The presentation will begin soon.
Katrina Yoakum
Financials Project Director
Comptroller’s Office
University of Kansas
• Overview of systems and modules included in FST project
• Chart Field Changes
• Cash vs. Accrual accounting
  • Why change from Cash to Accrual
  • What’s the Difference?
  • Revenue & Receivables
  • Expenses & Payables
  • Capital Assets
  • Other Central Accruals
• Questions/Contact
Financial Systems Transformation (FST) Project:

Core Transactional Systems

- Planning and Budgeting Cloud Services (PBCS)
  - Budget preparation
  - Scenario planning for non-grant funds

- Streamlyne
  - Proposal preparation & tracking
  - S2S proposal submission

- Financials in the Cloud (FITC)
  - AR/Billing
  - Payments
  - Budget transfers
  - Requisitions/POs

- Concur
  - P-Card reconciliation
  - Travel authorizations
  - Travel expense reimbursements

Reporting Systems

- Business Intelligence Tools
  - Scenario planning and forecasts
  - Grant & non-grant budget status
  - Salary forecasting of active positions at the position level
SYSTEMS OVERVIEW

Core Transactional Systems

- Planning and Budgeting Cloud Services (PBCS)
- Streamlyne
- Financials in the Cloud (FITC)
- Concur

Reporting Systems

- Business Intelligence Tools

What it replaces

- NIBS, UBUD & BCP
- Cayuse 424
- PeopleSoft FSKU & KUPPs
- PeopleSoft FSKU
- BudCast & DEMIS Financials
SYSTEMS OVERVIEW

**Planning and Budgeting Cloud Services (PBCS)**
- PBCS Planning
- PBCS Management

**Streamlyne**
- Proposal Preparation and Routing
- Proposal Submission
- Sponsored Contract Negotiation

**Financials in the Cloud (FITC)**
- Departmental Accounts Receivable and Billing (DARBI)
- Procure to Pay (P2P)
- Assets
- Grants
- General Ledger (GL)

**Concur**
- Expense

**Business Intelligence Tools**
- Oracle Analytics Cloud (OAC)
- Oracle Essbase Cloud Services (ECS)
University benefits

• Modernizing systems
• Simplifying future upgrades
• Ensuring timely updates
• Lowering overall licensing costs
• Opportunity to review and standardize business processes
Help Resources

• Financial Systems Resource Center – MyCommunity Site
  *(Available Late November)*
  • Links to systems
  • Forms
  • Training Materials
  • [https://kansas.sharepoint.com/teams/fsrcts/Home.aspx](https://kansas.sharepoint.com/teams/fsrcts/Home.aspx)

• FST Website – fst.ku.edu

• Initial Hands On Training – End of November through January
  • Sign up through HR Learning Management System MyTalent

• After Go-Live Opportunities – Go-Live is Dec 4th
Chart Field Changes

• What’s Staying the Same?
  • General Structure & Hierarchy
    • Funds
    • Primary & Secondary ARSP
    • Appropriations & Cost Centers
    • Project
    • Chart Field 1
    • Reimbursable Field (Funds 720, 721, 725 & 925)
Chart Field Changes

What’s Changing?

Account Values being restructured to match the State and best practices

<table>
<thead>
<tr>
<th>Field</th>
<th>Today</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td>Begins with 1</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td>Begins with 2</td>
</tr>
<tr>
<td>Net Position</td>
<td></td>
<td>Begins with 3</td>
</tr>
<tr>
<td>Revenue</td>
<td>Begins with 2</td>
<td>Begins with 4</td>
</tr>
<tr>
<td>Expenses</td>
<td>Begins with 1</td>
<td>Begins with 5</td>
</tr>
</tbody>
</table>

Crosswalk Matrix of old to new accounts will be available on Financial Systems Resource Center (MyCommunity)
What’s the difference?

**Cash Accounting:** Recognize revenues when cash is received and expenses when cash is paid.

**Accrual Accounting:** Recognize revenues when earned and expenses when incurred.

- Better matches the expenses to the related revenues.
Why change from Cash to Accrual?

- **Financial Reporting**
  - Improved reporting for Executive Leadership & Departments
  - Process efficiency

- **System Interfaces**
  - Process efficiency
Revenue & Receivables

**Cash Accounting** – Recognize revenues when cash is received.

**Accrual Accounting** – Recognize revenues when earned, which may also involve recording a receivable if cash has not yet been received. Once cash is received, the receivable is eliminated the cash is recorded.

**Example:** Tuition – earned at the start of each semester regardless of cash flow.
Revenue & Receivables

**KU Examples:**

- Sponsored billing
- Departmental billing
- Receivable Aging Reports (new reports)
- Allowances for write-offs (new processes)
Expenses & Payables

**Cash Accounting** – Record invoices and the related expense once cash is paid to vendor.

**Accrual Accounting** – Accrue for invoices when they are received with a payable. Reduce the payable once it is paid.

**Example:** Supplies or service purchase

- **NOTE:** Encumbrance DOES NOT EQUAL accrual
Capital Assets

**Cash Accounting** – Recognize expense when cash is paid to vendor.

**Accrual Accounting** – Expense is capitalized (moved from income statement expense to balance sheet asset) and depreciated over estimated useful life (usually straight line).

**Example:** Equipment purchase
Other Central Accruals

**Examples:**

- Investments
- Long Term debt and interest
- Bond premiums/discounts
- Net asset presentation
- Affiliate transactions
Summary – Accrual Accounting

**Accrual Accounting:** Recognize revenues when *earned* and expenses when *incurred*.

- Better matches the expenses to the related revenues.

**Biggest Changes:**
- Accounts Receivable & Timing of Revenue
- Equipment Purchases
Katrina Yoakum

kyoakum@ku.edu
FINANCIALS IN THE CLOUD - DARBI

TOWNHALL
Deb Carter
SSC Manager
CAO-SSC
University of Kansas
• Overview of FITC – DARBI
• Benefits
• Mid-level overview of Billing, Deposits, and Reports
• Overview of accounting code changes
• Where you will find additional information
Financials in the Cloud (FITC) – DARBI

• What it is?
  • KU currently does not have a way to track campus-wide accounts receivable to report to the state.
  • DARBI (Departmental Accounts Receivable & Billing) is the first centralized receivable and billing module for KU.
  • Billing invoices and deposits will be processed in DARBI.
  • DARBI replaces the SOV module and the departmental deposits module.

• Who will use it?
  • All departments will participate if they bill for goods or services
  • Finance related staff, including SSCs, anyone who shops/pays for products or services, bills for items or services

• How is it accessed?
  • By logging into FITC via a computer using KU single sign-on. Link to FITC available on Financial Systems Resource Center MyCommunity site

• Which department supports it? Who is the lead?
  • KU Comptroller’s Office – Interim Comptroller, Karen Banning
  • KUCR Fiscal Affairs – Executive Director of the Division of Fiscal Affairs and CFO of KUCR, Gina Cregg
Benefits Of DARBI

• Billing processes
  • Consistent and efficient billing process
  • Standardization of billing requests will result in less errors
  • Transparent billing process

• Consistent AR Management
  • Increased oversight of outstanding AR

• Separation of duties of staff
  • Billers
  • Receipt handlers
Billing Information

• All Departments will participate if they currently sell goods or provide services to customers
• Billing units (department name) will be listed on invoices
• New terminology
  • Transaction Type = Billing Unit = Department Name
  • Legal Entity - UKANS, KURES
  • Business Units –
    • KUINT
    • RSINT
• System will accommodate for internal and external customer rate structure
Workflow

1. Department sells goods or services
2. Department sends billing information to SSC
3. SSC creates bill in DARBI
4. System emails bill to customer
5. Customer sends payment
6. Payment is received in Central Offices (KU or KUCR)
7. Payment is posted and applied to invoice
Billing Information

- Item Description = goods or services sold
  - Item designates revenue string
    - When creating new items, departments will provide revenue accounting. Revenue and AR are created when invoice is disbursed.
  - Receivable account codes & Revenue account codes

<table>
<thead>
<tr>
<th>PS Code</th>
<th>DARBI REC</th>
<th>DARBI REV</th>
<th>Trans Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>225010</td>
<td>130152</td>
<td>425010</td>
<td>INT</td>
</tr>
<tr>
<td>220500</td>
<td>130150</td>
<td>420500</td>
<td>EXMK</td>
</tr>
<tr>
<td>220500</td>
<td>130151</td>
<td>420500</td>
<td>EXAC</td>
</tr>
<tr>
<td>262400</td>
<td>130153</td>
<td>462400</td>
<td>EXST</td>
</tr>
<tr>
<td>126900</td>
<td>130154</td>
<td>526900</td>
<td>REXP</td>
</tr>
</tbody>
</table>
**RSINT**  
**Tax ID:** 480690117  

**Animal Care Unit**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Ref 1</th>
<th>Ref 2</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Internal Zebra Fish per diem, all size tanks (per row/per day)</td>
<td>white rat</td>
<td>10/9 - Colette</td>
<td>1</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td>2</td>
<td>Internal Rats Purchase</td>
<td></td>
<td>12</td>
<td>6.00</td>
<td>72.00</td>
<td></td>
</tr>
</tbody>
</table>

**Total:**  
- **Line Total:** $122.00  
- **Balance Due:** $122.00

Send payment to  
UNIVERSITY OF KANSAS CENTER FOR RESEARCH  
ATTN: ACCOUNTS RECEIVABLE  
2380 IRVING HILL ROAD  
LAWRENCE, KS 66641-7509

For Questions Please Contact:  
Chris Campbell  
(1-785-864-0800)  
(ChristCP@KU.edu)
Billing Information

• Billing template

• Bills will be dispatched to customers via the system

• Creation and maintenance of DARBI information
Customer Information

• One Customer list will be used by all billing units.

• Standard format for customer set up
  • Customer Name
  • All internal customers will be affiliated with a department, research center or student organization
  • Contact information – address, email, contact name
Payment of Bills

• Payments from External Customers
  • One of two remit addresses will be provided on bill – KU or KUCR
  • Payments received in Central Offices (Comptrollers Office or KUCR Fiscal Affairs) will be processed and applied to bills.

• Payments from Internal Customers
  • Internal payments of DARBI bills will be processed through the P2P module
  • KUINT & RSINT business unit designation will be used for internal settlements (formerly SOVs)
  • Payment will be matched to invoice and applied
Miscellaneous Deposits (non-invoice related)

- Point of sale, cash, check, credit card, wire transfers

- Cash handling/deposit policy –
  - Complete Instructions on collection of funds and deposit preparation can be found in University Deposit Policy – [http://policy.ku.edu/comptroller/departmental-deposits](http://policy.ku.edu/comptroller/departmental-deposits)

- Departments will initiate deposit web form, submit to SSC for verification and SSC forwards to FACC or KUCR Fiscal Affairs for processing.
Reports

• Reports will be available in FITC or OAC (Oracle Analytics in the Cloud)

• Standard reports that will be available include:
  • AR Balance report
  • Miscellaneous Deposit Journal Log
  • Upload Confirmation report
  • Sales report
  • Customer, Item and transaction type list reports
  • Customer Aging Detail Report
What changes/what stays the same

• What changes
  • SSC staff are billing for goods and services on behalf of department.
  • Payments are received at one of two central locations
    • Central Accounting Receipts for UKANS billing
    • KUCR Fiscal Affairs for KURES billing
  • Revenue designation (cost center and fund) is decided during billing and not at payment

• What will stay the same
  • New processes, not much will remain the same.
  • Departments will still be involved with the collections process.
Financial Resource Center

A site for all information, documentation and training resources regarding the financial systems.

- Training videos
- Documentation Master List
- Terms Crosswalk
- FSKU to FITC Chart of Accounts Mapping
- Site will be available in MyCommunity
- [https://kansas.sharepoint.com/teams/fsrc/SitePages/Home.aspx](https://kansas.sharepoint.com/teams/fsrc/SitePages/Home.aspx)
Summary of Business Process Changes

• Departments will submit invoice information to SSCs
• SSCs will enter and generate invoices within DARBI
• DARBI payments will be received within central offices (Comptrollers Office & KUCR Fiscal Affairs)
• Central Offices will apply payments and post payments against DARBI invoice
• Departments and SSCs will be responsible for monitoring and following up on outstanding receivables
• Miscellaneous deposit information will be submitted to SSCs for verification and forwarding to Central Offices for processing
HOW TO LEARN MORE & TRAINING

• Check fst.ku.edu for updates on upcoming training opportunities

• End-user Training in late November
  • SSCs
  • Department Staff
QUESTIONS/CONTACT

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- Deb Carter, CAO-SSC, dcarter@ku.edu
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