



IU Foundation Gifts Supporting Research Account Guidance

The Office of the University Controller

Guidance on Creating a 1:1 Account Relationship for IUF Gifts Supporting Research

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

Scope: This guidance applies to IUF gift accounts supporting research where the donor agreement restricts the use of funds to research only. This document does not apply to IUF mixed-purpose accounts (accounts with other activity besides research), such as when a gift agreement says "research and education" or "research and scholarship". It also does not apply to direct contributions to Indiana University (as opposed to IUF). Guidance for both scenarios is expected to be provided in later phases.

Summary: To achieve this 1:1 relationship, it is required that campuses contain all activity related to a single IUF research gift fund in one IU restricted account with a RESRCH sub-fund group code (see below for guidelines).

The primary grouping mechanism for this type of account will be the sub-fund group code and not the account series, since many mixed-use accounts with varying purposes are in the 29* series.

Compliance: These restricted 29* RESRCH accounts are only to be used for the IUF gift restricted research activity and should not contain any other restricted or unrestricted expenses or activity.

Guidelines:

1. Criteria for Account Numbers – These funds should be contained in the 29* account series of the ledger.
2. Standard Account Naming Convention – Name of the account should match the name of the associated research gift 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.
3. Subaccount Use – A subaccount cannot be used in place of a single IU 29* account. Use of subaccounts is currently allowed for tracking details within the dedicated 29* account. Departments are strongly encouraged to review current subaccount usage, and whenever possible, use the account number and project code and object code options to indicate the source and nature of the expense or income activity. The new Corresponding IUF Account field in KFS, which will be validated, can only hold one IUF account number and cannot accommodate subaccounts.
4. Account Attribute Requirements
 - *Fund Group Code* – Should be "RF" for Restricted Funds.
 - *Sub-fund Group Code* – UCO has created a new sub-fund group code, "RESRCH" that should be used for these accounts.
 - *Higher Education Function code* – The code "INDIVIDUAL OR PROJECT RESEARCH" should be selected for all new accounts included in this phase. For existing accounts, these values can be updated by UCO in a batch process.



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- *Corresponding IUF Account* – This new field will be used to record the IUF corresponding account number in KFS. For any existing accounts, this field will be populated by UCO in a batch process once the field is ready to be used.
 - *Account Type Code* – For research accounts covered by this guidance, select “NA-Not Applicable” as the account type code.
 - *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.
5. Matching Activity – Matching activity within IU and IUF is permitted within these accounts. For example, IU may match IUF funds using a transfer object code. See future guidance on matching gifts for illustration of this process.

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. A recommended date of November 2024 is suggested to optimize the results.

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