



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

SOP Owner: Chart Manager, General Accounting

Version Number, Date Revised: #5, 09/2014

Date Implemented:

Approval(s):

Standard Operating Procedure

1. Purpose

Sub-accounts are an optional part of the accounting string that allows departments and units to track financial activity within a particular account at a finer level of detail. Sub-accounts can be utilized to help track income and expenses when several different activities are funded by the same account. Budgets, actual activity, and encumbrances can be tied to a Sub-account within an account.

Departments and units will create and maintain their own Sub-accounts, which can have up to five alphanumeric characters that are meaningful to them. Sub-accounts take on most of the attributes of the account to which it reports, including fiscal officer, account supervisor, account manager, sub-fund group, and higher education function code.

The Indirect cost rate can be unique to the Sub-account. Example: CG Sub-accounts:

Participant Support	0% Indirect Cost
Fabrication Activity	0% Indirect Cost

Activity in Sub-accounts can be reported separately or combined under the main account.

They are designed to meet the individual reporting needs of departments and units. Sub-accounts can have the same Sub-account number across different accounts (as the same value, but not the same Sub-account; they are not related in any way other than that they have the same number).

Balance lookups now have a consolidation option that allows you to exclude all sub accounts. Remember that this view will not accurately reflect the total account balance but only include transactions where no Sub-account was used.

2. Scope

The intended audience is:

- Anyone who has a need to track financial activity at the university (Requestor)
- Person who starts the KFS Sub-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 [see: Account e-doc tutorial and Account e-doc SOP]
- Familiarity with the Sub-account e-doc
- Understanding when / why it is appropriate to set up a new Sub-account
- Cornell-specific business rules: acceptable combination of sub-fund, higher education function code, and any other account attributes
[Cornell-specific Business Rules for Account setup](#) (temporary location; this SOP will be updated when a permanent link is established for this information)
- Clarification on permissions / roles

4. **University Policy**

There is no legacy Sub-account functionality, so there is no current policy.

5. **Responsibilities**

Personnel in the following roles / positions:

- Requestor: this is not a system role. *Best Practice*: to establish a paper trail, e-mail the request for the new Sub-account 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 SFG as an Initiator;
 - can validate that the new Sub-account being set up (or current Sub-account being modified) is appropriate per CU business rules;
 - has the ability to provide 100% of the data required to successfully fill out and submit the Sub-account e-doc.
 - is the person who will respond to any follow-up questions.

In cases where the Initiator and Requestor are not the same person, Initiator confirms that there is a valid business reason for the Sub-account requested and that the Requestor has the authority to make the request.

Best Practice recommendation: when Initiator sets up the sub-account for the Requestor, notify the Requestor by e-mail.

- Fiscal Officers (FO)
 - Person who is responsible for final approval of the new account.



Note: any reference to a FO in this document is understood to include delegates.

Training Issue: you cannot delegate by Sub-account.

Best Practice recommendation: if additional review is deemed necessary, ad hoc route as appropriate.

Cost Share Sub-account Training Issue:

There are special considerations related to the creation of a Cost Share (CS) Sub-account (See [Cost Share Sub-account SOP](#) for additional information.)

6. Procedure

Lookup and Maintenance

Chart of Accounts

- [Account](#)
- [Account Global](#)
- [Account Delegate](#)
- [Account Delegate Global](#)
- [Account Delegate Model](#)
- [Account Delegate Global From Model](#)
- [Object Code](#)
- [Object Code Global](#)
- [Organization](#)
- [Organization Review](#)
- [Project Code](#)
- [Sub-Account](#)
- [Sub-Object Code](#)
- [Sub-Object Code Global](#)

Sub-account e-doc is located on Main Menu: Lookup and Maintenance section.

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

kuali
financial systems

[Provide Feedback](#)

12/14/2009 02:32 PM (Oracle9i)

Main Menu Maintenance Administration

Logged in User: rld46 [login](#)

Sub-Account Lookup [?](#) [create new](#)

* required field

Chart Code:	<input type="text"/>
Account Number:	<input type="text"/>
Sub-Account Number:	<input type="text"/>
Sub-Account Name:	<input type="text"/>
Active Indicator:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both
<input type="button" value="search"/> <input type="button" value="clear"/> <input type="button" value="cancel"/>	

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



Examples of when to create new Sub-account:

- Endowment income: main account Use Sub-accounts for tracking expenses separately (i.e., an individual's expenses or fellowship awards). **Note:** how the implementation of the Quali Endowment Module will affect this proposed usage needs to be analyzed.
- Faculty research: main account Use Sub-accounts for faculty's research needs.
- Athletics: main account Use Sub-account to track expenses for individual sports and to track expenses for men's hockey / women's hockey, separately (per Title IX).
- Travel: main account Use Sub-accounts for each person who travels. (Note: to track different types of travel, you would use a sub-object code.)
- Conference: main account Use Sub-accounts for individual conferences.
- Department instruction funds: main account Use Sub-accounts for different classes / sections.
- Animal Hospital: main account Use Sub-accounts for services, such as nutrition, cardiology, dentistry, etc.
- Animal Laboratory: main account Use Sub-accounts to track by species.

Use Sub-account to:

- Separate asset / liability charges
- Differentiate taxes, both payroll and state
- Identify different student organization accounts within a department

Scenarios:

Cornell Outdoor Education is an Athletics account; use Sub-accounts for each COE sport: hiking, skiing, biking, etc.

Vet College establishes accounts by building (e.g., Snyder Hill or ECRF). Sub-accounts are used for species; i.e., canine, equine (and can be tracked in greater detail by utilizing FRC).

Note: Sub-accounts can be used across accounts and can be used to track subcontract components.

In some cases, using a Sub-account might be preferred over a sub-object code. Sub-accounts can be used to help track expenses when several **different activities** may be **funded by the same account**. A sub-object code would be appropriate for finer tracking of a specific type of expense.

Create New Sub-account tab

Heading descriptions (for new Sub-accounts and modified Sub-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 creating or modifying a Sub-account:

- Attached back-up documentation
- Create new Sub-account for
- Changed information in [a specific] tab / field



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.

Document Overview tabs are the only required tabs on the e-doc.

For sponsored sub-accounts, if the sub-account requires a different indirect cost rate, the ICR rate attributes must be changed to reflect the appropriate rate, otherwise, indirect costs will calculate based on the account’s indirect cost rate.

If you are establishing a cost share Sub-account, consult the [Cost Share Sub-account SOP](#) for procedural information.

Figure 3 – Create new Sub-account (Document Overview Tab)

Edit Sub-account Code

Note: if you are **not** establishing a cost share Sub-account, then the Edit Sub-Account Code and Document Overview tabs are the only required tabs on the e-doc. If you are establishing a cost share Sub-account, consult the [Cost Share Sub-account SOP](#) for procedural information

Figure 4 – Edit Sub-account Code tab



Table 1 Edit Sub-account Code tab: field definitions

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Chart Code	* Enter the chart code associated with the main account, or search for it from the 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 the account number on which you want to create the Sub-account, or search for it from the Account lookup. If you want to use the same Sub-account code on several accounts, you need to process an additional e-doc for each additional account on which you want to use that Sub-account.
Sub-account Number	* Enter the number / code to define the Sub-account. This is the code to be entered in the Sub-account field of the Accounting Lines tab on financial documents as well as in searches and reports. (up to 5 characters)
Sub-account Name	* Enter the long descriptive name. This name appears on the Accounting Lines tab in financial documents as well as in searches and reports. (40 characters) To be populated with a descriptive name that provides differentiation from the account name. Sub-account names should appear in the proper (upper / lower) case and without punctuation; avoid uncommon acronyms.
Active Indicator	Select the check box if the Sub-account is active; clear if it is inactive.
Sub-account Type Code	Select the code to indicate the purpose of the Sub-account from the Sub-account Type list. EX (Expense) indicates that this is a Sub-account to be used to segregate budget and actuals on an account. CS (Cost Share) indicates that this is a Sub-account that is used to track cost share expenses on a C&G account. Training Issue: The Sub-account Type defaults to EX. If a Cost Share Sub-account is required, use Type CS otherwise expenses will be associated with the sponsor's funding. (See Cost Share Sub-account SOP)



Document Overview hide

Document Overview

* Description:	create new sub-account for animals	Explanation:
Org. Doc. #:		

Edit Sub-Account Code hide

Original		New Copy	
Chart Code:	IT	Chart Code:	IT
Account Number:	4023803	Account Number:	4021832
Sub-Account Number:	111	Sub-Account Number:	112
Sub-Account Name:	All Animals / Miscellaneous	Sub-Account Name:	All Animals / Miscellaneous
Active Indicator:	Yes	Active Indicator:	Yes
Sub-Account Type Code:		Sub-Account Type Code:	EX

Figure 5 – Edit Sub-account, example

Edit Financial Reporting Code tab

This Financial Reporting Code tab is optional but can be used to associate this Sub-account with a Financial Reporting Code. The associated reporting code could then be retrieved via decision-support tools. **Note:** how the FRC will be utilized is currently under analysis.

Edit Sub-Account Code show

Edit Financial Reporting Code hide

New

Financial Reporting Chart Code:	<input type="text"/>	
Financial Reporting Org Code:	<input type="text"/>	
Financial Reporting Code:	<input type="text"/>	

Edit CG Cost Sharing show

Figure 6 – Edit Financial Reporting Code tab

Table 2 Edit Financial Reporting Code tab: field definitions

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

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Financial Reporting Chart Code	Enter the chart code associated with the organization that owns the assigned financial reporting code, or search for it from the lookup.
Financial Reporting Org Code	Enter the code for the organization that owns the assigned financial reporting code, or search for it from the lookup. (up to 10 characters)
Financial Reporting Code	A unique financial reporting code that may be used as an attribute of sub-account for reporting. This optional attribute only exists at the Sub-account level, and provides flexible assignment and reporting within and across organizations, as well as allowing consolidation of Sub-accounts within or across existing organization structures. Multiple Sub-accounts can utilize the same FRC code.



Edit CG Cost Sharing tab

This tab is only required if the sub-account type code value has been set to CS

Figure 7 – Edit CG Cost Sharing tab

Table 3 Edit CG Cost Sharing tab: field definitions

Field Name	Description (* indicates a required field)
Cost Sharing Chart of Accounts Code	The chart associated with the cost share (funding) account assigned to the sub- account from the Chart list.
Cost Sharing Account Number	The account number that bears the cost share expenses applied to the cost share Sub-account. (i.e. the funding account)
Cost Sharing Sub-Account Number	The Sub-account number on the cost share account to which the cost share expenses should be applied. If Sub-account number is not entered, cost share expenses are applied directly to the cost share account, with no Sub-account assigned.

Edit CG ICR tab

This information determines how indirect cost is calculated for expenses applied to the Sub-account. If an EX Sub-account is created on a C&G Account, the ICR information will be pre-populated based on the account’s ICR data. Revising the rate information prompts the eDoc to route automatically to the individual overseeing the project within Sponsored Financial Services.

Figure 8 – Edit CG ICR tab



Table 4 Edit CG ICR tab: field definitions

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Indirect Cost Rate ID	<p>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.</p> <p>Identification number for the combination of a particular ICR and the distribution of revenue and expense associated with that rate. This allows a single rate to be associated with multiple distributions of the revenue to ICR accounts and / or unrestricted accounts.</p>
ICR Type Code	<p>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.</p> <p>Select the type code that defines what type of direct costs that generate indirect costs on the Sub-account, or use the lookup.</p>
Off Campus Indicator	<p>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.</p> <p>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.</p> <p>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. Generally, all locations in Tompkins County, NY are considered on campus. 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.</p>



Indirect Cost Recovery Accounts ▼ hide

New Indirect Cost Recovery Account

Indirect Cost Recovery Chart Of Accounts Code: ▼ 🔍

Indirect Cost Recovery Account Number: 🔍

Account Line Percent:

Active Indicator:

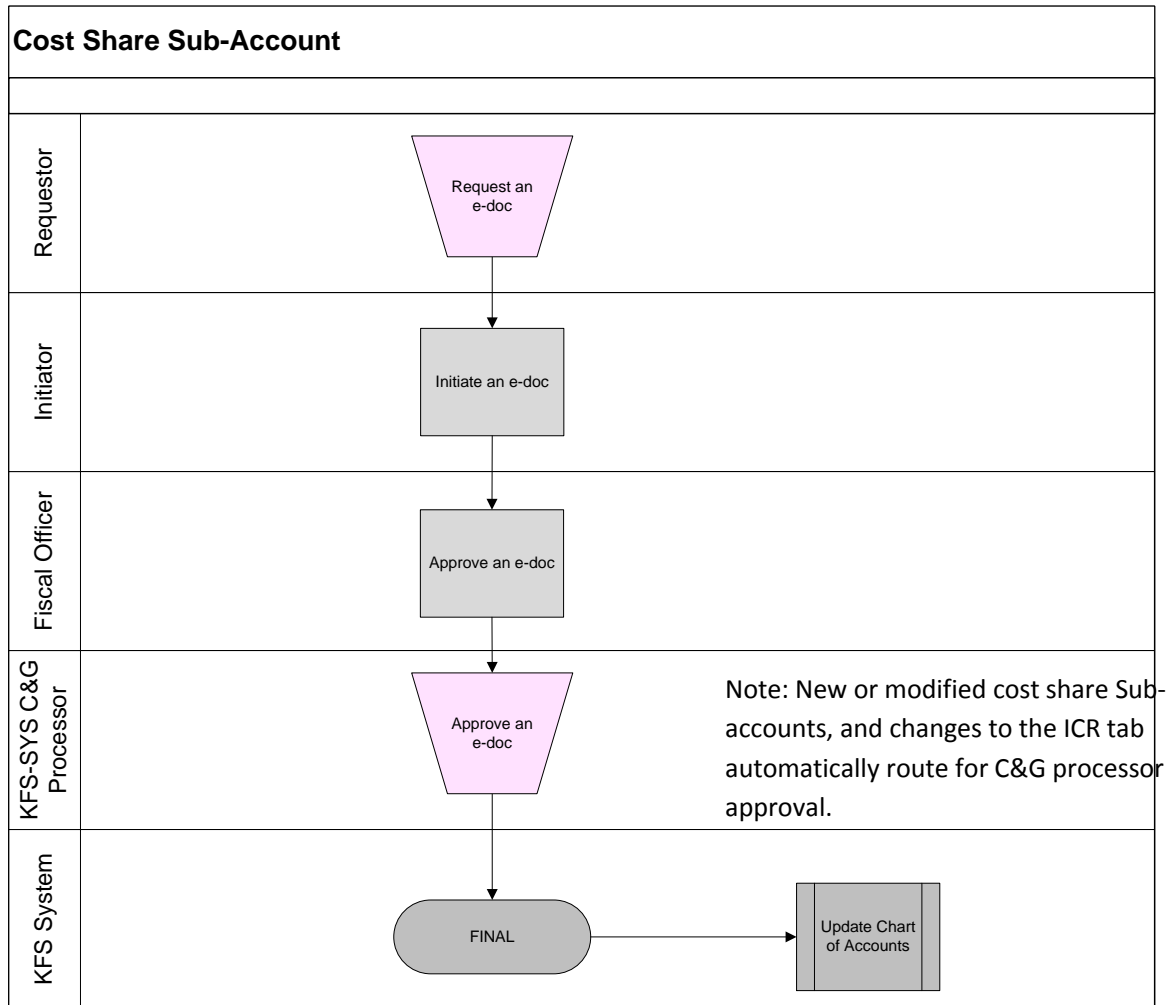
Figure 9 – Edit CG ICR tab

Table 5 Edit CG ICR Accounts tab: field definitions

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.
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.
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.
Active Indicator	Select the check box if the Account line percent is inactive; clear if it is active.



Workflow



7. Definitions

[KFS at Cornell Glossary](#)

[COA Old World-New World](#) (a comparison of Legacy / KFS)

[KFS Acronym Glossary](#)

8. References

[KFS at CU: Accounts](#)

[KFS at CU: Sub-accounts](#)

[KFS, Chart of Accounts, Account e-doc tutorial](#)

[KFS, Chart of Accounts, Sub-account e-doc tutorial](#)

[SOP, Account](#)

[SOP, Sub-account](#)