Indiana University
Accounts Receivable Standard Operating Procedures

SUBJECT: Invoicing Indiana University Foundation Accounts

SOURCE: Accounts Receivable, Financial Management Services

ORIGINAL DATE OF ISSUE: January 2016

DATE OF LAST REVISION: January 2016

AROP NO: 10.0

RATIONALE: To provide guidelines for invoicing Indiana University Foundation in accordance with IU Policy FIN-ACC-I-490 and IUF ETA to IU Transfer Instructions.

ARSOP: Indiana University Foundation (IUF) is a separate entity from Indiana University (IU) and operates under a separate tax identification number. For this reason, IUF is considered external to IU and should be invoiced in accordance with IU Policy FIN-ACC-I-490.

The following examples illustrate the most common types of transactions between IU and IUF:

- IU department wants to use Foundation funds to pay for a KFS AR invoice. This typically occurs when the expense is not allowable for IU per policy and/or regulations. In order to use Foundation funds to pay a KFS-AR invoice, the seller should create an invoice using the IU Foundation as the customer. This invoice should be sent to the IU department. The IU department will create the ETA to IU e-doc and attach the KFS AR Invoice to pay the invoice.
  - External Invoice to IUF using KFS AR

- IUF is paying the invoice because the good or service benefits IUF only not an IU department.
  - External Invoice to IUF via KFS AR

- IU department is billed by another IU department and then requests reimbursement from their Foundation account. (The expense is an allowable IU expense.)
  - Internal or Service Billing from one department to another.
  - The department pays for the services out of an IU account and then requests reimbursement from IUF using the ETA to IU transfer edoc.

- IU department pays for an expense to an external vendor and wants to get reimbursed from IUF.
The department pays for the services and requests reimbursement from IUF submitting an IUF ETA to IU transfer edoc.

The following steps should be followed when issuing a KFS AR invoice to IU Foundation for items 1 and 2 above:

1. IU department A generates invoice in KFS AR to IUF using customer number IND2923, referencing Biology’s IUF account number (if available) or department name in the attention line area of the invoice. (The reason the invoice needs to be state IUF as the Bill To is because Biology is using external funds to pay an IU invoice versus using IU funds to pay another IU department, which would be considered internal.)

![Invoice Image]

**Note:** It is always a good practice to include a *Ship To* address on the invoice, however, if the goods/services are being provided to another IU Department, leave the *Ship To* section blank. If IUF is the recipient of the goods/service, please include the *Ship To* address on the invoice.

2. IU department A will then email a PDF of the KFS AR invoice to Biology to review for accuracy prior to Biology submitting to IUF.
3. Biology will create an ETA to IU edoc to deposit funds into the non-student accounts receivable account. FMS Non-Student Accounts Receivable will be processing all IUF payments. The chart, account and object code should always be
chart of account = UA, Account = 6812950, and Object Code = 8015. Biology will attach a copy of the KFS AR invoice to the edoc prior to submitting. Please see ETA to IU Transfer Instructions.

4. IUF will see the ETA to IU edoc involves a KFS AR invoice and processes payment to Non-Student AR’s clearing account 6812950.

5. Non-Student AR will then receive the payment and apply it to the invoice.

Exceptions to this standard operating procedure require the approval of the Chief Accountant.

DEFINITIONS:  

External Activity is an activity that furnishes goods or services a non-Indiana University department. This includes sales to students, faculty and staff for non-IU business, or the general public.

CROSS REFERENCES:  

ETA to IU Transfer Instructions  
ETA to IU Transfer (eDoc)  
Policy FIN-ACC-I-490

RESPONSIBLE ORGANIZATION:  

Organizations that bill Indiana University Foundation and other Indiana University departments for goods or services