Financial Processing

Advance Deposit

The Advance Deposit (AD) document is used to record deposits that go directly to the bank, without being verified through the normal cash receipts process. This document enables distribution of the amount received to the appropriate accounts in the financial system.

The AD document is used to record deposits that are not processed through a central processing area (such as a Bursar’s Office). The AD document is used by university departments that make their own deposits, departments that use a lockbox at the bank for cash receipts, and anyone who needs to record bank deposits that are not processed through a central processing area such as the Bursar's Office. The AD is used when checks or cash are received and need to be credited to a KFS account. The user creating the AD is responsible for ensuring that the actual bank deposit occurs. The AD document creates the specified accounting entries in the KFS.

Warning! An Advance Deposit (AD) cannot be cancelled after submission because it goes directly to ‘Final’ status.

• If the amount of the deposit is incorrect, submit a second AD with both the advanced deposit and accounting lines reversed (for example, type in negative amount values that were originally positive amounts on the original AD). Submit a third AD with the correct amounts.

• If the amount is correct but the other accounting line entries (account number, object codes, etc.) are incorrect, submit a General Error Correction. Incorrect bank codes will be rectified during bank reconciliation.

Please contact bankrecs@iu.edu with any questions.

Important Note! In order for users to submit the Advance Deposit document, ENABLE_BANK_SPECIFICATION_IND parameter must be set to Y and the DEFAULT_BANK_BY_DOCUMENT_TYPE parameter must be completed. Even if IU is not planning to use the Bank Offset feature in KFS, the DEFAULT_BANK_BY_DOCUMENT_TYPE parameter must be completed if your users plan to use the Advance Deposit document. Bank offsets will not be created if the Bank Offset feature has not been configured.

Document Layout

The AD document has its own unique tab called Advance Deposits in addition to the standard financial transaction tabs.
**Advance Deposits Tab**

Advance Deposits tab definitions:

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Code</td>
<td>Required. Enter the bank code number to which the funds are deposited or search for a bank account from the Bank Account lookup. The bank code is automatically carried over.</td>
</tr>
<tr>
<td>Date</td>
<td>Required. Enter the actual date of the deposit or select it from the calendar.</td>
</tr>
<tr>
<td>Reference Number</td>
<td>Required. Enter the transaction number or anything that meets your tracking needs.</td>
</tr>
<tr>
<td>Description</td>
<td>Optional. Enter a brief description of the transaction. This is for departmental use only, and does not appear on financial reports.</td>
</tr>
<tr>
<td>Amt</td>
<td>Required. Enter the total amount of the deposit.</td>
</tr>
</tbody>
</table>

**Process Overview**

**Business Rules**

- The advance deposits total amount must be greater than zero.
- The advance deposits total must be equal to the total of the Accounting Lines tab.
- Negative accounting line amounts are allowed.
- There must be at least one accounting line in the document.
- The AD document is one-sided. The KFS automatically generates the other side of the entry affecting the cash account, as defined by data entered into the document.
- Object code restrictions are as follows.

**Object sub type code type restrictions for Advance Deposit documents:**

<table>
<thead>
<tr>
<th>Object Sub Type Code</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>BU</td>
<td>Budget-Only Object Codes</td>
<td>Unallowable</td>
</tr>
<tr>
<td>CA</td>
<td>Cash</td>
<td>Unallowable</td>
</tr>
<tr>
<td>CE</td>
<td>Cost Recovery Expenses</td>
<td>Unallowable</td>
</tr>
</tbody>
</table>
Initiating an Advance Deposit Document

1. Select Advance Deposit from the Financial Transactions menu.
2. Log into the KFS as necessary.
   A blank AD document with a new document ID appears.
3. Complete the Advance Deposits tab and click add.
   Enter an advance deposit line, click add, and continue adding as many advance deposits as necessary.
4. Complete the standard tabs.
5. Click submit.
6. Review the General Ledger Pending Entries tab.
   The pending entries include offset generation lines to cash or fund balance object codes.
7. Review the Route Log tab. No approval is required. After an AD document is submitted, it is automatically approved and it does not route. The document status is 'FINAL' and the transaction is posted to the G/L during the next G/L batch process.

Remaining Tab Sections

For information about the standard tabs such as Document Overview, Notes and Attachments, Ad Hoc Recipients, Route Log, and Accounting Lines tabs, see “Standard Tabs” in the KFS Overview and Introduction.
**Example**

**Maintaining Grant Related Funds**

The University receives a check from the Beckman Foundation for a grant agreement. At this University, separate bank accounts are maintained for grant related funds and deposits to these accounts are not processed through a central processing unit, such as a Bursar's office.

The Advance Deposit document allows the area receiving the check to directly deposit the check into a designated bank account and properly reflect the credit in the correct account in the KFS. The advance deposit does not route to a central processing unit after it is submitted.