



Finance

University Controller

UCO Fiscal Officer Newsletter

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If you are a new Fiscal Officer (FO), 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.

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 (UARS)
Reminder: External Audit Process**

The external financial statement audit process for IU starts in September and continues through October. As a reminder, Fiscal Officers must respond to audit requests and provide substantiation, reconciliations, and/or internal controls documentation within 48 hours of receiving the request from UCO or Plante Moran, the university's external audit firm.

For more information on financial transaction substantiation, please review the Financial Transaction Substantiation and Material Transaction Substantiation standards.

[Financial Transaction Substantiation Standard](#) →

[Material Transaction Substantiation Standard](#) →

New! University Object Code Dictionary

Object codes are used to organize and classify financial data. The appropriate use of these object codes enables accurate internal and external financial reporting. To provide basic object code information and to better assist Kuali Financial System (KFS) users, UCO published a comprehensive Object Code Dictionary. This invaluable living document is available on UCO's website under "Popular Resources."

The dictionary defines proper usage and the purpose of each object code. In addition, you'll find the financial consolidation general definition and reporting placement, whether a code is unallowable for recharge, restricted use of object codes, which major system platforms codes are available in, and more.

Guidelines, policies, and SOPs related to certain object codes are also provided, where available. Please note that this dictionary is not chart specific as not all object codes are available to each campus.

For questions about the Object Code Dictionary, please reach out to University Accounting & Reporting Services at uars@iu.edu.

[Access the Object Code Dictionary](#) →

University Chart of Accounts Standardization Project Status

In the fall of 2022, UCO launched the KFS Chart of Accounts initiative. The goals being to ensure and promote consistency, increase efficiencies, and improve accuracy in internal and external financial reporting. We are excited to share our progress and the next steps of this transformative effort.

Progress updates:

- Identified over 1,000 object codes (8% of the active chart) as having no activity over the past few years with a portion deactivated prior to FY25 budget construction. Remaining object codes will be deactivated prior to FY26 budget construction.
- Developed a framework to review active object codes to standardize naming conventions, object levels, and financial statement mapping across all campus

charts.

- Completed initial draft “on paper” as a result of the review which aligns all object codes.
- Drafted a university wide-standards document to govern the university’s Chart of Accounts structure and management. Currently under review.
- Published the object code dictionary under ‘Popular Resources’ on the UCO website.

Next steps:

Timeframe	Action
September 2024-March 2025	Begin technical implementation of standardized object codes in KFS.
December 2024-March 2025	Inactivate identified unused object codes in advance of FY26 budget construction.
October 2024-June 2025	Review account data in KFS and begin development of guidance for account maintenance.
June 2025	Complete implementation of standardized object codes in KFS and implement controls and standards to maintain standardized object codes.

Review: Foreign Source Gifts, Contracts, and Revenue Producing Activities

Please review the updated Foreign Source Gifts, Contracts, and Revenue Producing Activities accounting standard which describes the reporting requirements for foreign source revenue. New federal and state regulations require multiple reporting periods. These requirements are detailed in the standard.

Please review your revenue sources and collect the required information by the internal reporting deadlines to ensure compliance with these new regulations. The standard also includes links to separate reporting templates for each reporting requirement. Please reach out to UARS with any questions at uars@iu.edu.

[Access the Foreign Source Revenue Standard →](#)

Gift & Grant Accounting

New Guidance: IU Foundation Gifts Supporting Research Accounts

As part of the Funds Utilization Maximization effort underway by IU and the IU Foundation (IUF), the Office of the University Controller released guidance for research account creation. Every IUF research account must have an IU account that mirrors it. This account relationship provides enhanced reporting options for both IU departments and IUF.

For questions, please contact Jenny Spors-Hill, UCO Gift & Grant Accountant, at jspors@iu.edu.

[Access the 1:1 Research Account Guidance →](#)

Custodial Fund Accounting

Lead Time for Requesting a Custodial Fund

Need to create a new custodial fund? Submit your request at least two weeks before the funds are needed.

Requesting a custodial fund with less than two weeks of lead time may result in funds not being ready in time for their purpose.

[Contact Cash Accounting with questions →](#)

University Tax Services

Update: Tax Treaties

Tax treaties with three countries, Russia, Canada, and Chile have been updated. Please see below for details and share this information with your employees.

Russia

The current tax treaty for Russia has been suspended. Tax treaty benefits ended on **August 16, 2024**.

On June 17, 2024, the U.S. Treasury Department announced that the United States has provided formal notice to Russia to confirm suspension of the operation of Paragraph 4 of Article 1 and Articles 5-21 and 23 of the United States-Russia income tax treaty, as well as the operation of its accompanying protocol, by mutual agreement. The suspension will take effect both for taxes withheld at source and in respect of other taxes on August 16, 2024, and will continue until otherwise decided by the two governments.

Canada

Indiana University will no longer accept tax treaty benefits for Canada. Tax treaty benefits will end **December 31, 2024**.

The tax treaty with Canada exempts all earned income if the taxpayer earned up to \$10,000 in the tax year. However, all income earned over \$10,000 is taxable. Unfortunately, there is not a mechanism in place to track if or when an employee exceeds this threshold. This means that employees earning more than \$10,000 a year incur unplanned tax consequences, and these tax consequences also impact Indiana University.

Chile

Indiana University will now accept tax treaty benefits for Chile.

On December 19, 2023, the bilateral income tax treaty between the United States and Chile (formally, the Convention between the Government of the United States of America and the Government of the Republic of Chile for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, and hereafter referred to as, the "Treaty") entered into force more than a decade after it was signed.

The Treaty's entry into force is a significant milestone for the United States and Chile, as the Treaty is the first bilateral income tax treaty between the two countries and represents only the third income tax treaty with a country in Latin America.[1] It also marks an opportunity for multinational businesses with operations in these countries to review the provisions of the Treaty with an eye toward how their particular businesses may benefit, including with respect to intragroup operations and financing activities. Of acute importance to multinational groups is satisfying one of the tests under the "limitation on benefits" provision to receive the benefits of the Treaty.

[Contact University Tax with questions →](#)

Payroll

FLSA Overtime Calculations for Biweekly Payroll

Refresh your knowledge by reviewing PSOP 4.0 - FLSA Overtime Calculations for Biweekly Payroll. This procedure assists with computing an estimate of overtime pay for situations in which multiple rates or bonus-type payments that will inflate the overtime rate involved.

[Access PSOP 4.0 →](#)

Other Updates

Financial Training & Communications Tracking Training Compliance

This month, IU Compliance began sending supervisors a monthly digest containing a list of staff with incomplete required trainings. Keep up-to-date between monthly reminders by accessing this information anytime through the IU Employee Compliance Monitoring dashboard. Login to the Knowledge Base and review the article linked below to learn more.

[Read all about it →](#)

Purchasing All About Sole Sourcing

Policies FIN-PURCH-03 and FIN-PURCH-04 define when a purchasing event requires sourcing and when sole sourcing may be justified. Check out this "Policy Feature" article from the *P.A.S.S News & More* newsletter to learn more about these requirements.

[Learn the requirements →](#)

Travel Management Services Coming Soon: Travel Support Form

The Travel Support Form launches **Monday, September 9**. The form will provide vetted answers to your most frequently asked questions. Plus, the form features a category specifically for Fiscal Officers and document approvers! Subscribe to the IU Travel Bulletin to receive an announcement on launch day.

Subscribe to the Travel Bulletin →

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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.

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