

FINANCIAL INFORMATION SYSTEM

Transaction Processing

Distribution of Income/Expense Document

Financial Documents Group

**Financial Management Support Department
INDIANA UNIVERSITY**



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The Distribution of Income/Expense Document

SECTION A. Basic Information

The Distribution of Income/Expense (DI) document allows for the reallocation of income and expense. The document is on-line and routing is electronic and reviewable. Upon approval, the transactions will be reflected overnight in the general ledger and thus available for reporting purposes.

1. WHAT IS IT?

The Distribution of Income/Expense document is used to distribute income or expense, or assets and liabilities. Amounts being distributed are usually the result of an accumulation of transactions that need to be divided up between various accounts.

2. WHY IS IT USED?

The DI is used to move the income or expense, or assets and liabilities from a holding account to one or more appropriate account(s) when one account has incurred expenditures or received income on behalf of one or more account(s).

3. WHO USES IT?

Account managers and support staff, department, responsibility center, and campus administration staff are typical users of the DI. Each account manager's or delegate's approval is required. Additional approvals may be established within the review hierarchy.

4. WHEN IS IT USED?

The DI is used when the income/expense or assets/liabilities must be distributed to another account or accounts or to sub accounts or sub object codes. Specifically, this distribution can be:

- from one account to another account
- from one account to multiple accounts
- from multiple accounts to one account
- from multiple accounts to multiple accounts
- from an account to sub accounts
- from one sub account to other sub accounts
- from one object code to another object code
- from one object code to sub object codes
- from one sub object code to other sub object codes

NOTE: Do NOT use the DI to distribute salary, wages, or benefits. The DI will NOT accept compensation object codes. Use the Salary Expense Transfer and Benefit Expense Transfer documents instead.

5. HOW IS IT USED?

In the TP system, the DI document looks like this:

The DI document is composed of three zones:

The Document Information Zone

This zone is composed of two sections. The information in the first half of the zone is similar to that of other TP documents (see the chapter on “Getting Started” for field requirements). The

information that goes in the “Departmental Information” section is used by the department for its own record keeping purposes and varies from document to document.

The “From” Zone (decreases amounts)

Chart	Account	Object	Amount
<input type="checkbox"/>			

Total: 0.00

ROUTE
BALANCE

This zone automatically decreases the income or expense associated with the object code entered.

- the use of an income code decreases the income line (i.e., it debits income)
- the use of an expense code decreases expense lines (i.e., it credits expense)
- no negative amounts are allowed

“To” Zone (increases amounts)

Chart	Account	Object	Amount
<input type="checkbox"/>			

Total: 0.00

NOTES
Sub.Acct
RECUR ENTRV

This zone automatically increases the income or expense associated with the object code entered.

- the use of an income code increases the income line (i.e., it credits income)
- the use of an expense code increases expense lines (i.e., it debits expense)
- no negative amounts are allowed

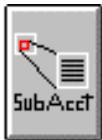
NOTE: Once you have entered an object code in the “Object” field, double clicking on the number will access an inquiry screen. You may check the object type to make sure that you have the correct code (i.e., “IN” for income or “EX” for expense).

Field Requirements

The following table provides a breakdown of field requirements specific to this document:

<u>Field Name</u>	<u>Title & Description</u>	<u>Other information</u>
Description	Description This field requires the user to provide a brief description of the distribution of income/expense. The description from this field will be printed on the monthly standard report.	Up to forty alphanumeric characters. Required.
Org Ref #	Organization Reference Number This field provides a reference number for the department or organization initiating the document.	Up to eight alphanumeric characters. Optional.
Explanation	Explanation This field allows the initiator to provide justification for the distribution, and to meet external and internal auditing requirements. Please see <i>Section B</i> for specific requirements.	Up to four hundred characters. Double-click on empty field for an expansion window. Double-click on filled-in field to see the complete text in the expansion window. Required.
Chart	Financial COA Code This code identifies the chart of accounts for an account. It is part of the primary key.	Two characters. This field is automatically generated when a valid account number is entered in the account field. Required.
Account	Account Number This number is an identifier for a pool of funds assigned to a specific university division, for a specific function.	Seven alphanumeric characters. Double-click on empty field for look-up screen. Double-click on filled-in field for more information about that account number. Required.

<u>Field Name</u>	<u>Title & Description</u>	<u>Other information</u>
Object	Financial Object Code This field provides a specific classification identifier used in a particular financial transaction.	Four characters. Double-click on empty field for look-up screen. Double-click on filled-in field for more information about that object code. Required.
Amount	Amount This field provides the amount of the transaction referenced on an individual line of the "From" or "To" zones.	Up to twelve numbers, including two numbers separated by a decimal point. Negative numbers are not allowed. Required.
Total	Total This field provides the total amount for the transactions listed within a zone.	Up to twelve numbers, including two numbers separated by a decimal point. Negative numbers are not allowed. Required.



When income or expense needs to be distributed to an existing sub account (or sub accounts), sub object codes, or projects associated with an account, placing the cursor on the accounting line you wish to distribute and then clicking on the "Sub Account" button will access the "Sub Accounting Distribution" window.

The fields for the “Sub Accounting Distribution” screen are as follows:

<u>Field Name</u>	<u>Title & Description</u>	<u>Other information</u>
COA	Financial COA Code This code identifies the chart of accounts for an account. It is part of the primary key.	Two characters. This field is system retrieved when a valid account number is entered in the account field. Display only.
Account	Account Number This is an identifier for a pool of funds assigned to a specific university division, for a specific function.	Seven alphanumeric characters. This field is system retrieved. Display only.
Sub Account	Sub Account Number This is an identifier specified by the account manager to further break down the distribution of income/expense. Reports to the account.	Five alphanumeric characters. Click on down arrow for a lookup screen. Optional.
Object	Financial Object Code This field provides a specific classification identifier used in a particular financial transaction.	Four characters. This field is system retrieved. Display only.
SubObj	Sub Object Code This is an identifier for further breakdown of the object code. Reports to the object code.	Three alphanumeric characters. Optional.
Project	Project This field tracks individual projects or specific items across an account or several accounts, units or RCs.	Six/ seven alphanumeric characters. Optional.
Reference	Reference This is an additional reference field for any further information that needs to be added to the document.	Eight characters. Optional.
Amount	Amount This field provides the amount of the transaction referenced on an individual line of the “From” or “To” zones.	Up to fifteen characters, plus two characters separated by a decimal point. Negative numbers are not allowed. Required.

6. DOCUMENT RULES AND RESTRICTIONS

- the document must contain data in both the **FROM** and **TO** zones
- the total of the **FROM** and **TO** zones must balance
- Restrictions on object code sub-type use:

Object codes with the following object sub-types are prohibited on this document:	To perform transactions involving these object codes and object sub-types, use the following document:
FR Fringe Benefits	Benefits Expense Transfer
SW Salaries and Wages	Salary Expense Transfer
LD Loss on Disposal of Assets	CAMS Documents
OP Other Provisions	Accrual Voucher
MT Mandatory Transfers	Transfer of Funds
TF Transfer of Funds	Transfer of Funds
TN Transfers - Generic	Transfer of Funds
BU Budget Only Object Codes	Budget Adjustments
CA Cash	Journal Voucher*
FB Fund Balance	Journal Voucher*
	NOTE: The Journal Voucher* is used by FMS staff only. If this type of transaction needs to be corrected, please contact the FMS Help Desk at (812) 855-0375, or email FMSHELP@INDIANA.EDU .

- Transactions (income and expense; assets or liabilities) **must** balance. FIS will check and prompt the initiator if the transaction does not balance.
- Offsetting entries to 8000 (cash) and 9899 (fund balance) object codes are automatically generated “behind the scenes” by the system.

7. EXAMPLES OF ITS USE

Example 1: To distribute expense from a holding account to individual accounts in other departments

Situation	Steps	Results
The travel department purchases all airline tickets via a central credit card and pays the card bill via a cash account	<p>“From “zone: enter account number, object code, and total amount to be transferred from clearing account</p> <p>“To” zone: enter account numbers, object codes, and amounts to which the expense will be transferred.</p>	Credit expense/debit expense

NOTE: In the example below, line 1 in the “To” zone cannot be seen since each of the zones can only show two lines at a time. However, the scroll bar at the right of the “To” zone indicates that there are more than two lines of data available. Use the scroll bar to maneuver between lines.






After the document has been routed, you can use the “Zoom” function under the “Actions” menu to see up to eleven lines of data. To zoom in on a zone, the cursor must be resting on a line in that zone.

From (Decrease)

	Chart	Account	Object	Amount
1	UA	6812777	5099	1,825.00
<input type="checkbox"/>	CLEAR	TRMS TRAVEL PERIPHERAL		EXP CLEARING N
				Total: 1,825.00

To (Increase)

	Chart	Account	Object	Amount
2	BL	2923220	6100	875.00
<input type="checkbox"/>	ROFDS	ARSD GRAD STUDENT TRAVEL		DOMESTIC TRA N
3	IN	1292083	6100	500.00
<input type="checkbox"/>	GENFND	LART LIBERAL ARTS TRAVEL		OTST TRVL N
				Total: 1,825.00

Results of transaction in General Ledger

Origin Code: 01 Document Nbr: KL9482496							
Seq #	Chart	Account	Obj	Bal Typ	Obj typ	Amount	DB/CR
1	UA	6812777	5099	AC	EX	1,825.00	C
2	UA	6812777	8000	AC	AS	1,825.00	D
3	BL	2332920	6100	AC	EX	450.00	D
4	BL	2332920	8000	AC	AS	450.00	C
5	BL	2923220	6100	AC	EX	875.00	D
6	BL	2923220	8000	AC	AS	875.00	C
7	IN	1292083	6100	AC	EX	500.00	D
8	IN	1292083	8000	AC	AS	500.00	C

Explanation of the Results

The result of the above transaction, which can be found by double-clicking on the “org ref #” field in the document header once the transaction has been initiated (to access this pending ledger entry display), is as follows:

- line 1 represents the credit entry to the distributed expense
- lines 3, 5, and 7 represent the debit entries to the correct expense






Lines 2, 4, 6 and 8 represent cash offsets and are automatically generated “behind the scenes” by the system.

- a debit to the 8000 object code represents an increase to cash
- a credit to the 8000 object code represents a decrease to cash

Example 2: To distribute expense from a general account to two separate accounts within the same department

Situation	Steps	Results
The School of Business has a mail room that meters mail for both the Business Finance area and the Business Development area. The mail charges are initially paid from a general Business account.	<p>“From” zone: enter account number, object code, and amount of the charge currently residing in the general Business account.</p> <p>“To” zone: enter the account numbers, object codes, and amounts for the areas of the Business School that are responsible for the mail charges.</p>	This distributes expense from the general accounts to the specific accounts (credit expense/debit expenses).

From				
	Chart	Account	Object	Amount
1	BL	1036200	4300	4,387.66
<input type="checkbox"/>	GENFND BUS	BUSINESS		POSTAGE N
<input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/>				Total: 4,387.66
To				
	Chart	Account	Object	Amount
1	BL	1036900	4300	2,525.68
<input type="checkbox"/>	GENFND BUS	BUSINESS-DEVELOPMENT OFFI		POSTAGE N
2	BL	1036250	4300	1,861.98
<input type="checkbox"/>	GENFND BUS	BUSINESS-FINANCE		POSTAGE N
<input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/>				Total: 4,387.66

Results of transaction in General Ledger

Seq #	Chart	Account	Obj	Bal Typ	Obj typ	Amount	DB/CR
1	BL	1036200	4300	AC	EX	4,387.66	C
2	BL	1036200	8000	AC	AS	4,387.66	D
3	BL	1036900	4300	AC	EX	2,525.68	D
4	BL	1036900	8000	AC	AS	2,525.68	C
5	BL	1036250	4300	AC	EX	1,861.98	D
6	BL	1036250	8000	AC	AS	1,861.98	C

Explanation of the Results

The result of the above transaction is as follows:

- line 1 represents the credit entry to the distributed expense
- lines 3 and 5 represent the debit entry to the correct expenses

Lines 2, 4 and 6 represent cash offsets and are automatically generated “behind the scenes” by the system.

- the debit to the 8000 object code represents an increase to cash
- the credit to the 8000 object code represents a decrease to cash

8. ROUTING/APPROVAL

Account managers or delegates of all “FROM” and “TO” accounts **must** approve the Distribution of Income and Expense. Additional approvals may be established within the review hierarchy.

SECTION B: Additional Requirements

DI Justification (documented in the “Explanation” field)

- All distributions require a justification.
- The justification establishes and maintains the audit trail required for State, Federal, agency, and IU reporting requirements.

Justification Requirements

- A justification **must** provide a full explanation of why the distribution is being made. The initiator of the transaction should provide this justification in the “Explanation” field (in the “Document Information” zone). Additional justifications may be added as needed by transaction approvers in a note (to add a note to a document double-click on the note button and click on the “New Note” button).
- For *Contract and Grant* accounts the justification **must** verify that the expense was incurred in support of the project, i.e. the person worked on the project in the case of contractual services or that materials were consumed on the project in the case of supplies. It must reference past document numbers.

Equipment Justifications

- Capital Assets Management requires the purchase order information in order to inventory equipment, which is necessary to create a capital asset. Required information for this purchase includes: purchase order numbers; tag number; asset number; and prior document number, if applicable.

Fee Remission Justifications

Fee Remission justifications **MUST** list:

- full name
- SS #
- time period

DI CHAPTER SUMMARY

Summary

The Distribution of Income/Expense document (DI) allows for the electronic reallocation of income or expense.

It consists of three zones:

- the document information zone
- the **FROM** zone (decreases amounts)
- the **TO** zone (increases amounts)

Overview of DI document Requirements

- Prohibited object codes

Fringe Benefits	Cash
Salaries and Wages	Loss on Disposal of Assets
Mandatory Transfers	Other Provisions
Transfer of Funds	Budget Only Object codes
Transfers - Generic	

A justification for the distribution is required for the audit trail. Enter the justification in the “Explanation” field in the document information zone. Additional comments added after document creation can be inserted in the notes section.

If you have specific questions about the DI document that are not covered here, please contact the FMS Help Desk at 812/855-0375 or email fmshelp@indiana.edu.