



Finance

University Controller

UCO Fiscal Officer Newsletter

Issue 51 | May 29, 2025

An Office of the University Controller (UCO) Publication

In this issue:

- Fiscal Year 25 (FY25) Year-End Closing Schedule
- External Audit Requests
- Year-End ePTO Approvals
- Update: Accrued Vacation and Sick Liability Methodology and Timing
- Year-End Accounts Payable (BUY.IU) Accruals
- Changes to Year-End General Fund Cash Entries from the Org Reversion Process
- Donor Gift Funds Utilization for Fiscal Year End 2024-25
- Changes to KFS GL and KFS Customer Credit Memos
- Limited Reviews of Recharge Rates
- New: Closing an IU Account Instructions

Reminder: Foreign Source Gifts, Contracts, and Revenue-Producing Activities

- New Accounting Standards
 - Account Stale and Negative Balances
 - Fringe Benefits
 - Payroll Timekeeping for Non-Exempt Employees
- Non-Resident Alien Hiring Guidelines
- Overtime Policy - Special Exceptions
- Accountable Plan Webinars
- Update: Sole Source Form and Procedure

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](#).

Fiscal Year-End Updates

Fiscal Year 25 (FY25) Year-End Closing Schedule

The FY25 closing schedule has been published on the UCO website.

[Closing Procedures Website](#)

[Printable Closing Schedule](#)

External Audit Requests

As part of the FY25 external financial audit procedure, the university's external auditors will begin conducting interim assessments during the month of May. Please be aware that the external auditors or UCO staff may contact you directly during that time to request documentation related to this testing. Fiscal Officers are required to respond within 48 business hours of the audit request.

Year-End ePTO Approvals

As part of the annual fiscal year closing process, UCO calculates and records a vacation and sick liability accrual for all staff benefit hours falling under GASB 101 – Compensated Absences. The calculated amount relies on salary, job funding, and benefit information in HRMS, as well as accrued benefit hours in Quali Time and ePTO. It is critical to approve ePTO timely to ensure the accuracy of our accounting records at year-end.

In preparation for the accrual, FOs should work with their Human Resources Business Partner (HRBP) to ensure all Quali Time and ePTO balances are current, as defined by policies [FIN-PAY-020](#) and [HR-05-70](#). FOs and/or HRBPs can use the Delinquency Report to identify ePTO that is overdue to be submitted or approved. Please review department ePTO records and ensure any lag in approval is caught up by year-end.

FOs and HRBPs are encouraged to run the ePTO Delinquency Report on a regular basis to ensure current balances are maintained. To run the report, each user will need a separate [IUIE Access Request](#) form completed by the supervisor or department head.

Run the ePTO Delinquency Report →

Update: Accrued Vacation and Sick Liability Methodology and Timing

Beginning in fiscal year 2025, the year-end liability accrual for vacation and sick leave will be recorded differently due to the implementation of GASB 101 – Compensated Absences in conjunction with terminal pay moving to the pooled benefit rate.

In prior years, this accrual was posted directly to auxiliary fund accounts. Effective for FY25, it will be recorded in UCO-specific designated fund accounts at the campus level, which are used exclusively for consolidated accounting adjustments.

FY25 auxiliary accounts that previously reflected these expenses and liabilities will reflect the reversal of the FY24 accrual only. As a result, FY25 expenses in these accounts may appear lower than comparative years. The reversal of the prior year's accrual is scheduled for May 2025.

Please contact University Accounting & Reporting Services (UARS) at uars@iu.edu if you have any questions or concerns about how this change may affect your reporting unit's financials or reports.

Year-End Accounts Payable (BUY.IU) Accruals

For FY25 closing, UCO has added a third Accounts Payable accrual to the general ledger (GL). As part of the process, July BUY.IU invoice transactions that posted to the GL will be reversed if the invoice was dated June 30 or prior and has a Pay Status of Payable. Those entries, which include actual expenses and liabilities and the associated dis-encumbrance, will then be posted back to June and appear on the Final Closing Reports.

For FY25 closing, the Accounts Payable accrual will occur on the following dates:

Date	Period	Description
Tuesday, July 8	12	Day of Final Close
Friday, July 11	13	Day of Second Close
Wednesday, July 16	13	Day Before Final Close

Changes to Year-End General Fund Cash Entries from the Org Reversion Process

Each year, as part of year-end closing and the Org Reversion process, cash is transferred into General Fund operating accounts (typically from a campus or RC level account) to cover cash overdrafts. These entries set the beginning cash balance for General Fund operating accounts to zero for the start of the new fiscal year.

Historically, these entries occurred behind the scenes using a special balance type (NB) in the GL and were not reported on the Final Closing Reports or readily visible on the KFS Balance Inquiry screens.

Beginning with this year's closing, the entries to cover General Fund cash overdrafts will appear in the GL as Year-End Transfer of Funds (YETF) documents. The entries will post after Final Close, appear as period 13 actual transactions (balance type AC), and use object codes 9980 (a new Transfer of Funds object code) and 8000 (cash). As a result of these changes, the entries will now appear on the Final Closing Reports and on the KFS Balance Inquiry screens as Year-End Transfers of Funds.

Message from IU Foundation Account Administration Donor Gift Funds Utilization for Fiscal Year End 2024-25

As we approach the end of the fiscal year, we're asking IU leadership, Fiscal Officers, and the advancement community for their help in bolstering fundraising efforts by ensuring donor gift funds are utilized.

[Funds utilization](#) helps maximize private support for Indiana University by fostering lifelong relationships with key stakeholders and providing advancement leadership and fundraising services for campuses, schools, and units.

We have asked the FOs listed on donor gift accounts to coordinate the following actions:

1. Submit reimbursements to IUF **as soon as possible**.
 - Priority deadline to ensure processing by fiscal year end was April 15.
 - No guarantee that reimbursements submitted after the priority deadline will be finalized by June 30, 2025.
2. Submit [spending plans](#) **by June 1, 2025**, to ensure processing by June 30, 2025.
 - For reporting to IU leadership – if there is a valid reason you cannot (not will not) spend 100% of [Target Spend](#).
 - For annual donor fund statements – if there is a valid reason you can share with donors regarding why you did not spend any or enough funds.
3. Review request sent in mid-May to review spendable accounts with \$0 balances that will be closed before fiscal year end.

Questions and information requests may be submitted through the Account Administration Help Center Portal.

Visit the Account Administration Help Center Portal →

Accounting Updates

Non-Student Accounts Receivable (NSAR) Changes to KFS GL and KFS Customer Credit Memos

An update to the Kuali Financial System (KFS) Accounts Receivable module will be made on July 1, 2025. The update changes KFS Customer Credit Memo (CRM) business rules. Today, under the current business rules, a KFS CRM approved for an invoice created in the previous fiscal year will automatically post to object code 4999 (Accounting Adjustment) as a debit and 8118 (Accounts Receivable – NSAR) as a credit to remove some, or all, of the balance of an open KFS invoice.

After July 1, prior fiscal year invoice CRMs will post the same way as CRMs for current fiscal year invoices. The CRM will debit the original object code used and credit object code 8118 to clear the amount on the CRM from the open KFS invoice. Please have all CRM documents in final status by noon on June 30, 2025.

This update will remove the need to create a KFS General Accounting Adjustment to move the amount out of 4999 and into the original object code used on the invoice. This July 1 effective date ensures all units will have a clean fiscal year cutoff. No FY26 CRM and later documents should be posted to object code 4999.

We encourage everyone to review object code 4999 in the current fiscal year for any activity related to these prior fiscal year invoice CRMs and complete General Accounting Adjustments to correct them as needed. Please contact nonstdar@iu.edu for any questions.

Recharge Accounting Limited Review of Recharge Rates

In preparation for the university's submission of its indirect cost rate proposal (ICR) at the end of FY26, Recharge Accounting is conducting limited reviews of rates, selected transactions, and associated substantiation.

The reviews are being conducted to provide a greater level of assurance for rate activity ahead of the ICR proposal submission which is typically audited by the US Department of Health and Human Services (HHS). Reviews will be conducted in the months of April and May and again in August and September. Recharge Accounting will contact your unit directly if your rate is selected for review.

University Accounting & Reporting Services (UARS)

New: Closing an IU Account Instructions

UARS has developed instructions on how to properly close an Indiana University account. In the instructions, you'll find an overview of the process and the required step-by-step procedures to close an account including how to identify and manage encumbrances, income and expenses, and remaining balances in assets and liabilities. These instructions have replaced Closing an Account Auxiliary Standard Operating Procedure.

Please review the instructions and reach out to UARS at uars@iu.edu with any questions.

Access the Closing an IU Account Instructions →

Reminder: Foreign Source Gifts, Contracts, and Revenue-Producing Activities

Please review the Foreign Source Gifts, Contracts, and Revenue-Producing Activities accounting standard which describes the reporting requirements for foreign source revenue.

Federal and state regulations require multiple reporting periods throughout the year, with upcoming reporting for State HEA 1179, Federal Section 117, and Federal CHIPS Act 10339B to be completed in June and July, respectively. 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 regulations. The standard also includes links to separate reporting templates for each reporting requirement. Please reach out to the Foreign Source Revenue Compliance group with any questions at

Review the Foreign Source Revenue Standard →

New Accounting Standards Account Stale and Negative Balances Standard

This new standard focuses on the account stale and negative balance review process and how it is conducted internally within Indiana University. The standard defines account stale and negative balances, what to look for when reviewing these balances as part of the closing procedures, and requirements and best practices related to this process. Please read the new standard and reach out to UARS at uars@iu.edu with any questions.

Review the Account Stale and Negative Balances Standard →

Fringe Benefits Standard

The Fringe Benefits Standard defines fringe benefits, provides examples of common fringe benefits, and offers guidance on the methodology for fringe benefit calculations at Indiana University. This standard must be followed when submitting a budgeting, planning, or internal rate submission document that includes funding for salaries, wages, and benefits. Please review the new standard and reach out to UARS at uars@iu.edu with any questions.

Access the Fringe Benefits Standard →

Payroll Timekeeping for Non-Exempt Employees Standard

Finally, this standard provides an overview of the role University Payroll, non-exempt employees, approvers, pay processors, and Fiscal Officers play in the timekeeping process. It details the timekeeping methods utilized at IU, requirements for non-exempt employees when recording their time worked, and the responsibilities of approvers, payroll processors, and FOs when reviewing hours worked and establishing proper procedures for recording and approving hours worked for non-exempt employees. Please review the new standard and reach out to UARS at uars@iu.edu with any questions.

University Tax Services

Non-Resident Alien Hiring Guidelines

Most international students are eligible for on-campus employment on an hourly basis or as Student Academic Appointees. However, they are not eligible for work-study opportunities, and F-1 and J-1 students can only work a maximum 20 hours per week. It is important to follow the Non-Resident Alien (NRA) hiring guidelines to ensure Indiana University does not jeopardize the student's immigration status, their eligibility for future visits to the U.S., ensures proper tax withholding and proper reporting to the IRS, and that our international reputation stays intact.

After a hiring decision has been made, ensure the below steps are taken:

1. **Talk to the student** to see if they are already working on campus, have completed their Foreign National Information System (FNIS) questionnaire, and have authorization to work in the U.S.
2. **Verify work status** via the Job Data query in HRMS. If there is an active record, verify if it should be active or request the assignment be ended by respective department.
3. **Complete the Hire eDoc**
4. **Student completes [FNIS](#)**
5. **Student monitors pay** to ensure proper taxes are withheld

If you are involved in hiring or onboarding new international employees, we recommend that you visit the [FNIS resource page](#).

Please reach out to the [Office of International Services](#) or [University Tax Services](#) with questions.

Payroll

Overtime Policy - Special Exceptions

Refresh yourself by reviewing PSOP 11.0 – Overtime Policy – Special Exceptions, which

outlines compensation procedures and the proper payroll codes for overtime work for BW1 and BWP staff.

[Access PSOP 11.0 →](#)

Other Updates

Financial Training & Communication Accountable Plan Webinars

It's not too late to register to attend an Accountable Plan webinar to learn about the policy changes being implemented July 1! Join the Training, Travel, and Tax teams for a webinar to learn the ins and outs of how these policy changes impact travel expenses, P-Card purchases, and non-travel out of pocket reimbursements.

[Register for a webinar →](#)

Purchasing Update: Sole Source Form and Procedure

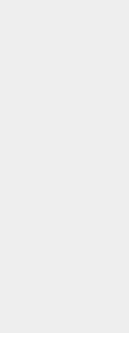

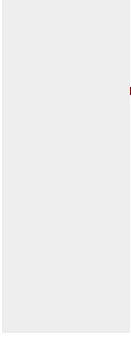
The Sole Source Exception Standard Operating Procedure (SOP) was recently updated. The new and improved SOP offers a clearer description of what a sole source is and the request and review process. The Sole Source Exception Request Form was also updated. Moving forward, every Exception Request requires an FO signature. Review the updated SOP, Exception Form, and new Sole Source Exception Request guide to get up to speed.

[Review SOP-PURCH-05: Sole Source Exceptions →](#)

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

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.



Indiana University
107 S. Indiana Ave
Bloomington, IN 47405