



IU Foundation Scholarship Account Guidance

The Office of the University Controller

Guidance on Creating a 1:1 Scholarship Account Relationship

Objective: To meet the proposed goal of having a 1:1 account relationship between Indiana University (IU) and IU Foundation (IUF) scholarship accounts. This guidance is to help departments understand how to 1) create an account in IU's system if one does not already exist for a given IUF account and 2) eliminate redundant accounts in IU's system for a given IUF account. The university requirement, as of July 1, 2025, will be to have only one active IU restricted scholarship account for each IUF scholarship account.

It is recommended that departments should first focus their efforts on IUF scholarship accounts that do not already have a related IU scholarship account in the system. Secondly, units should address the 1:2 scholarship account relationships. There is currently a temporary workaround for the 1:2 relationship in the IUF Scholarship Utilization Dashboard, but there will not be in the new Foundation Endowment Management System. Future reports and process improvements will require the 1:1 match.

Scope: This guidance applies to IUF scholarship accounts only. This document does not apply to IUF mixed-purpose accounts (accounts with other activity besides scholarship). It also does not apply to direct contributions to Indiana University (not IUF). Guidance for both of these is expected to be provided in Phase II.

Summary: It is recommended that to achieve this 1:1 relationship, campuses should seek to contain all activity related to a single IUF scholarship gift fund in one IU restricted scholarship account. Where a separate corresponding IU scholarship account does not currently exist, units should create a restricted scholarship account using the 25* account series. Where both an undergraduate account (historically, 25* accounts) and a graduate account (historically, 26* accounts) exist for a single IUF scholarship account, units should select one of the existing two accounts for use going forward and deactivate the other account; thereafter using the object code to delineate between undergraduate and graduate activity. The use of the existing 25* account is preferred if one already exists.

Compliance: These IU scholarship accounts are only to be used for the matching IUF restricted scholarship activity and should not contain any other restricted or unrestricted expenses or activity.

Guidelines:

1. Criteria for Choosing Account to Keep – If two accounts exist for a given IUF account, it is recommended to keep the account that has the most historical activity. This decision is up to the department, but given no other reason exists to keep one account over the other, preference is to retain the 25* account. The other account that is no longer being used should be closed or expired. Note: Expired accounts are required to be reconciled monthly and have an active fiscal officer or delegates assigned to them.
2. New Account Creation – The account number will no longer be used to differentiate between graduate and undergraduate scholarships/fellowships. Object codes will be used going forward. When creating a new account, departments can use either a 25* or 26* account for financial aid, however the 25* account series is preferred.



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3. Standard Account Naming Convention – Name of the account should match the name of the associated scholarship account in IUF unless the account name is over 40 characters long, in which case the account name should be shortened while matching the IUF name as closely as possible.
4. Subaccount Use – Use of subaccounts is currently allowed but will not be supported in these accounts in the future. The Source of Funds code in KFS, which will be validated, can only hold one IUF account number. We recommend units plan for no subaccount use by July 1, 2025.
5. Account Attribute Requirements
 1. *Sub-fund Group Code* –UCO has created a new sub-fund group code, “RESSCF – Scholarships and Fellowships”, that will be used for these types of accounts going forward The existing sub-fund group code values of all 25* and 26* accounts will be updated to the new code by UCO in a batch process. The previous sub-fund group codes of “RESSCH” and “RESFEL” will be inactivated.
 2. *Higher Education Function code* – This should be “S&F – Scholarships & Fellowships” for all new accounts. For existing accounts, these values will be updated by UCO in a batch process.
 3. *Source of Funds Code* – This field will be used to record the IUF corresponding account number in KFS. This field will be populated by UCO in a batch process once the field is ready to be used.
 4. *Account Type Code* – Select an appropriate financial aid Account Type Code from the available options.
 5. *Account Restricted Status Code* – This field should be set to “R – Restricted” for any new accounts. For existing accounts, these values will be updated by UCO in a batch process.
6. Item Type Updates - Item types will need to be updated for any account/object code changes. These will be updated in a batch process after May 31, 2024 and May 31, 2025. The list of updates should be compiled in a spreadsheet and sent to your Campus Controller. Each update should include campus, item type, account number, and object code. Departments that miss the batch upload deadline will be required to update these changes manually.

To access list of existing item types: Users can see a list of their current item types via IUIE. Go to Master Catalog > Student > Financial Aid > Item Types > FA/SF Item Type w/ GL Acct & Object Code Info. Contact your Campus Controller for assistance in setting report parameters if needed.
7. Object Code Selection – Object codes will be used to differentiate between undergraduate and graduate activity. One of the below object codes should be used on each applicable item type that involves IUF scholarship accounts:



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Object Code	Financial Object Code Name	Appropriate Usage
*5880	UNDERGRADUATE STUDENT FINANCIAL AID	Financial aid for undergraduate students that can be applied to any bursar charges. Default for undergraduate students. Does not include loan or grant aid to students.
*5820	GRADUATE STUDENT FINANCIAL AID	Financial aid for graduate students that can be applied to any bursar charges. Default for graduate students. Does not include loan or grant aid to students. Examples include MS, MFA, MA, PhD.
*5822	PROFESSIONAL STUDENT FINANCIAL AID	Financial aid for professional students that can be applied to any bursar charges. Professional designation should be used when referring to professional programs. Examples include Medical (MD), Dentistry (DDS), Optometry (OD), and Law (JD). Does not include loan or grant aid to students.
5813	UNDERGRAD STUDENT FEE REMISSIONS	Funds restricted to only tuition and fees for undergraduate students.
5810	GRADUATE STUDENT FEE REMISSIONS	Funds restricted to only tuition and fees for graduate students.
5400	GRAD STUDENT ACAD APPOINTEE FEE REMIT	Graduate student provides services and is considered an employee. This is the object code to use for reportable fringe tuition benefit.

*These object codes are considered the default object codes and should be used unless one of the other situations apply.

8. Matching Activity – Matching activity within IU and IUF is permitted within these accounts. For example, IU may match IUF funds through the use of a transfer object code.

Timeline: Creating the corresponding 1:1 account must be completed before the FY26 budget cycle (February 2025) although departments are strongly encouraged to complete this setup sooner, if possible. To facilitate the batch update, item type updates need to be submitted to your Campus Controller by May 31st to be reflected in the fall student billing. For example, the deadline is May 31, 2024, for Fall 2024 and May 31, 2025, for Fall 2025 billing.

These guidelines are expected to be incorporated into a future accounting standard.

Reference: For additional questions regarding payments to students refer to the following guide:

[Indiana University’s Comprehensive Guide Regarding Payments to Students](#)