



**Chart of Accounts Maintenance SOP:** Chart of Accounts, Account (new account request and account maintenance / edit)

SOP Owner: Chart Manager, General Accounting

Version Number, Date Revised: #12, 05/2022

Date Implemented:

Approval(s):

## Standard Operating Procedure

### 1. Purpose

An account identifies a pool of funds assigned to a specific university organizational entity for a specific purpose. Accounts are the fundamental building blocks of KFS transactions, since one or more of them are always associated with a transaction. Account e-doc is used to create new accounts, or to edit or copy existing accounts. **Note:** Asset and liability activity in KFS will be processed on a pre-determined range of object codes, and the transactions are charged to operating accounts.

### 2. Scope

The intended audience is:

- Anyone who has a need to track financial activity at the university (Requestor)
- Person who starts the KFS Account e-doc (Initiator)  
**Note:** Requestor and Initiator could be the same person.
- Anyone in a Financial Transaction Center (FTC) / Business Service Center (BSC)
- Anyone with financial / budgetary responsibilities (at the college / division level and at a central level)
  - Budget director
  - Senior financial officer
  - Central accounting

### 3. Prerequisites (Forms / Tools)

- Access to KFS
- Training on KFS
- Account e-doc tutorial
- Understanding when / why it is appropriate to set up a new account
- Cornell-specific business rules: acceptable combinations of, for example: sub-fund and higher education function codes, as well as other account attributes (See: [Cornell-specific Business Rules for Account Setup](#); **note:** link provided is a temporary location and will be updated when a permanent location is established.)
- Clarification on permissions / roles



#### 4. University Policy

Current

- 3.1 [Accepting University Gifts](#) (**Note:** per policy, only authorized Alumni Affairs and Development staff members or their designees can accept gifts on behalf of the university.)
- 3.22 [Accepting Cash and Checks](#)
- 4.7 [Retention of University Records](#) [*see Scanning /Attaching, below*]
- 5.10 [Information Security](#)
- Petty Cash Policy
- Agency Policy
- Recharge Account Policy
- Fringe Policy
- Sponsored Account Policy

#### 5. Responsibilities

Personnel in the following roles / positions:

- Requestor (not a system role): *best practice recommendation:* to establish a paper trail, requests for new accounts should be e-mailed to the Initiator.
  - Initiator:
    - has financial expertise (i.e., has a financial role in his / her job title);
    - has access to the system;
    - has been authorized by Senior Finance Group as an Initiator;
    - can validate that the new account being set up (or current account being modified) is appropriate per Cornell business rules;
    - has the ability to provide 100% of the data required to successfully fill out and submit the Account e-doc; and
    - is the person who will respond to any follow-up questions.
- In cases where the Initiator and Requestor is not the same person, Initiator confirms that there is a valid business reason for account being requested, and that Requestor has the authority to make the request. *Best Practice recommendation:* Initiator should notify Requestor by e-mail when account is set up.
- Fiscal Officer / delegate (delegates: both primary and secondary):
    - Person who is responsible for final approval of the new account.

Gift- Note:

- AA&D will initiate the invested fund gift accounts. For LTIP gift accounts AA&D will enter a temporary holding income account in the Endowment Income Number field in KFS, an attribute of the account (G053000 will be used for UR income and G058000 will be used for TR income). The Endowment Income Number will be updated by General Accounting when the income account is approved.



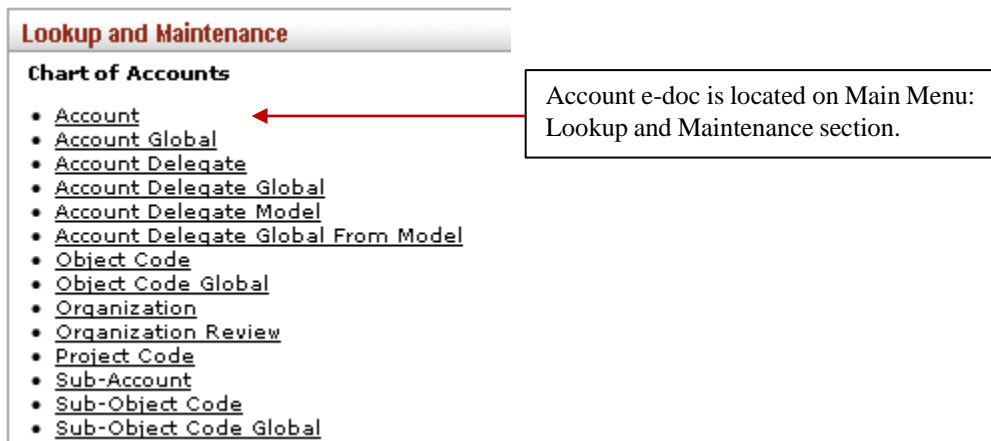
- AA&D will notify a designated person(s) within each college informing them that a new endowment has been received and a LTIP income account needs to be created.
- When the income account is initiated, the income account should be routed as an “Ad-Hoc Recipients”, as an FYI, to Bronwyn O’Brien (beo7). General Accounting (Bronwyn) will then update the temporary holding account with the new income account when it is approved in KFS. (FYI - the income account needs to be an existing KFS account before it can be entered in the Endowment Income Number field).
- Sub-fund reviewer (central role based on sub-fund of account requested): verifies all attributes and account information, and provides final approval; *see page 21, Workflow.*

*Best Practice recommendations:*

- If additional review is deemed necessary, ad hoc route as appropriate.
- If changes are made to the submitted Account e-doc at any point in the routing process, ad hoc route an FYI to the Initiator.

**Note:** KFS does not automatically set up delegation. *Best Practice recommendation:* when creating a new account, use an account delegation e-doc to set up delegation. [*See Account Delegate and Account Delegate Global SOPs for additional information.*]

## 6. Procedure



*Figure 1 – Chart of Accounts, Lookup and Maintenance e-docs*

Heading descriptions (for new accounts and modified accounts) should be written with KFS search functionality in mind. *Best Practice recommendation:* enter a description that is both concise and consistent. The following descriptions demonstrate wording that could be used when modifying an account:

- Attached back-up documentation, or
- Correct attribute for....
- Change fiscal officer.



### Scanning / Attaching

Original documentation can be scanned and attached to the e-doc. (Original documentation is defined as e-mails, memos, etc., that adequately supports the request.) **Note:** it is important to distinguish between necessary / relevant information and extraneous information.

*Best Practice recommendation:* attach relevant and specific information. Per policy, sensitive data must never be attached. *For additional information on scanning and attaching, see the Financial Processing Overview SOP.*

Document Overview, Notes and Attachments, Ad Hoc Recipients, and Route Log tabs are standard on most KFS e-docs; they will be covered in the “Basics” series of tutorials.

Account Lookup create new

Chart Code:	<input type="text"/>
Account Number:	10007*
Account Name:	<input type="text"/>
Organization Code:	<input type="text"/>
Responsibility Center Code:	<input type="text"/>
Reports To Organization Code:	<input type="text"/>
Reports To Chart Of Accounts Code:	<input type="text"/>
Account Type Code:	<input type="text"/>
Fund Group Code:	<input type="text"/>
Sub-Fund Group Code:	<input type="text"/>
Sub-Fund Program Code:	<input type="text"/>
Appropriation Account Number:	<input type="text"/>
Major Reporting Category Code:	<input type="text"/>
Fiscal Officer Principal Name:	<input type="text"/>
Account Manager Principal Name:	<input type="text"/>
Account Supervisor Principal Name:	<input type="text"/>
Closed?:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Both

2 items retrieved, displaying all items.

Actions	Chart Code	Account Number	Account Name	Organization Code	Responsibility Center Code	Reports To Organization Code	Account Type Code	Fund Group Code	Sub-Fund Group Code	Sub-Fund Program Code	Appropriation Account Number	Major Reporting Category Code	Fiscal Officer Name	Account Manager Name	Account Supervisor Name	Closed?	Account Create Date	Account Expiration Date
<span style="border: 1px solid red; padding: 2px;">edit copy IT</span>		1000710	1565 WILLSBORO IRRIGATN SYS 83-84	9131	NA	9001	CC	PL	PLCAPT				Abbott, Nancy J.	Abbott, Nancy J.	Skinner, Jeffrey Charles	No	04/05/1991	
<span style="border: 1px solid red; padding: 2px;">edit copy IT</span>		1000718	QUADRANGLE RESTORATION	9131	NA	9001	CC	PL	PLCAPT				Abbott, Nancy J.	Abbott, Nancy J.	Skinner, Jeffrey Charles	No	07/09/1991	

Figure 2 - Account Lookup (A tutorial that demonstrates “Lookup” functionality is available.)

### How to Initiate an Account e-doc:

#### 2. Create new

Choose Account e-doc from main menu. When the Account Lookup screen opens, use the **create new** button (found on the upper right-hand corner of the e-doc, as indicated in Figure 2, above). A new Account e-doc will open and the user will fill in all required fields and information, per the type of account you are creating.



The user can opt to fill in each field on an account e-doc, or, can use the attributes of an existing account to pre-fill the required fields for the new account (which then can be modified—see 3. below, for edit and copy information).

### 3. Edit or copy an existing account

Choose the Account e-doc from the main menu and use the Account Lookup to find the specific Account you need to edit or copy. A Search will return accounts with the option to either **edit** or **copy** the account. **Training Issue:** copying an account allows you to use an existing account as a template in order to create a new one. It is important to review attributes to confirm that they are appropriate to the new account requested.

The screenshot shows the 'Account Maintenance' section of a software interface. At the top, there is a header with 'Account' and a search icon. To the right, there are fields for 'Doc Nbr: 10001965', 'Status: INITIATED', 'Initiator: ddd', and 'Created: 11:45 AM 02/01/2011'. Below this is a 'Document Overview' section with fields for 'Description' and 'Org. Doc. #'. The main part of the interface is the 'Account Maintenance' section, which has two tabs: 'Old' (highlighted with a red box) and 'New' (also highlighted with a red box). Each tab displays a list of account attributes in a table-like format. The 'Old' tab shows attributes such as Chart Code (IT), Account Number (1000710), Account Name (1565 WILLSBORO IRRIGATN SYS 83-84), Organization Code (9130), Campus Code (IT - Ithaca), Account Effective Date (07/01/2010), Account Expiration Date, Account Postal Code (14853), Account City Name (ITHACA), Account State Code (NY), Account Street Address (B-22 MANN LIBRARY), Account Off Campus Indicator (No), Closed? (No), Account Type Code (CC - Contract), Sub-Fund Group Code (PLNIP), and Sub-Fund Program Code. The 'New' tab shows the same attributes but with some fields highlighted in light blue, indicating they are required or active for the new account.

Figure3 – Example: choosing edit or copy opens “Old / Original” and “New”

Whether or not you are creating new, editing, or copying, you will need to complete all fields in all tabs based on business rules for the type of account you are creating, copying, or editing.



**Account Maintenance tab:** Fields on this tab define the various account attributes used in the application of business rules for: transactions using the account, reporting options, approval routing, etc.

Account Maintenance ▼ hide

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**New**

* Chart Code:	<input type="text"/>
* Account Number:	<input type="text"/>
* Account Name:	<input type="text"/>
* Organization Code:	<input type="text"/>
Responsibility Center Code:	<input type="text"/>
Responsibility Center Name:	<input type="text"/>
* Campus Code:	<input type="text"/>
* Account Effective Date:	<input type="text" value="09/19/2014"/>
Account Expiration Date:	<input type="text"/>
* Account Postal Code:	<input type="text"/>
* Account City Name:	<input type="text"/>
* Account State Code:	<input type="text"/>
* Account Street Address:	<input type="text"/>
Account Off Campus Indicator:	<input type="checkbox"/>
Closed?:	<input type="checkbox"/>
* Account Type Code:	<input type="text"/>
* Sub-Fund Group Code:	<input type="text"/>
Sub-Fund Program Code:	<input type="text"/>
Appropriation Account Number:	<input type="text"/>
Major Reporting Category Code:	<input type="text"/>
Account Fringe Benefit:	<input checked="" type="checkbox"/>
Fringe Benefit Chart Of Accounts Code:	<input type="text"/>
Fringe Benefit Account Number:	<input type="text"/>
* Higher Education Function Code:	<input type="text"/>
* Account Restricted Status Code:	<input type="text"/>
Account Restricted Status Date:	<input type="text"/>
Endowment Chart Of Accounts Code:	<input type="text"/>
Endowment Account Number:	<input type="text"/>
Labor Benefit Rate Category Code:	<input type="text"/>

**Figure 4 - Account Maintenance tab** [note: maximum number of characters per field is indicated, where applicable, throughout the *Field Definition Tables* that follow]

**Table 1 Account Maintenance tab: field definitions**

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Chart Code	* Enter the code or search for it from the Chart lookup. There will be five KFS charts within the chart of accounts, but the Ithaca chart (IT) is the one most of campus will access and use. Data concepts are the same among the charts, but values like accounts and object codes may be different. The charts map at a high level for consolidated financial reporting.
Account Number	* Enter a unique value to identify a pool of funds assigned to a specific institution entity for a specific function. [7 characters]



Account Name	<p>* Enter the familiar title of a specific account [40 characters] Account names should be upper / lower case and without punctuation; avoid uncommon acronyms (if space allows).</p> <p>Naming conventions are: —For research project accounts, federal appropriation accounts, faculty discretionary accounts, gift / donor accounts: last name, first name, account purpose. —For gift / donor accounts with multiple or anonymous donors: purpose name(s). —For Contracts and Grants (C&amp;G) accounts: Agency Name, OSP #, Project short name. (If none of the above, use the main purpose of the account as the account name.)</p>
Organization Code	<p>* Enter the number for the organization to which the account belongs, or search for it from the Organization lookup. [4 characters] Each organization has a unique, alphanumeric, 4-character code. The first 2 characters are pre-assigned (e.g., 01XX - College of Agriculture and Life Sciences; 24XX - School of Hotel Administration; 42XX - Student and Academic Services); third and fourth characters will be assigned by the unit.</p>
Campus Code	<p>* Select the physical campus on which the account is located from the drop-down list, or search for it from the lookup.</p>
Account Effective Date	<p>* Enter the date that the account became effective (i.e., ready to accept transactions). [date format] <b>Training Issue:</b> an account may be used on financial transactions before its effective date. Sponsored Activity: The Account Effective Date is the agreement start date. If pre-award spending is approved, the account may still be utilized.</p>
Account Expiration Date	<p>Enter the date that the account expires (<b>note:</b> you can use the expiring account up to 90 days after it expires). Business rules on transactions may prevent the use of expired accounts or provide warnings when an expired account is being used; e.g., a system-generated prompt will ask whether or not you want to post to the continuation account or the expired account. <b>Training Issue:</b> date must be equal to or greater than the current date and cannot be before the Account Effective Date. If it is not blank, the continuation Chart of Accounts code and continuation account number are required. [date format] Sponsored Activity: The Account Expiration Date is the agreement end date. If the project is incrementally funded, the expiration date equals the budgeted period end date. Please see Attachment 1 for information on financial processing using expired account.</p>
Account Postal Code	<p>* Enter the postal code assigned by the U.S. Postal Service for the city where the account is managed, or search for it from the lookup. <i>Currently, information entered in this field is not validated.</i></p>
Account City Name	<p>* Enter the city where the account is managed. <i>Currently, information entered in this field is not validated.</i></p>



Account State Code	* Enter the code for the state where the account is managed, or search for it from the lookup. <i>Currently, information entered in this field is not validated.</i>
Account Street Address	* Enter the street address where the account is managed. [30 characters] <i>Currently, information entered in this field is not validated.</i>
Account Off Campus Indicator	Select the check box if the account activities occur off-campus; clear the check box if they do not. Select the check box if the ICR associated with the account reflects an off-campus rate (off-campus rates often differ from regular on-campus rates). Clear the check box if it does not. Do not check unless necessary for sponsored programs. For CG accounts, “Off Campus” is any activity that is performed at a location with neither the use nor aid of university-operated facilities, whether owned or leased. University operated means the university is responsible for the costs of maintenance, custodial services and utilities. For example, a field study involving an archaeological dig in the Adirondacks is off-campus; laboratory research performed at Oxford is off-campus; research at the university-owned and operated facility on Long Island is on-campus. <b>Generally, all locations in Tompkins County, NY are considered on campus.</b> Normal off-campus locations would be at distances where reasonable access to or use of university-owned and / or operated facilities is not feasible. Campus is left undefined to provide room for reasonable interpretation of the facts in each case. Occasional use of facilities away from the main campus will not, in and of itself, lead to designating a project as off- campus. For all other purposes this box should not be checked.
Closed?	Select the check box if the account is closed; clear the check box if it is open. <b>Note:</b> an account with pending entries cannot be closed and you cannot post to a closed account (an error message is generated). Closing an account is more permanent than expiring—no transactions can use a closed account, and a closed account can only be reopened by a system supervisor.
Account Type Code	* Select from the Account Type list, or search for it from the lookup. EN = Endowed CC = Contract Colleges MC = Weill Cornell Medical College CS = Consolidated Subs and Eliminations FS = Financial Statements
Sub-Fund Group Code	* Enter the code that relates an account to a fund (i.e., describes the source of funding for the account), or search for it from the Sub-Fund Group lookup. Examples are continuing education accounts, scholarships and fellowships, and general funds. [6 characters] Sub-Fund Group Code defines the type, purpose, or source of funds that are found in that account. It can also be used for reporting purposes and in defining business rules. Choices will be limited to a predetermined list.





Sub-Fund Program Code	An additional attribute that identifies the specific program providing the funds; example: Smith-Lever. This field is conditionally optional; it will be required based on sub-fund group. Choices will be limited to a predetermined list.
Appropriation Account Number	Use this field to add either a SUNY account number or a Federal Accession Number. An account will be associated with either a Federal or State appropriation account number, but not both. Appropriation Account Number is associated with Sub-Fund Group Code; if a Sub-Fund Group Code is not entered, a value cannot be entered in this field.
Major Reporting Category Code	Enable (a) preparation of FY13 financial budget (b) management and monitoring of in-year financial activity and fund balances (c) year-end reporting and, (d) pinpointing academic unit stress points and use of reserves. In order to effectively meet the above noted business objectives, colleges and central units (Provost, Budget Office) have a need to understand the scale of activities and fund balances that are controlled by various stakeholders including, but not limited to, those controlled by Deans, Departments, Faculty and Students. In addition there is a need to be able to identify what major activities these fund balances are earmarked for.
Account Fringe Benefit	Select the check boxes if this account allows fringe benefits charges; clear the check box if it does not. If the check box is not selected, a fringe benefits chart and fringe benefits account must be supplied to indicate where these charges should be posted (and fringe benefits account number must have been set up with the account fringe benefits code selected). When you establish an account, it automatically defaults to allow fringe benefits. Exceptions would be based on agreements. If the box is unchecked, you will need to provide a fringe benefits account. The rate is based on the attributes of the account and on the labor object code related to a person's appointment. There can be exceptions, such as external agreements that disallow fringe, in which case the default check box should be cleared and an account provided to which the benefits can be expensed. If, based on the attributes of the account, the fringe benefit rate is 0% (examples: Contract Colleges general purpose, designated, some restricted gift, state appropriations, and endowment earnings), it is not necessary to clear the check box and provide another account.
Fringe Benefit Chart of Accounts Code	Select the chart code for the fringe benefits account from the list, or use the lookup.
Fringe Benefit Account Number	Enter the account that accepts fringe benefits charges from the list, or use the lookup.



Higher Education Function Code	* Enter the code, if known, to classify the purpose of the account, or search for it from the Higher Education Function Code lookup. [4 characters] The code indicates whether the activities associated with an account are for purposes such as instruction, research, or outreach. This is a searchable field that will allow the user to choose the correct Higher Education Function Code from a predetermined set of selections. In those instances where multiple functions are being used within one account, select the function code that maps to the primary function. Whatever is selected needs to fit the description of the account. <i>(See Account Purpose Text field on page 16, Figure 6, Guidelines and Purpose tab)</i>
Account Restricted Status Code	* Select the account restricted status code from the list. This code indicates whether funds in the account are: T = Temporarily restricted (Including Sponsored gifts) R = Restricted U = Unrestricted If 'T' (Temporarily restricted), then an Account Restricted Status Date ( <i>below</i> ) is a required field. If the sub-fund associated with the account has a Restricted status code (R), the field pre-fills and is not editable.
Account Restricted Status Date	Required if the Account Restricted Status Code is 'T.' This date signifies when the funds are targeted to become unrestricted. [date format] If 'T' (Temporarily restricted), define a date for periodic review in order to ensure that the donor's restrictions are being enforced. <i>Best Practice recommendation:</i> there should be continuing oversight / review to ensure that the donor's intent is being met, or, whether or not the restrictions can be lifted. <b>Training Issue:</b> date entered should be 3 years out for temporarily restricted gifts and 10 years out for endowment income accounts. <b>Note:</b> the date in this field is not validated, and the status will not change when the expiration date is reached; it should be used as a review date.
Endowment Chart of Accounts Code	Select the COA code from the list (or search for it from the lookup) for the account designated to receive income generated from an endowment account or for the guarantee account for underwriting C&G accounts.
Endowment Account Number	Enter the account designated to receive income generated from an endowment account or the guarantee account for underwriting C&G accounts, or search for it from the lookup.



Labor Benefit Rate Category Code	<p>Defines the default benefit rate category code on the account maintenance document by account type.</p> <p>Account Type EN = Labor Benefit Rate Category of EN Account Type CC – Labor Benefit Rate Category of:</p> <p>CC: Contract College Benefits: 0% Fringe (Contract Colleges general purpose, designated, some restricted gift, state appropriations, and endowment earnings)</p> <p>FD: Contract College Fed Rates (Federal and Federal Flow Through Funding) NF: Contract College Non-Fed rate (NonFederal Funding)</p>
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**Account Responsibility tab:** The fields on this tab define the individual responsible for the account, as well as continuation account information and sufficient funds parameters.

Account Responsibility ▼ hide

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**New**

* Fiscal Officer Principal Name:	<input type="text"/> 🔍
* Account Supervisor Principal Name:	<input type="text"/> 🔍
* Account Manager Principal Name:	<input type="text"/> 🔍
Continuation Chart Of Accounts Code:	<input type="text"/> ▼ 🔍
Continuation Account Number:	<input type="text"/> 🔍
Income Stream Chart Of Accounts Code:	<input type="text"/> ▼ 🔍
Income Stream Account Number:	<input type="text"/> 🔍
* Budget Record Level Code:	<input type="text"/> ▼ 🔍
* Account Sufficient Funds Code:	<input type="text"/> ▼ 🔍
Transaction Processing Sufficient Funds Check:	<input type="checkbox"/>
External Encumbrance Sufficient Funds Indicator:	<input type="checkbox"/>
Internal Encumbrance Sufficient Funds Indicator:	<input type="checkbox"/>
Pre-Encumbrance Sufficient Funds Indicator:	<input type="checkbox"/>
Object Presence Control Indicator:	<input type="checkbox"/>

Figure 5 - Account Responsibility tab



**Table 2 Account Responsibility tab: field definitions**

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Fiscal Officer Principal Name	<p>* Enter the Cornell NetID of the individual who is responsible for the financial transactions of a particular account and ensuring that they are compliant with university policies and procedures, or search for it from the lookup. [10 characters]</p> <p>Default is the Financial Transaction Center (FTC) Director who works in conjunction with College / Division Business Officer to define delegation for their unit. <b>Note:</b> FO cannot be the same person as the account supervisor.</p>
Account Supervisor Principal Name	<p>* Enter the Cornell NetID of the account supervisor, or search for it from the lookup. The supervisor oversees the management of the account at a higher level than the FO, but rarely receives any direct requests for action from KFS. [10 characters]</p> <p><b>Note:</b> account supervisor cannot be the same person as the FO or the account manager.</p> <p>This individual is not part of the workflow, but will receive an FYI when an account is established or changed. Typically this role might be assigned to the departmental financial manager. <i>Best Practice recommendation:</i> account supervisor should not be establishing accounts; however, in order to maintain consistency within the organization, account supervisor must understand how accounts should be established and attached to organizations</p>



<p>Account Manager Principal Name</p>	<p>* Enter the Cornell NetID of the individual who is responsible for ensuring that:</p> <ul style="list-style-type: none"> <li>• funds are spent and managed according to the goals, objectives, and mission of the organization;</li> <li>• funds are being spent according to a budgeted plan; and</li> <li>• the allocation of expenditures is appropriate to the function identified for the account.</li> </ul> <p>[10 characters] For research accounts or faculty discretionary accounts, this is the faculty member responsible for the activity. For non-sponsored / non-faculty discretionary accounts, this is the individual who is responsible for financial oversight of the account within and across the organization.</p> <p>Account manager cannot be the same person as the account supervisor.</p> <p><b>Note:</b> reporting access is granted to the Account Manager. Faculty members who are the Account Manager on an account, or are named as the primary C&amp;G Project Director on an award, will automatically be assigned the “Faculty Researcher” role, which includes access to the GL Dashboard, Labor Dashboard, and Research Dashboard for all accounts on which they are named. <i>For additional information on the C&amp;G Project Director and Award Project Director, see the Contracts and Grants Overview (includes Award and Proposal) SOP.</i></p>
<p>Continuation Chart of Account Code</p>	<p>Optional unless the account has an expiration date, in which case it is required. Enter the chart code for the account that accepts transactions being processed on the account after the account expiration date, or search for it from the lookup.</p>
<p>Continuation Account Number</p>	<p>Optional unless the account has an expiration date, in which case it is required. Enter the account that accepts transactions that are being processed on the account after the account expiration date, or search for it from the Account lookup. [7 characters]</p> <p>A continuation account is required for each account established with a termination date; however, for Contracts &amp; Grants, Gift, and Federal Appropriation account’s you can use the account up to 365 days after it expires. <b>Note:</b> Please see Attachment 1 for information on financial processing using expired account.</p> <p>The continuation account number can be changed at any point in time up to the life of the account. When the account is inactivated (per the “Closed?” check box on the Account maintenance tab), review the selected continuation account to ensure that it is not a closed account. <i>Best Practice recommendation:</i> establish a default department account number to handle transactions that may post to a closed account; clear it every month.</p>



Income Stream Chart of Accounts Code	Optional. Select the chart of accounts for the income stream account from the chart list, or search for it from the lookup. Parameters control when the income stream chart of accounts code and income stream account number are required.
Income Stream Account Number	<b>*Still under review-2016*</b> Select the chart of accounts for the income stream account from the chart list, or search for it from the lookup. Parameters control when the income stream chart of accounts code and income stream account number are required; currently this is only required on Federal Appropriations (APFEDL). [7 characters] Income Stream Account is used to identify where funds are coming from; in the C&G module, it is the Contract Control Account. ( <b>Note:</b> best practices and business rules will be defined and added to this SOP when budget module analysis is complete.)
Budget Record Level Code	* From the Budget Record Level list, select the code that indicates how the account is recording its budget. <b>Training Issue:</b> currently, O = Object Code is the only valid choice.
Account Sufficient Funds Code	* Select the code that indicates at what level the account is going to be checked for sufficient funds in the transaction processing environment. Sufficient funds checking can restrict expenditures made on the account based on the balance indicated. <b>Training Issue:</b> Cornell is not currently requiring this code; select <b>N - No Checking</b> .
Transaction Processing Sufficient Funds Check	Select the check box if sufficient funds check should be performed on the account; clear the check box if not. <i>Currently, Cornell will not be validating this field. Selecting the check box does not control whether or not sufficient funds check will be performed.</i>
External Encumbrances Sufficient Funds Indicator	<i>This functionality does not currently exist. Selecting the check box does not control the inclusion or exclusion of accounts from sufficient funds calculation.</i>
Internal Encumbrances Sufficient Funds Indicator	<i>This functionality does not currently exist. Selecting the check box does not control the inclusion or exclusion of accounts from sufficient funds calculation.</i>
Pre-Encumbrance Sufficient Funds Indicator	<i>This functionality does not currently exist. Selecting the check box does not control the inclusion or exclusion of accounts from sufficient funds calculation.</i>
Object Presence Control Indicator	Select the check box to indicate that the account uses object presence control; clear the check box if it does not. Object presence control requires that an object code be budgeted for the account before it can be used on an actual or encumbrance transaction. <i>Currently, Cornell will not be utilizing this functionality. Selecting the check box does not indicate an account's object presence control.</i>



**Guidelines and Purpose tab:** The fields in this tab collect text descriptions that provide details relating to the type of expenses that should be charged to the account, the source of its income, and the account’s overall purpose. These fields are not used for reporting or linking purposes; they are intended to be informational only. *Best Practice recommendation:* avoid uncommon acronyms.

Figure 6 – Guidelines and Purpose tab

**Table 3 Guidelines and Purpose tab: field definitions**

Field Name	Description (* indicates a required field)
Account Expense Guideline Text	Required unless the account expiration date is before the current date. Enter text describing the type of expenditures that take place in the account. (It should also explicitly state those expenditures that are unallowable in the account.) Enter a clear description of budget and program restrictions, including donor intent, where applicable. C&G will utilize this field in the Contract Control Account to denote restrictions or unallowable expenditures based on terms and conditions. This field will be copied when departments establish project related accounts. Example: (for non-sponsored accounts)—expenses in this account can only be used to fund graduate scholarships for student majoring in program X. Only expenses that directly relate to these scholarships can be charged against this account. Expenditures include: stipend, tuition, fees, health insurance, and expenses related to thesis research.
Account Income Guideline Text	Required unless the account expiration date is before the current date. Enter the text describing the types of income (source of funds) that take place in the account. This field will be used to share information about where the funds are coming from. It should also explicitly state those revenues that are unallowable in the account. Income in this account can only be transferred from an endowment fund. Other revenue for sales or services is not allowed in this account. For example, in C&G accounts, income is based on agreements such as a Letter of Credit or invoice. A non-sponsored account example would be: “Income in this account can be transferred only from an endowment fund. Other revenue for sales or services is not allowed in this account.”



Account Purpose Text	<p>* Enter text that provides an informative description of the overall purpose of the account and the function it supports. Description should be understandable to even those individuals who do not have direct knowledge of the account. Example: This account has been established to fund graduate scholarships for students majoring in “X” program. Sponsored Activity: Office of Sponsored Programs Project Number (OSP #) and title of project.</p>
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**Account Description tab:** Contains optional information relating to the physical location of the account.

Figure 7 – Account Description tab

**Table 4 Account Description tab: field definitions**

*Field Name* *Description (\* indicates a required field)*

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Campus Description	Recommendation: do not use this chart element: leave blank. Do not utilize for any other purpose.
Organization Description	Recommendation: do not use this chart element: leave blank. Do not utilize for any other purpose.
Responsibility Center Description	Recommendation: do not use this chart element: leave blank. Do not utilize for any other purpose. ( <b>Note:</b> Responsibility Center Description may be used at the institutional level when work on the budget model and associated budget allocation process is finalized.)
Building Campus Code	<p>Required if the sub-fund group code identifies the account as an account related to construction of a building (as defined by the parameter CAPITAL_SUB_FUND_GROUP); otherwise not allowed. Select from the Building Campus Code list the code that uniquely identifies the campus for the building construction or improvement project represented by the account.</p> <p>The functionality in the Capital Asset Management System (CAMS) module uses this information to capitalize construction-related costs.</p>
Building Code	<p>Required if the sub-fund group code identifies the account as an account related to construction of a building (as defined by the parameter CAPITAL_SUB_FUND_GROUP); otherwise not allowed. The building code, along with the building campus code, identifies the campus and building for the construction or improvement project represented by the account.</p> <p>The functionality in the Capital Asset Management System (CAMS) module uses this information to capitalize construction-related costs.</p>





**Contracts and Grants tab:** If establishing a C&G account, these fields allow you to define how the account automatically generates and distributes indirect cost. The tab also collects information about any control account that might be related to this account, and the CFDA number field categorizes grants for audit purposes. These fields are required if the account is identified as a C&G account by its Fund Group or Sub-Fund Group.

Figure 8 – Contracts and Grants tab

**Table 5 Contracts and Grants tab: field definitions**

Field Name	Description (* indicates a required field)																						
Contract Control Chart of Accounts Code	Required if the fund group code or sub-fund group code identifies the account as a C&G account, otherwise not required. Select the Code for the Chart of Accounts that the Contract Control Account Number belongs to, or search for it from the lookup.																						
Contract Control Account Number	Required if the fund group code or sub-fund group code identifies the account as a C&G account, otherwise not required. An account can be referenced as its own control account. The Contract Control Account Number is the primary spending authority account (main account) for a contract that has been assigned multiple accounts in the system. This is the account that most financial reporting is based on. It represents more fully than any other the full functionality of the project and its corresponding expenditures and revenues.																						
Account Indirect Cost Recovery Type Code	Required if the fund group code or sub-fund group code identifies the account as a C&G account; otherwise not allowed. This code identifies a certain set of object codes that are excluded from indirect cost charges. <b>Required for Sponsored (C&amp;G), Federal Appropriation, and Gift Accounts</b>																						
	<table border="1"> <thead> <tr> <th>Indirect Cost Recovery Type Code</th> <th>Indirect Cost Recovery Type Name</th> </tr> </thead> <tbody> <tr> <td>00</td> <td>No Indirect Costs</td> </tr> <tr> <td>01</td> <td>Total Direct Expenses</td> </tr> <tr> <td>02</td> <td>Excluding Tuition &amp; Capital</td> </tr> <tr> <td>05</td> <td>Excluding Tuition &amp; Fees</td> </tr> <tr> <td>08</td> <td>Excluding Capital Equipment</td> </tr> <tr> <td>10</td> <td>Indirect Cost on Salary &amp; Benefits Only</td> </tr> <tr> <td>22</td> <td>Standard Modified Total Direct Cost Excl</td> </tr> <tr> <td>25</td> <td>Restrctd Gift Excl: Transfr, GRA, Stud Aid</td> </tr> <tr> <td>35</td> <td>Standard Modifiers - DOD Cap</td> </tr> <tr> <td>FI</td> <td>Fixed Indirect Expense</td> </tr> </tbody> </table>	Indirect Cost Recovery Type Code	Indirect Cost Recovery Type Name	00	No Indirect Costs	01	Total Direct Expenses	02	Excluding Tuition & Capital	05	Excluding Tuition & Fees	08	Excluding Capital Equipment	10	Indirect Cost on Salary & Benefits Only	22	Standard Modified Total Direct Cost Excl	25	Restrctd Gift Excl: Transfr, GRA, Stud Aid	35	Standard Modifiers - DOD Cap	FI	Fixed Indirect Expense
Indirect Cost Recovery Type Code	Indirect Cost Recovery Type Name																						
00	No Indirect Costs																						
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05	Excluding Tuition & Fees																						
08	Excluding Capital Equipment																						
10	Indirect Cost on Salary & Benefits Only																						
22	Standard Modified Total Direct Cost Excl																						
25	Restrctd Gift Excl: Transfr, GRA, Stud Aid																						
35	Standard Modifiers - DOD Cap																						
FI	Fixed Indirect Expense																						



Indirect Cost Rate ID	<p>Required if the fund group code or sub-fund group code identifies the account as a C&amp;G account, otherwise not allowed. Enter the cost recovery rate relative to direct costs spent in a particular fiscal year on C&amp;G that covers the cost of indirect expenses (such as light, heat, central administration, etc.) that cannot be directly allocated to any particular sponsored project but nonetheless are real costs incurred by the institution as a result of participating in the sponsored project.</p> <p>Required for gift accounts. For gift accounts, the standard rate ID is 810 (10%) or 000 (0%). Rate ID's available for Gifted funds begin with 8.</p> <p><b>Required for Sponsored (C&amp;G), Federal Appropriation, and Gift Accounts</b></p>
CFDA Number	<p>Required if funding is federal or federal flow through. Enter the Catalog of Federal Domestic Assistance number used to identify the account associated with a Federal A-133 audit, or use the lookup.</p>
CG Account Responsibility ID	<p>A numeric representation of the responsible workgroup. Each number identifies a workgroup within Sponsored Financial Services (SFS). <a href="http://www.dfa.cornell.edu/accounting/topics/sponsoredfinance/sourcecontacts.cfm">http://www.dfa.cornell.edu/accounting/topics/sponsoredfinance/sourcecontacts.cfm</a></p>
Invoice Frequency Code	<p>Choose the invoice frequency from the drop-down list; e.g., quarterly, monthly, scheduled. Sponsored Financial Services is responsible for indicating the appropriate invoice frequency related to Contract and Grant activity.</p>
Invoice Type Code	<p>Choose the invoice type from the drop-down list; e.g., Agency, Electronic, NYSSTD. Sponsored Financial Services is responsible for indicating the appropriate invoice type related to Contract and Grant activity.</p>
eVerify Indicator	<p>The box should be checked when the account activity needs to comply with the requirement to review employment eligibility of individuals paid on U.S. government contracts. This is a federal reporting requirement for funds received under the American Recovery and Reinvestment Act (ARRA), and primarily affects research-related funding. Defaults to unchecked; check if applicable.</p>
Cost Share for Project Number	<p>In instances of grant-to-grant cost sharing, a project account is used instead of a cost share Sub-account. This account attribute identifies the Project Number (OSP Number) of the agreement for which the project account is contributing expenses.</p> <p>For additional information on accounting for cost share, refer to <a href="#">Cost Share Sub-account SOP</a></p>



**Indirect Cost Recovery Account tab:** If establishing a Contract & Grant, Federal Appropriation or Gift Account, these fields define the account(s), and percentage, that receive indirect cost recovery. Effective 11/2014, the Account Line Percent accommodates the 2% return of indirects for sponsored awards carrying an indirect cost rate of at least 25%. It is expected that the Account Line Percent of a sub-account will be consistent with the Account Line Percent of the account.

The screenshot shows a web form titled "Indirect Cost Recovery Accounts" with a "hide" button. Below the title is a section for "New Indirect Cost Recovery Account". The form contains the following fields:
 

- Indirect Cost Recovery Chart Of Accounts Code:** A dropdown menu with a search icon.
- Indirect Cost Recovery Account Number:** A text input field with a search icon.
- Account Line Percent:** A text input field.
- Active Indicator:** A checkbox that is currently checked.

 At the bottom right of the form is an "add" button.

Figure 9– Indirect Cost Recovery Account Tab - required fields for Contract & Grant, Federal Appropriation and Gift accounts.

**Table 6 Contracts and Grants tab, required fields for Contract & Grants, Federal Appropriations, and Gift Accounts: field definitions**

Field Name	Description (* indicates a required field)
ICR Chart of Accounts Code	Once the Sub-account type Code is selected for EX, the ICR Tab attributes default to the account’s ICR attributes and must be modified if applicable. Select the chart associated with the account to which the ICR revenue is applied.  <b>Required for Sponsored (C&amp;G), Federal Appropriation, and Gift Accounts</b>
ICR Account Number	Once the Sub-account type Code is selected for EX, the ICR Tab attributes default to the account’s ICR attributes and must be modified if applicable. Enter the account to which indirect cost revenue should be applied, or use the lookup. (7 characters) The ICR Account receives indirect cost recovery funds. Refer to Attachment 2: Indirect Cost Recovery Account Matrix. <b>Required for Sponsored (C&amp;G), Federal Appropriation, and Gift Accounts</b>
Account Line Percent	Once the Sub-account type Code is selected for EX, the ICR Tab attributes default to the account’s ICR attributes and must be modified if applicable. The Account Effective 11/2014: Line Percent accommodates the 2% return of indirects for sponsored awards carrying an indirect cost rate of at least 25%. It is expected that the Account Line Percent of a sub-account will be consistent with the Account Line Percent of the account. <b>Required for Sponsored (C&amp;G), Federal Appropriation, and Gift Accounts</b>
Active Indicator	Select the check box if the Account line percent is inactive; clear if it is active.



### Business Rules for Closing an Account

- You must select an account closed indicator
- Account expiration date must be the current date or earlier.
- A continuation account number must be provided. (*See page 13 “Continuation Account Number” field definition for additional information.*)
- The account must meet all of the following criteria:
  - expires on or before the current date
  - has no budget balance
  - has no pending ledger entries
  - has no pending labor entries
  - has no open encumbrances
  - has no asset, liability, or fund balances other than the fund balance object code defined for this account’s chart, and the process of closing income and expense into fund balance must take the fund balance to zero.
- Only a system manager user role can reopen a closed account.



**Workflow**

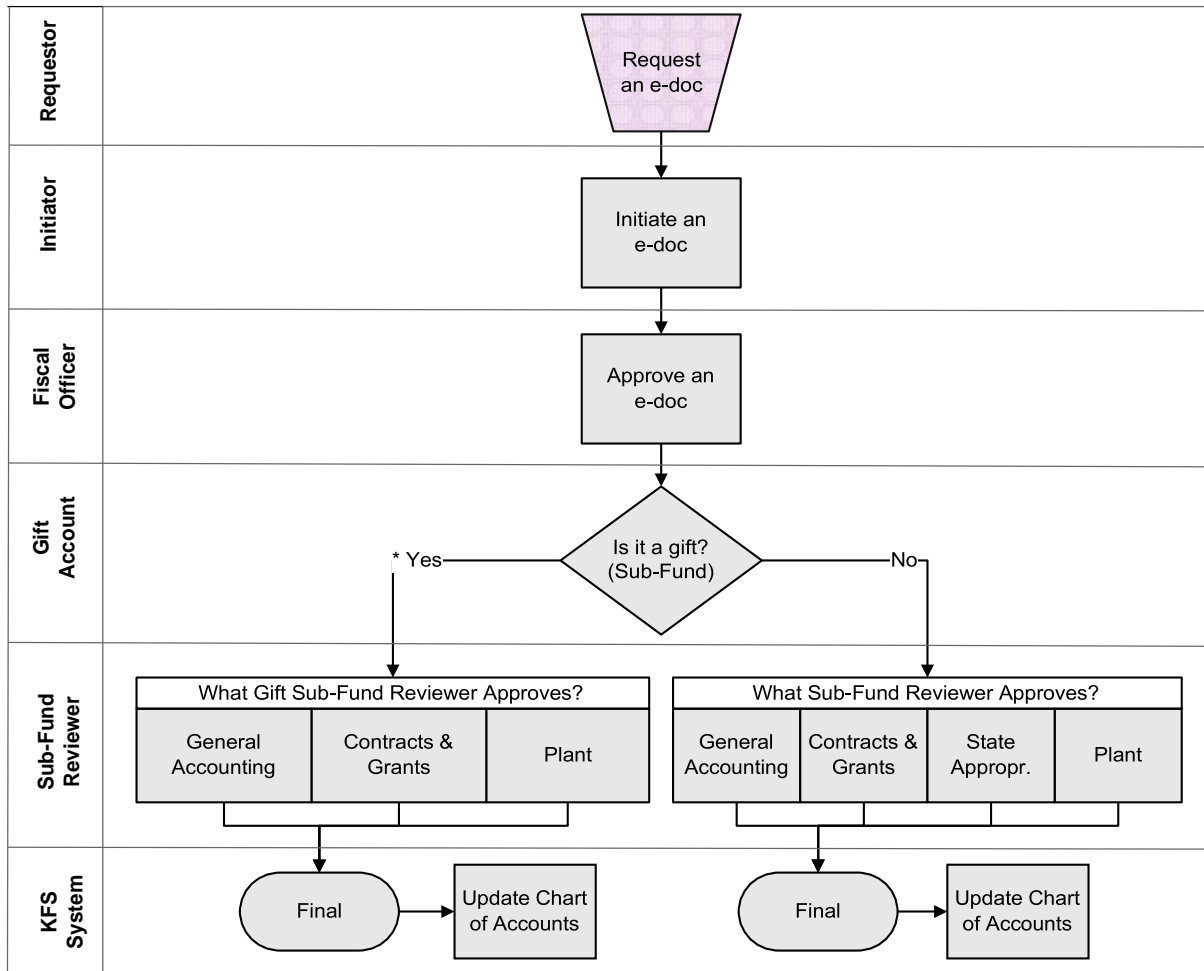


Figure 10 – Account e-doc workflow

\* AA&D is responsible for ensuring that gifts are legitimate and restrictions are appropriate. See University Policy, 3.1 [Accepting University Gifts](#) (on page 2 of this SOP).

**7. Definitions**

[KFS at CU: Chart of Accounts](#) [KFS at Cornell Glossary](#)  
[Old World / New World, Definitions, Helpful Information](#)

**8. References**

KFS at CU: [Chart of Accounts](#) (includes valid values) KFS at CU: [Chart of Accounts, Organizations](#) Account e-doc (tutorial)  
New Account Request Approve / Disapprove (tutorial)



## Attachment 1 Financial Processing Using an Expired Account:

### **Expiring Accounts require a continuation account:**

Accounts in KFS are required to have a continuation account when they have an expiration date, or as the account is closed. For contract and grant accounts, which are based on a specific period of performance and therefore incorporate an expiration date, a continuation account is required at the creation of the account. It can be difficult at the project's inception to determine where activity should be directed after it is complete. Therefore, we recommend the use of a default continuation account based on college, department or section. As the account is closed, the continuation account can be updated as necessary. Please note that all activity referencing the project's account number should be updated at the close of the project and if that occurs, posting to a continuation account (and subsequent reconciliation) will be minimized.

### **Financial Processing utilizing expired accounts:**

Accounting lines that are created utilizing an expired account will prompt a "warning" to the user. While closed accounts cannot be used in an accounting document, an account that has passed its expiration date but which is not closed *can* be used. If a user wishes to continue processing the e-doc with an expired account they will be required to override the account. The warning should also serve as a reminder to confirm the activity is within the performance period of the agreement.

Contract and Grant accounts have 90 days from the expiration date to close out activity. (This is a system generated parameter.) Keep in mind though that there may be terms and conditions within the agreement requiring activity to be finalized sooner than 90 days and furthermore, university policy requires financial activity to be completed within 30 days prior to the final financial report due date. All of these together will ensure that we are timely in meeting financial contractual obligations.

### **Posting to a continuation account:**

While a financial e-doc can utilize an expired account, if the activity is beyond the expiration date for general funds the activity will post automatically to the continuation account during the nightly batch process. If the activity is beyond 90 days from the expiration date for a Contract and Grant account the activity will post automatically to the continuation account. There are certain e-docs that are exceptions and may post to an expired account. At this time, this includes Payment Requests (KFS Invoices for Purchase Orders). This is parameter driven and may be updated as necessary. Systematic feeds should not post to an expired account and during the nightly batch process will post automatically to the continuation account.



## Attachment 2: Indirect Cost Recovery Account Matrix

Please see the latest version at <https://www.dfa.cornell.edu/sites/default/files/indirect-cost-recovery-account-matrix.pdf>