



Finance

**University Controller**

## UCO Fiscal Officer Newsletter

**Issue 52 | June 25, 2025**

**An Office of the University Controller (UCO) Publication**

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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](#).*

# Fiscal Year-End Updates

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## 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](#)

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## UCO Financial Closing Reports

To simplify the financial reporting process, a closing report center, UCO Financial Closing Reports, has been developed in DS.IU. This new report center has all UCO-required financial closing reports in one convenient location. If you have any issues running the reports, please contact UARS at [uars@iu.edu](mailto:uars@iu.edu) for assistance.

**Visit the UCO Financial Closing Reports →**

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## KFS Document Approval Deadlines

Certain KFS Financial Processing (FP) documents with ENROUTE status the evening of **Monday, June 30 at 10:00 p.m. EDT** will be auto disapproved.

Please refer to your departmental/campus deadlines which may be earlier than university-level deadlines.

### Auto Disapproved

Budget Adjustment (BA)

Distribution of Income and Expense (DI)

General Accounting Adjustment (GEC)

Internal Billing (IB)

Indirect Cost Adjustment (ICA)

Journal Voucher (JV)

Pre-Encumbrance (PE)

Service Billing (SB)

Transfer of Funds (TF)

Source System Distribution of Income and Expense (SSDI)

### NOT Auto Disapproved

Auxiliary Voucher (AV)

Cash Receipt (CR)

Non-Check Disbursement (ND)

Salary Transfer (ST)

Benefit Expense Transfer (BT)

Advance Deposit (AD)

Credit Card Receipt (CCR)

Cash Management (GMD)

Review tips for searching for ENROUTE documents by reviewing the [FY25 Year-End Close Reminders](#) document.

**Search for ENROUTE Documents in KFS →**

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## Clearing Account Balances

Please remember to review all clearing account balances and move transactions to their appropriate operating accounts prior to year-end. Clearing accounts (accounts that begin with "68") are designed to be a holding area for transactions when it is unclear which operating account is appropriate to use. A transaction may remain in a clearing account for up to 30 days.

Due to university-level accounting adjustments, **no entries are allowed in clearing accounts after Friday, July 11, 2025.**

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## 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 →**

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## 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](mailto: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.

## Accounting Updates

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### **University Accounting & Reporting Services (UARS) KFS Enhancement for Material Transactions**

An enhancement to the Kuali Financial System (KFS) will be implemented on July 1, 2025. A new tab titled "Material Transactions" will be added to select Financial Processing (FP) documents and will appear between the existing "General Ledger Pending Entries" and "Notes and Attachments" tabs.

The new "Material Transactions" tab will be added to the following document types:

- Advance Deposit
- Auxiliary Voucher
- Cash Receipt
- Distribution of Income and Expense
- Year-end Distribution of Income and Expense
- General Accounting Adjustment
- Year-end General Accounting Adjustment
- Internal Billing
- Non-Check Disbursement
- Service Billing

- Transfer of Funds
- Year-end Transfer of Funds

The “Material Transactions” tab consists of two fields. First, a required drop-down menu labeled “Process Narrative Status?” This field must be completed for any document with a total value equal to or exceeding \$5 million.

The drop-down includes three options:

1. Process Narrative on File
2. Process Narrative in Progress
3. No Process Narrative

If either “Process Narrative on File” or “Process Narrative in Progress” is selected, you must complete the “Process Narrative Number” field (e.g., UA-7.12-EFT).

This enhancement improves the documentation and oversight of material financial transactions within KFS.

If you have any questions regarding the new requirements, please contact UARS at [uars@iu.edu](mailto:uars@iu.edu). For questions about Process Narrative numbers, please contact [Maggie Harrell](#).

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## **New Accounting Standard Release of Payroll Information and Employment Verifications**

This new standard outlines the proper handling of payroll information releases and employment verification requests. The standard provides clear procedures for responding to both employee-initiated requests and requests from outside agencies, ensuring compliance with Indiana’s public records laws and university policy. It explains who is authorized to release specific types of information based on who is making the request and how the request is submitted.

Fiscal Officers should familiarize themselves with this standard to ensure their units follow proper procedures when payroll or employment verification inquiries are received. This new standard replaces PSOP 19.0. Please review the new standard and reach out to UARS at [uars@iu.edu](mailto:uars@iu.edu) with any questions.

**Visit the Release of Payroll Information and Employment Verifications Standard →**

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## **Recharge Accounting**

### **Billing Reversals for Non-Compliant Recharge Accounts**

Submissions for FY26 recharge rates were due to Recharge Accounting on April 1. The Office for Research Administration (ORA) will reverse non-compliant recharge/service centers starting on July 1. Please note, if a department is non-compliant because they do not have an established rate, they cannot bill in arrears. The recharge/service center can only bill for services provided on and after the date the rate was submitted to Recharge Accounting.

The FY26 rate setting template and instructions are available on the UCO website in the Reference Material Library. Search for "rate setting" on the Reference Material page to locate these resources. Please send all rate submissions to [rates@iu.edu](mailto:rates@iu.edu).

**Access the Reference Material Library →**

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## **Gift Accounting**

### **IU Foundation 1-to-1 Account Reimbursement Implementation**

The IU Foundation (IUF) Corresponding Account Number field in KFS should now be updated for the majority of KFS accounts that receive funds from IUF. Beginning in FY26, all IU Foundation reimbursements should be distributed to this linked 1-to-1 account.

Questions can be directed to your campus controller or to [Jenny Spors-Hill](#).  
Review the helpful links below to learn more about the 1-to-1 Project.

**Quick Start Guide to 1-to-1 IU-IUF Account Mapping →**

**IUF IU Account Management and Reimbursement Process FAQ Sheet →**

**IUF Purpose Group Definitions and Account Use Codes for 1-to-1 Project →**

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## **Payroll**

### **Termination Policy - Processing Procedures for Staff Employees**

Refresh yourself by reviewing PSOP 12.0 - Termination Processing Procedures for Staff



Employees, which outlines how to process staff leave plan and benefit payouts at time of termination, retirement, or transfer to a different paygroup.

**Access PSOP 12.0 →**

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## **University Tax Services Payments to Students**

At Indiana University, there are only four acceptable ways to provide funds to students. Please communicate the proper methods to your unit. This helps facilitate accurate treatment and reporting for both the student and the university. In order of prevalence of use, the methods are:

1. **Student Award:** Awards to support the student's direct education and education-related expenses should be paid through Student Information System (SIS). Generally, this includes scholarships/fellowships and grants.
2. **Services or Employment:** Compensation for services performed or employment should be paid through the Human Resource Management System (HRMS).
3. **Travel Reimbursement or Pre-Payment:** When a student travels on behalf of IU (for university business), for their own educational or developmental benefit, alone or as part of a group should be paid through Emburse Enterprise. When travel is not for IU business, funds provided are also recorded in the SIS.
4. **Check Request:** Rarely used. Unusual circumstances such as payment of a cash prize in a contest not restricted to students or non-IU students participating in IU programs with IU funding should be processed through BUYIU.

Additional guidance is available in the Student Payment Guidelines. Please direct any questions to the UCO [Contact Us](#) page.

**Review the Student Payment Guidelines →**

## **Other Updates**

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## **Financial Training & Communication Accountable Plan Webinar Recordings**

Did you miss out on the Accountable Plan webinars? No problem! Presentation slides and recordings of the Travel, P-Card, and Out of Pocket Reimbursement webinars are now available.

**Recordings and Slides →**

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### **New and Updated Courses Launch July 1**

The Training team is excited to launch two new training courses and an updated version of another to support the Accountable Plan policy changes. Every training will be available in Canvas and can be completed at the learner's own pace.

Travel arrangers and employees who complete their own expense reports in Emburse are encouraged to complete the Travel Expense Reporting course. This training covers the ins and outs of travel reconciliation and reimbursement.

P-Card Reconciliation is a new training meant for individuals who reconcile P-Card expenses. This course demonstrates the mechanics of completing P-Card reconciliations in Emburse, defining the purchase requestor, and resolving common issues.

Finally, the P-Card Essentials training will be updated to reflect the new reconciliation timing requirements, discuss card sign-out procedures, and defines the expectations of the purchase requestors.

Enrollment links to all these courses will be sent to The Loop newsletter list. Subscribe at the link below and contact the Training team at [estc@iu.edu](mailto:estc@iu.edu) with any questions about these new courses.

**Subscribe to the Loop →**

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### **Purchasing Reminder: Honoraria/Guest Speaker Changes**

Starting July 1, the object code 4535 may only be used on the Honoraria/Guest Speaker check request form. Similarly, the commodity code PRO16 will no longer be

allowable on requisitions that do not include an Honoraria/Guest Speaker check request form. The Honoraria check request form will also be updated to include an attestation that the new Honoraria/Guest Speaker Payee Certification Form has been attached to the BUY.IU document.

**[Access the updated Payee Certification Form](#) →**

**[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](mailto:uars@iu.edu).*

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