode entry, the offsetting entry is to a defined fund balance object code. In addition, a recode automatically generates a Distribution of Income or Expense (DI) entry with an offset to cash in the current period.
- 7. Review the "Route Log" tab.
- For more information about the "Route Log," see "Route Log" in the IU KFS Overview and Introduction.
- 8. Appropriate fiscal officers and organization reviewers approve the document.
  - For more information about how to approve a document, see "Workflow Action Buttons" in the *IU KFS Overview and Introduction*

# **Example: Auxiliary Voucher Accrual**

Parts inventory purchases were received in September of 2014 but the actual invoice was not recorded in the accounts payable system until October of 2014. After selecting the **Accrual (AVAE)** option, a reversal date is entered to indicate when this accrual entry should be automatically reversed. In this example the entries are reversed on October 15th, 2014. The invoice payment is recorded in the appropriate object code (8303 Inventories-Service Parts is used in this example) and an accounts payable liability (9000 Accounts Payable) is recorded as well.



Docume	vouener	-								DOC NDF: 3	0004299	status.	ENROUTE
Docum										Initiator:	brckalo C	reated:	10:38 AM 09/2
	ent was succe	ssfully submit	tted.									01000	
												expan	* required
Docu	ument Overv	iew			▼ hide								
Docu	ument Overv	iew	-	_	_	_	_	_	_	_	_	_	_
			* D	escription: A	ccrued payable p	arts	Freelawatia		(	es endered for thered			
	Orga	nization Do	cumer	nt Number:			Explanatio	n: Accrue	ror parts invento	ry ordered for Hernde	erson parking (	jarage	
Fina	ncial Docum	ent Detail	-	_	_	_	_	_		1 1 500 00			
									Total Am	ount: 1,500.00			
Auxi	liary Vouche	r Details			🔻 hide								
Auxi	iliary Vouche	r Details	-	_	_	_	_	_	_	_	_	_	_
				* Accounti	ng Period: SEF	PT. 2014							
			* /	Auxiliary Vou	cher Type: Acc	rual (AVAE)							
				Reve	ersal Date: Oct	15, 2014							
Acco	unting Linos				- bida								
ACCO	unting times	,			The								
Acco	ounting Lines	?											hide detail
	* Chart Code	Sub-Fund	Org	* Account Number	Sub-Account Code	* Object Code	Sub-Object Code	Project Code	Organization Reference Id	Debit	0	redit	Action
1 B	LOOMINGTON	PFRI	PARK	9120100 CRB 2008 HENDERSON		8303 INVENTORIES- SERVICE				1,500.00	0.00		
В	A	PFRI	PARK	9120100		9000				0.00	1,500.00		
2 BI				CRB 2008 HENDERSON		ACCOUNTS PAYABLE					-		
				ATWATER									0.00
										Debit Total: 1,500.	UU Credit Io	(al: 1,50	0.00
Gene	eral Ledger F	ending Entr	ies		▼ hide								
			. 0	_	_	_	_	_	_	_	_	_	_
Gene	eral Ledger i eq # Fisc	al Year	ries Chart	Account	Sub-Accoun	t Object	Sub-Object	Proje	ct Doc Type	e Balance Type	Obj. Typ	e A	mount D/
1	1 <u>2015</u>	BA		9120100		<u>8303</u>			AVAE	AC	AS	1,500	.00 D
2	2 <u>2015</u>	BA		9120100		9000			AVAE	AC	<u>LI</u>	1,500	.00 C
Note	s and Attach	ments (0)			▶ show								
Ad H	loc Recipient	5			▶ show								
Rout	e Log				▶ show								

# **Example: Auxiliary Voucher Recode**

Parking operations received miscellaneous cash receipts in July of 2009, but these funds were mistakenly deposited into the wrong account (6044906). In August, the department realized that these funds should have been deposited into account 6044900.

After selecting the **Recode** (**AVRC**) option the system automatically fills in the reversal date of today's date. This field cannot be edited by the initiator. The correct posting period is selected and the "Accounting Lines" tab is completed.

The resulting pending ledger entries show an accrual entry for July of 2009 (the Accounting Period selected on the document) that is reversed in the current period. The document also automatically generates a behind-the-scenes Distribution of Income and Expense document (DI) with an offset to the cash object code (8000 in this example) that posts to the current period. Note that the AVRC entries are reversed after the document becomes fully approved.



iary	Voucher 🕐								Doc Nbi	: 3274	Status:	SAVED
									Initiator	: khuntley	Created:	02:43 PM 08
ocume	ent was successfu	lly saved.									expand a	all collapse a
												* required fi
ocum	ient Overview		✓ hide									
ocun	ent Overview	tions Mayo income to an	most peopulat				-	Income from	and requirts for A	uquet .		
	Descrip	tion: Move income to co	nect account				Explanatio	n: was incorrec	tly deposited to acco	unt		
-	Urg. Do	C. #:		_	_		-	6044906. S	hould have been 604	4900.		_
inano	lai Document D	etall				_	_	Total	Amount: 100.00	_	_	_
				_								
uxilia	ary Voucher Del	ails	▼ hide	<u> </u>								
uxilia	ary Voucher De	tails		1								
		*	Accounting Perio	a: JULY 2009	•	1						
		* Auxi	liary Voucher Typ	e: C Adjustme	ent C Accrual @	Recode						
			Reversal Dat	e: Aug 9, 2009								
ccom	nting Lines		▼ hide									
ccou	inting Lines		- mac									
ccou	nting Lines 🖪			_	_	_	_	_		_	_	bide detail
							_			_	_	import lines
	* Chart Code	* Account Numbe	Sub-Account	* Object	Sub-Object	Project	Or	ganization	Dehit		Credit	Actions
	chart code		Code	Code	Code	Code	Re	ference Id	Debit		0.00	add
add:	•						•		0.00		0.00	auu
	* Chart Code	* Account Numbe	Sub-Account	* Object	Sub-Object	Project	Or	ganization	Debit		Credit	Actions
	BA 🔻	6044906		1800		Code	3 K	ince ince in	100.00		0.00	bal inquiry
1	BLOOMINGTON	PARKING OPERATION		OTHER								delete
	AUX						•		0.00	10	0.00	bal inquiry
2	BLOOMINGTON	PARKING OPERATION		OTHER			-		0.00		0.00	delete
	AUX			INCOME								_
									Debit Total: 100.	00 Credit T	otal: 100.0	0
ener	al Ledger Pendi	ng Entries	▼ hide									
ener	al Ledger Pendi	na Entries 🔍										
Seq	# Fiscal Ye	ar Chart Acc	ount Number	Sub-Account	Object	Sub-Object	Project	Doc Type	Balance Type	Obj. Ty	pe Amo	ount D/C
1	2010	BA 604490	<u>6</u>		<u>1800</u>			AVRC DI	AC		100.00	D
3	2010	BA 604490	6		1800			DI	AC	IN	100.00	D
4	2010	BA 604490	0	-	1800			AVRC	AC	IC	100.00	С
5	2010	BA 604490	0		8000			DI	AC	AS	100.00	D
6	2010	BA 604490	0		1800			DI	AC	IN	100.00	C
otes	and Attachmen	ts (0)	► show	2								
d Ho	Recipients		▶ show									
			A phone									
oute	LUG		► SNOW									

# **Example: Auxiliary Voucher Adjustment**

Parking Services needs to recognize income previously deferred and reduce the associated deferred income liability. The income was recorded as a liability in object code 9400 (Deferred Income) and is recognized in object code 1464 (Parking Fees)

The period the income is recognized is used as the posting period, which is September, 2014 in this example. The **Adjustment (AVAD)** option is selected and there is no reversal date because it is an adjustment. The **Accounting Lines** section is completed to debit the liability and credit the income object code.

The resulting pending ledger entries show this debit to the liability object code and a credit to the income object code.



iliarv	Voucher	2								Doc Nbr: 3	0884305 <b>St</b>	atus: ENROU	TE
										Initiator:	obrckalo Crea	ated: 10:46 /	AM 09/23
Docum	nent was succe	ssfully submi	ted.									expand all	collapse a quired fi
Docu	ument Overv	iew			▼ hide								quireu i
Docu	ument Overv	iew			_	_	_	-	_	_	_	_	-
		* D	escrip	tion: Recognia	ze parking incom	e Ex	planation: Re	cognize par	rking income pre	viously recorded as a lia	ability in the obje	ct code 9400.	
Eina	Organizati ancial Docum	on Documei ent Detail	it Num	ber:	_				_			_	-
									Total Amou	nt: 80,000.00			
Auxi	iliary Vouche	r Details			▼ hide								
						_	_	_	_		_	_	_
Auxi	mary vouche	er Detalls		* Accounti	na Period: SEP	T. 2014							
			* A	uxiliary Vou	cher Type: Adju	ustment (AVA	AD)						
Acco	ounting Lines				- hide								
	Surfing Lines	<u></u>			- mac								
Acco	ounting Lines	?			_	_	_	_	_		_	hid	e detail
	* 61 .			* • • •		* 01 - 1			Organization				
	Code	Sub-Fund	Org	Number	Code	Code	Code	Code	Reference Id	Debit	Cre	dit	Action
1 B	BA BLOOMINGTON AUX	AUXENT	PARK	6044900 PARKING OPERATION		9400 DEFERRED INCOME				80,000.00	0.00		
2 B	BA BLOOMINGTON	AUXENT	PARK	6044900 PARKING		1464 PARKING				0.00	80,000.00		
										Debit Total: 80,000.0	0 Credit Total:	80,000.00	
		anding Ent	ine		- hide								
Gene	eral Ledger F	Pending Entr	ies		▼ hide								
Gene	eral Ledger F eral Ledger I	Pending Entr	ies	Account	▼ hide	Object	Sub Obj	act Dro	viact Das T	rpa Ralanco Turo		Amount	D/
Gene Gene	eral Ledger F eral Ledger F eq # Fisc 1 2015	Pending Entr Pending Entr al Year BA	ies ies 🍳 Chart	Account 6044900	▼ hide Sub-Account	t Object	t Sub-Obj	ect Pro	iject Doc T	ype Balance Type	e Obj. Type	<b>Amount</b> 80,000.00	<b>D</b>
Gene Gene	eral Ledger F eral Ledger F eq # Fisc 1 2015 2 2015	Pending Entr Pending Entr al Year BA BA	'ies 'ies 🍳 Chart	Account 6044900 6044900	Sub-Account	t <b>Object</b> 9400 1464	t Sub-Obj  	ect Pro 	iject Doc T AVAD	ype Balance Type AC AC	e Obj. Type	Amount 80,000.00 80,000.00	D D C
Gene Gene Se	eral Ledger F eq # Fisc 1 2015 2 2015 es and Attach	Pending Entr Pending Entr al Year 6 BA BA BA ments (0)	'ies 'ies 🔇 Chart	Account 6044900 6044900	hide     Sub-Account      show	t Object 9400 1464	t Sub-Obj  	ect Pro	nject Doc T AVAD	ype Balance Type AC AC	: Obj. Type	Amount 80,000.00 80,000.00	D C
Gene Gene Se 1 Note	eral Ledger F eq # Fisc 1 2015 2 2015 es and Attach	Pending Entr Pending Entr al Year 0 BA BA aments (0) s	ies ries 🔊 Chart	Account 6044900 6044900		t Object 9400 1464	sub-Obj	ect Pro 	nject Doc Tr <u>AVAD</u>	ype Balance Type AC AC	: Obj. Type <u>니</u> IC	Amount 80,000.00 80,000.00	<b>D</b> / C
Gene Gene Se 1 Note Ad H Rout	eral Ledger F eq # Fisc 1 2015 2 2015 es and Attach foc Recipient te Log	Pending Entr Pending Entr al Year 0 BA BA aments (0) S	ries Chart	Account 6044900 6044900	hide      Sub-Account      b show      b show      b show      b show      b show	t Object 9400 1464	t Sub-Obj  	ect Pro	iject Doc T AVAD AVAD	ype Balance Type AC AC	b Obj. Type	Amount 80,000.00 80,000.00	D/C
Gene Gene Se Note Ad H Rout	eral Ledger F eq # Fisc 1 2015 2 2015 es and Attack toc Recipient te Log	Pending Entr Pending Entr BA BA baments (0) s	ries Chart	Account 6044900 6044900	hide  Sub-Account      show      show      show	t Object 9400 1464	t Sub-Obj	ect Pro	iject Doc Tr AVAD AVAD	ype Balance Type AC AC	: Obj. Type	Amount 80,000.00 80,000.00	D/ C

Important Note! For an accrual, if enter a reversal date in the future when submitted it changes it to the default.

