Prepared by General Accounting and Loan Collection Office.
This is a new Administrative Policy.

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A8.600 ACCOUNTING   May 2014

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A8.650   CONTINUATION ACCOUNTS

1.   Purpose

     To describe the structure and purpose of the University's
     continuation accounts in the Kuali Financial System (KFS).

2.   Objective

     To establish and use the continuation accounts consistently
     for accounting and reporting purposes.

3.   Applicability

     The Kuali Financial System (KFS) requires that a
     continuation chart code and continuation account number be
     provided when an account has an expiration date. Charges
     assessed after the account has expired are routed to the
     respective continuation account assigned.

     Fiscal administrators are responsible for monitoring their
     respective continuation accounts and clearing them monthly.
     Periodic reviews by campus and system-wide offices (Office
     of Research Services (ORS) is responsible for sponsored
     program accounts, and General Accounting and Loan
     Collection (GALC) is responsible for non-sponsored program
     accounts) shall be done routinely to ensure compliance.

4.   Definitions

     Account: The account code is a seven (7) character code
     representing a functional unit established for a specific
     purpose with one individual having primary responsibility

for it. It monitors the financial activities for a functional unit.

Appropriated Accounts: Accounts that are associated with funds appropriated from the state or federal government.

Attributes: Non-dollar descriptive data associated with an account. They are maintained at the account level in the Kuali Financial System via the Account Maintenance eDocs.

Chart: Also referred to as Chart Code; Chart of accounts code that typically represents the campus or unit that an account belongs to.

Chart Manager: A role in the Kuali Financial System that is responsible for maintenance of the accounts on a given chart.

Continuation Account: A clearing account that is designated to accept transactions initially coded to an expired account.

Contracts & Grants Account: Account that is under the purview of the Office of Research Services (ORS) and identified with the ORS Indicator attribute on the Sub-Fund Group Code; also referred to as extramural or CG Accounts.

Depository of Funds: The location where cash is held. i.e. 1 = State of Hawai'i; 2 = UHGA; 3 = Other; 4 = Fixed Assets

Fiscal Administrator (FA): Person that is responsible for the monitoring and approving of documents on accounts, ensuring that the charges are accurate, appropriate and allocable.

Fiscal Officer Code (FO Code): Three character code representing a functional unit that is under responsibility of a specific fiscal administrator.

Imposed Status: Indicator that specifies if the account will be assessed fringe benefits (imposed) or if it will not be assessed fringe benefits (non-imposed). This is based on the UH Fund-Appropriation code.

KFS Poster Routine (KFS Poster): Part of the daily batch jobs that are run each day in KFS which posts that day's finalized transactions.

Organization Code: Also referred to as Org Code; a four character code representing a functional unit at the University, such as a school, department, college, program, etc.

Sub-Fund Group Code: Account attribute used to designate the type or purpose of funds. i.e. STFSF = Special Funds, Tuition Fee Spending.

Sub Fund Group Type: Attribute assigned to a Sub-Fund Group representing the source of funds. i.e. G = General Funds; F = Federal Funds

System Level Administrator: University level role typically associated with a system level office such as GALC and ORS that is responsible for the overall compliance for their respective area of responsibility.

5. Creating Continuation Accounts

Attributes:

Continuation accounts in KFS shall have the following attributes irrespective of chart code in order for them to be identifiable.

Attribute	Value	Example
Account Name	FOCode – CLEARING ACCOUNT (Fund Type)	039 – CLEARING ACCOUNT (FEDERAL FUNDS)
Account Expiration Date	Blank	
Continuation Chart of Accounts Code	Blank	
Continuation Account Number	Blank	
Closed	No	
Account Purpose Text	FOCode – CLEARING ACCOUNT (Fund Type)	039 – CLEARING ACCOUNT (FEDERAL FUNDS)

Higher Ed Function Code	A valid code most appropriate for that particular clearing account; do not use the ZNA code	FFIS
Revenue Function Code	351	351
Account Type Code	CL – CLEARING ACOUNT	CL
Sub-Fund Group Code	See "CONTINUATION ACCOUNT ATTRIBUTE TABLE"	FADM0
UH Fund-Appropriation	See "CONTINUATION ACCOUNT ATTRIBUTE TABLE"	F222
Budget Plan ID	If on a specific appropriated fund, assign to an already existing budget plan ID. For non-appropriated funds, use Budget Plan ID 009999	009999

CONTINUATION ACCOUNT ATTRIBUTE TABLE

Assignment and creation of continuation accounts are based on Fund Group, Sub-Fund Group Type, payroll fringe Imposed Status and UH Fund-Appropriation as shown on table below:

Fund Group	Sub-Fund Group Type Code	Imposed Status	UH Fund-Appropriation Code	Sub-Fund Group Code
11	G (General)	Non-Imposed	Applicable UH-Fund Apprn	GEXP (General Operating, Expense)
	S (Special)	Imposed	Applicable UH-Fund Apprn	SOTHER (Special Funds, Other)
		Non-Imposed	S397xx (where xx is Chart code)	STFSF (Special Funds, Tuition Fee Spending)
	R (Revolving)	Imposed	Applicable UH-Fund Apprn	ROTHER (Revolving Funds, Others)

			R860xx (where xx is Chart code), R861	RTRF (Revolving Funds, Research and Training)
12	F (Federal)	Imposed	F222	FADM0 (Federal Admin-Conti Acct)
			S225, S226	FVOCE0 (Federal Vocational Education)
		Non-Imposed	F223	FWS0 (Federal Work Study)
			F26x, F27x	FUSDA0 (USDA Direct Appropriation)
	P (UH Trust)	Imposed	P280	PSPON0 (Non-Fed Spons Proj-Conti Acct)
			P286, P287	PGIFTS (Gifts & UHF Spending Accts)
20	S (Special)	N/A	Applicable UH-Fund Apprn	LNHELP (Loans, HI Educator Loan Program)
	R (Revolving)	N/A	Applicable UH-Fund Apprn	LNHOUS, LNSHEL
	F (Federal)	N/A	Applicable UH-Fund Apprn	LNHLTH, LNNURS, LNPERK, LNPRMC
	P (UH Trust)	N/A	Applicable UH-Fund Apprn	LNGIFT, LNQEND
30	P (UH Trust)	N/A	Applicable UH-Fund Apprn	EUNRES (Quasi-Endow-Unrestricted)

51	B (Bond)	N/A	Applicable UH-Fund Apprn	PUBND2 (Plant Unexpended, Bond UH Held)
	F (Federal)	Imposed	Applicable UH-Fund Apprn	PUFED1 (Plant Unexpended-Federal)
	G (General)	N/A	Applicable UH-Fund Apprn	PUGEN (Plant Unexpended-General)
	P (UH Trust)	Imposed	Applicable UH-Fund Apprn	PUPRV1 (Plant Unexpended-Private)
	S (Special)	N/A	Applicable UH-Fund Apprn	PUSPC2 (Plant Unexpended, Special, UH Held)
52	S (Special)	N/A	Applicable UH-Fund Apprn	RROTHR (Ren & Repl, Special Other)
53	S (Special)	N/A	Applicable UH-Fund Apprn	RIOTHR (Ret of Indebt, Special Other)
54	P (UH Trust)	N/A	Applicable UH-Fund Apprn	PPBLDG, PPCIP, PPEQUP, PPIMPR, PPINFR, PPLAND, PPLIB, PPLVSK
60	A (Agency)	Imposed	A992	AEWC (Agency, EWC Clearing)
	A (Agency)	Imposed	A993	ARCUH (Agency, RCUH Clearing)
	G (General)	N/A	G000	AG000 (Agency, State General)

Responsibilities:

Fiscal Administrators shall use the above attribute guidelines when requesting new or modifying existing continuation accounts.

Chart Managers shall monitor new account creations and account modifications to ensure that the appropriate continuation account is assigned based on its Fund Group, Sub-Fund Group Type, imposed/non-imposed status, and Depository of Funds.

6. Assigning Continuation Accounts on Contracts & Grants Accounts

At a minimum, each FO Code shall have a continuation account established for each of its Contracts and Grants (CG) Sub-Fund Groups. An FA can elect to also have continuation accounts assigned to specific organization codes, or other account attribute, within each Sub-Fund Group for more detailed monitoring and reporting.

The imposed status and Depository of Funds MUST be the same for both the account and the continuation account. If the account is not subject to fringe benefit charges, the continuation account must also be of the same non-imposed status on the same Sub-Fund Group Type.

7. Assigning Continuation Accounts on Non-Contracts & Grants Accounts

Since non-CG accounts are generally not tied to specific funding periods, the accounts might not have expiration dates and as such, will not need continuation accounts assigned. In the event the function that the account represents comes to a close, then a continuation account will need to be entered.

At a minimum, each FO Code shall have a continuation account established for each of its Fund Group's applicable Sub-Fund Group Type codes (i.e. General, Special, Revolving, etc.) as indicated on the Continuation Account Attribute Table. An FA or Chart Manager can elect to also have continuation accounts assigned to specific

Organization codes, Sub-Fund Groups or other account attributes, within each Sub-Fund Group Type code for more detailed monitoring and reporting.

The imposed status and Depository of Funds MUST be the same for both the account and the continuation account. If the account is not subject to fringe benefit charges, the continuation account must also be of the same non-imposed status on the same Sub-Fund Group Type.

8. Identifying Continuation Account Transactions

Transactions that are routed to continuation accounts have a distinct pattern on the transaction ledger in KFS. The description will read similar to the following:

AUTO FR MA20123450001 PO for Supplies (General Ledger)

or

AUTO FR MA6123456DOE, JOHN Q (Labor Ledger)

The general format is:

AUTO FR <Chart Code><Account Number><Document Description>

or

AUTO FR <Chart Code><Account Number><Last Name, First Name Middle Initial>

Note that there are no spaces between each of the items identified between the brackets.

The Chart Code and Account Number represent the account that should have been assessed the charge. With this information, the FA can determine how to appropriately reallocate the charges.

9. Continuation Account Restrictions

a. Continuation Accounts shall not be assessed charges directly. Transactions should not be knowingly charged to the continuation account. Only transactions that are routed via the KFS Scrubber or

KFS expired account replacement routines shall be allowed to assess charges on the continuation accounts.

b. <u>Budgets shall not be established on continuation accounts</u>. Since charges shall not be directly assessed on the continuation account, a budget is not necessary on this account. Note that the absence of a budget will cause the account to have a negative budget balance available when charges are present on the account.

10. <u>Reallocating Continuation Account Transactions</u>

The reallocation of continuation account transactions is different depending on what type of transaction was affected. For both types of reallocations, appropriate documentation shall be attached to the respective e-Doc which adequately substantiates the reallocation of charges.

<u>Non-Labor ledger transactions</u> shall be corrected by the responsible Fiscal Administrator using a General Error Correction (GEC) e-Doc in KFS. The continuation account transaction description can be used to assist in determining which account needs to be assessed the charge. The FA shall make the determination regarding which account should be assessed for the continuation account transaction.

<u>Labor ledger transactions</u> shall be corrected by the responsible Fiscal Administrator using a Salary Transfer (ST) e-Doc in KFS. The continuation account transaction description can be used to assist in determining which account needs to be assessed the charge. The FA shall make the determination regarding which account should be assessed for the continuation account transaction.

11. <u>Monitoring Continuation Accounts</u>

Reasonable efforts shall be made to ensure that the balances on the continuation accounts are at a manageable level to minimize the risk of un-allocable and/or unallowable costs.

a.   <u>Reports:</u>

Ad-hoc reports in eThority shall be used to monitor the status of continuation clearing accounts. The reports show the balances and detailed transactions that are recorded on continuation accounts.

The reports can be pulled at the university, campus organization level or FO Code for a given fiscal period and fiscal year.

The same reports will be generated monthly and distributed via PageCenterX.

b.   <u>Fiscal Administrator Responsibilities:</u>

Continuation accounts shall be monitored on a monthly basis by the Fiscal Administrator assigned to the accounts.

Continuation account transactions should be transferred to the appropriate project account prior to award closeout. All continuation accounts shall be cleared at the end of each fiscal year.

Fiscal Administrators can utilize the Available Balances or Balances by Consolidation queries in KFS(under Main Menu – Balance Inquiries – General Ledger) or the budget status in the reporting system to monitor the overall status of the accounts. If the continuation account balances out to $0 on each object code, then the account has been appropriately cleared.

c.   <u>Campus Level Responsibilities:</u>

Campus level chart managers shall utilize reports to monitor the status of their respective chart code's continuation accounts and ensure that the responsible FAs are in compliance with this policy.

d.   <u>System Level Responsibilities:</u>

System level units (GALC and ORS) shall utilize reports to monitor the overall compliance of the entire University. Periodic reminders for clearing continuation account transactions will also be sent to the FAs at award closeout and prior to fiscal year-end.