



# Guidance on Creating a 1:1 Account Relationship for IUF Capital Gifts and Acquisitions

The Office of the University Controller

**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 where the donor agreement restricts the use of funds for capital gifts and acquisitions only. This document does not apply to IUF mixed-purpose accounts (accounts with other activity besides capital gifts and acquisitions). 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. For the purposes of this document, "capital gifts" refers to both capital gifts and acquisitions. A capital gift is defined as a donation intended for the creation, upkeep, operation, and renovation of facilities, as well as the purchase of library and art items. This guidance does not apply to in-kind gifts, which follow a separate process.

**Summary:** To achieve this 1:1 relationship, it is required that campuses contain all activity related to a single IUF capital gift fund in one IU restricted account with the RESCAP 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 accounts are only to be used for the IUF restricted capital gifts activity and should not contain any other restricted or unrestricted expenses or activity.

## Guidelines:

1. Criteria for Account Numbers – IUF capital gift accounts should reside in the 29\* account series of the ledger.
2. Capital Gift Expenditures - Expenditures related to IUF capital gifts must be contained in the related 29\* account, except for Construction projects, whose expenditures must post to the applicable 90\* account. For Construction projects only (90\* accounts) the cash will be transferred from the 29\* account to fund the 90\*. Construction projects are the only exception within capital gifts where transfers from 29\* accounts are permitted. For details about this process, see the [Construction Accounting Process for Capital Gifts from IUF](#).
3. Standard Account Naming Convention – The name of the account should match the name of the associated capital 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.



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4. 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.

5. Account Attribute Requirements

- *Fund Group Code* – Should be “RF” for Restricted Funds.
- *Sub-fund Group Code* – The sub-fund group code should be “RESCAP – Capital Gifts”
- *Higher Education Function code* – The most appropriate code should be selected. All funds in this category would be labelled under one of the following three codes:

IUF Account Use Code	IU Higher Ed Function Code	IU Higher Ed Function Name
C*, CI*	PP	Physical Plant
XL*	LIB	Library
XA*	M&G	Museums and Galleries

- *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. For new accounts, this field can be populated during account setup.
  - *Account Type Code* – Select “NA-Not Applicable”.
  - *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. 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.

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