



Office of the Executive Vice President for Finance and Administration

## Office of the University Controller

# UCO Fiscal Officer Newsletter

**Issue 25 | March 29, 2023**

**An Office of the University Controller (UCO) publication**

In this month's newsletter you will find important updates regarding the chart of accounts standardization, accrual voucher changes and document and object code restrictions. In addition, UCO has published five new or revised IU Accounting Standards, please take a few minutes to review the new standards below.

If you are a new subscriber, archived newsletters can be accessed on the [Office of the University Controller's website](#) as well as at the link at the bottom of the newsletter.

*Have questions for a UCO unit? Contact a team using the [Contact Form](#).*

## Important Dates

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All deadlines are 10:00 pm on the date listed.

Date	Event
April 1	FY24 Rate Templates due to <a href="mailto:rates@iu.edu">rates@iu.edu</a> .

Visit the UCO Fiscal Officer Calendar to review all upcoming events.

[UCO Fiscal Officer Calendar](#) >

## Accounting Updates

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### University Accounting & Reporting Services Restrictions to Accrual Voucher Transactions

On June 1, 2023, UCO will implement significant restrictions to the Accrual Voucher (the technical name, Auxiliary Voucher) KFS document. The Accrual Voucher (AV) is used to record accrual, adjusting or recode entries to a prior posting period to facilitate preparation of accurate and timely financial reports.

After June 1, AV transactions must meet a minimum threshold of \$100,000 per document for processing. For any activities below this threshold, please discuss accrual entries with your Campus Controller. Each transaction recorded on an AV must represent a single accounting event and be fully supportable for audit purposes. Transactions for different accounting events or activities should not be combined on the same AV document.

A new Accrual Voucher (AV) IU Accounting Standard will be published in late May, including sample transactions, ahead of the implementation date. Please look for a link to the new standard in the May FO Newsletter.

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### New KFS Document & Object Code Restrictions

As part of a larger initiative to strengthen the internal controls surrounding transaction processing and financial reporting, UCO will incorporate the following KFS document and object code restrictions on June 1, 2023.

- Compensation, wages payable, and vacation/sick object codes will be restricted to system-generated, Salary Transfer (ST), Journal Voucher (JV), and Non-Check Disbursement (ND) document types. These object codes will no longer be available on other KFS document types.
- KFS documents over \$5M will route to Campus Controllers and/or UCO as an FYI for review.
- All KFS transactions over \$5M must have supporting documentation for the transaction attached to the KFS document. See the [Material Transactions IU Accounting Standard](#) for appropriate supporting documentation.

If you have any questions regarding these changes, please contact UARS at [uars@iu.edu](mailto:uars@iu.edu).

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### **Chart of Accounts Permission Change: Object Codes, Levels, and Consolidations in KFS**

On Monday, March 20, UCO restricted the ability to create or modify object codes, object levels, and consolidations in KFS. Permission to initiate these documents have been limited to select UCO staff with Chart of Accounts oversight. All KFS users will maintain the ability to look up these values via the KFS search screens, but they will no longer have the “Create New, Edit and Copy” options.

This change does not affect the ability of end users to submit Account, Sub Account, Sub Object, or Organization documents in KFS. Those permissions remain intact and function as they have in the past. These restrictions were implemented as part of the larger initiative to standardize the KFS chart of accounts.

Requests for new or changes to existing object codes, object levels, or consolidations should be sent to UARS at [uars@iu.edu](mailto:uars@iu.edu).

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### **University Chart of Accounts Standardization Project**

An initiative to standardize the Kuali Financial System (KFS) Chart of Accounts officially launched in February with the establishment of a Chart of Accounts Project Working Group. The group consists of representatives from UCO, the Campuses

and key offices across the university. The project was launched in response to an external audit recommendation to standardize and streamline IU's Chart of Accounts. The end goal is to promote and ensure consistency, transparency and efficiency in external and internal financial reporting.

During calendar year 2023, the project will focus on developing a formalized governance process for the chart and recommended updates to object codes, levels, and consolidations within the chart. During calendar year 2024, the group will focus on the technical implementation elements with the intent of implementing changes in early Spring 2025 to take effect with the fiscal year 2026 budget beginning July 1, 2025.

As the project progresses, a representative from the working group may contact you for input or request information on the potential impact of recommended changes. Future newsletters will feature updates as this exciting project progresses!

If you have questions, please reach out to University Accounting & Reporting Services (UARS) at [uars@iu.edu](mailto:uars@iu.edu).

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## **New Accounting Standards Internal Controls Standard**

As described in [Policy FIN-ACC 470: Internal Controls](#), all IU units are responsible for ensuring internal controls exist for critical operations or activities. Financial controls must adhere to the internal control procedures outlined in the IU Accounting Standards.

A new standard outlining the internal controls requirements and procedures has been published on the UCO website. Please review the new standard and reach out to UARS with any questions at [uars@iu.edu](mailto:uars@iu.edu).

[Review the Internal Controls Accounting Standard](#) >

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## **Internal Controls: Financial Process Narrative Standard**

UCO has established requirements for departments to submit documentation for existing and new financial activities for review by the Internal Controls function.

A new standard outlining the requirements for the Financial Process Narrative has been published on the UCO website. Please review the new standard and reach out to UARS with any questions at [uars@iu.edu](mailto:uars@iu.edu).

[Access the Process Narrative Accounting Standard >](#)

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## **Rebate Revenue/Applicable Credits for Recharge and Federal Grants Standard**

Uniform Guidance, Applicable Credits, (Section 200.406) requires that any credits related to allowable costs on federal sponsored projects or recharge activity be credited to the federal award or recharge activity, where the originating expense was incurred, either as a cost reduction or cash refund.

In accordance with this policy, UCO has developed a process to move rebate revenue or applicable credits to the appropriate accounts where original expenses related to the credits/rebates occurred. A new standard outlining the process is available on the UCO website. Please review the standard and reach out to Recharge Accounting with any questions at [rates@iu.edu](mailto:rates@iu.edu).

[Review the Rebate Revenue/Applicable Credits Accounting Standard >](#)

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## **Recharge Standards**

Updated standards covering the rate submission requirements for Recharge Centers and allocating costs to internal and external activities have been posted. If you or your staff are involved in the rate setting process, please review these new standards and reach out to Recharge Accounting with any questions at [rates@iu.edu](mailto:rates@iu.edu).

[Access the Rate Submission Requirements for Recharge Centers Accounting Standard >](#)

[Access the Allocating Costs to Internal and External Activity Accounting Standard >](#)

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## **Cost Accounting FY24 Fringe Benefit Rates**

UCO is responsible for the calculation of annual fringe benefit rates. Rates for Fiscal Year 2024 have been finalized and are now part of budget construction. Rates are listed below and posted on the Office of Research Administration's IU Rates website.

Employee Group	Benefit Rate
Total Exempt Academic & Professional	40.56%
Total Bi-Weekly Support/Service Staff	40.43%
Total Temporary Staff with Retirement	17.61%

[View rates >](#)

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## Payroll

### Release of Payroll Information & Employment Verifications

Please review PSOP 19.0 – Release of Payroll Information & Employment Verifications. This Standard Operating Procedure provides establishes guidelines for the release of public payroll information and how to conduct employment verifications.

[Access PSOP 19.0 >](#)

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## University Tax Services

### Release of 1042-S Tax Forms

UCO has released all 2022 Form 1042-S. Please notify your staff and suppliers as necessary. If staff/suppliers elected electronic consent, they were notified of the release by email and can access their forms via the [Foreign National Information System \(FNIS\)](#). Those who did not elect to receive their forms electronically will receive their form via postal mail.

Please request all staff and suppliers submit any questions through the Controller's Contact Us page.

[Contact UCO Customer Service >](#)

# Other Updates

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## Financial Training & Communications P-Card Training

Required P-Card training for responsible cardholders is coming in May! Review this short video to learn who will be required to meet this compliance requirement, what the training will consist of, and more.

[Watch the video](#) >

## Web Updates

The UCO website continues to evolve. Web updates, such as new accounting standards, service pages, and more are posted on the web updates page by the 15<sup>th</sup> of each month.

[Review the latest updates](#) >

[UCO Home Page](#) | [FO Reporting Tools](#) | [Publication Archive](#)

*This newsletter is published by the Financial Training & Communications team in conjunction with University Accounting and Reporting Services (UARS).*

*Contact UARS by emailing [uars@iu.edu](mailto:uars@iu.edu).*