Financial Processing

Distribution of Income and Expense

Use the DI document to distribute the income, expense assets. And/or liabilities from one account to one or more appropriate account(s) when one account has incurred expenses or received income on behalf of one or more other accounts. It can also be used to move income, expenses, assets and liabilities to other sub-accounts, object codes, or sub-object codes. Fiscal officers and support staff, department, responsibility center, and campus administration staff are typical users of the DI documents.

Document Layout

The DI document has only the standard financial transaction document tabs and does not have any unique tabs of its own.

Note: For more information about the standard tabs, see Standard Tabs in the Overview of the Kuali Financial System.

Note: The Year-End Distribution of Income (YEDI) document is available only during the fiscal year-end close.

Very Important: Do not use the DI to distribute salary, wages, or benefits. The DI does not accept compensation object codes. Use the Salary Expense Transfer or Benefit Expense Transfer documents instead.

Process Overview

Business Rules

- Debits must equal credits.

- The KFS automatically generates cash object code offset entries as defined by the information entered into the document.

- The following object sub-types are prohibited in the DI document:
Table 1 – Restricted object sub types in the DI document:

<table>
<thead>
<tr>
<th>Sub-Type</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR</td>
<td>Fringe Benefits</td>
<td>Use Benefits Expense Transfer document.</td>
</tr>
<tr>
<td>SA/HW</td>
<td>Salaries and Wages</td>
<td>Use Salary Expense Transfer document.</td>
</tr>
<tr>
<td>LD</td>
<td>Loss on Disposal of Assets</td>
<td>Use CAMS Documents.</td>
</tr>
<tr>
<td>OP</td>
<td>Other Provisions</td>
<td>Use Auxiliary Voucher (AV) document.</td>
</tr>
<tr>
<td>MT</td>
<td>Mandatory Transfers</td>
<td>Use Transfer of Funds (TF) document.</td>
</tr>
<tr>
<td>TF</td>
<td>Transfer of Funds</td>
<td>Use Transfer of Funds (TF) document.</td>
</tr>
<tr>
<td>TN</td>
<td>Transfer - Generic</td>
<td>Use Transfer of Funds (TF) document.</td>
</tr>
<tr>
<td>BU</td>
<td>Budget Only Object Codes</td>
<td>Use Budget Adjustments (BA) document.</td>
</tr>
<tr>
<td>CA</td>
<td>Cash</td>
<td>Use Journal Voucher (JV) document.*</td>
</tr>
<tr>
<td>FB</td>
<td>Fund Balance</td>
<td>Use Journal Voucher (JV) document.*</td>
</tr>
</tbody>
</table>

Note: *The Journal Voucher is used by FMS administrative staff only. If this type of transaction needs to be corrected, please contact the FMS Help Desk at (812) 855-0375.

Routing

Fiscal Officers for all From and To accounts must approve the DI document. Additional approvals may be established within the institution's review hierarchy or designated through Ad Hoc routing. The document status becomes 'FINAL' when the required approvals are obtained and the transaction is posted to the G/L during the next G/L batch process.

Initiating a DI Document

1. Select Distribution of Income and Expense from the Financial Processing submenu group in the Transactions submenu on the Main Menu tab.
2. Log into the KFS as necessary.
   A blank DI document with a new document ID appears.
3. Complete the standard tabs.
   In the Accounting Lines tab, transactions are entered in the From and To sections. Entries in the From section are reductions to the account and entries in the To section are increases to the account. Expense object codes in the From section are credited while income object codes are debited. In the To section, the opposite is true.
   Note: 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 Overview and Information document.
4. Click submit.
5. Review the General Ledger Pending Entries tab.
   The pending entries include the offset generated lines to cash or fund balance object codes.
6. Review the Route Log tab.
The document is routed to the fiscal officers for each account used in the Accounting Lines tab. The Route Status shows 'ENROUTE'.

**Note:** For information about the Route Log tab, see Route Log in the IU KFS Overview and Introduction.

7. Appropriate fiscal officers and organization reviewers approve the document.

**Note:** For more information about how to approve a document, see Workflow Action Buttons in the IU KFS Overview and Introduction.

### Correcting Errors Related to Capital Assets

To use a DI transaction to change an asset from capital to non-capital, proceed as follows:

1. In the Accounting Lines tab, enter the capital asset object code for the existing asset in the From section and enter the new non-capital object code in the To section.

2. In the Retrieve Asset to be Updated section of the Capital Assets tab, enter the existing capital asset number.

To use the DI document to change an existing expense to a capital asset expense, proceed as follows:

1. In the Accounting Lines tab, enter the non-capital asset object code for the existing asset in the From section and enter the new capital object code in the To section.

2. Use the Create New Assets section of the Capital Assets tab to create a new capital asset.

To use a DI transaction to move an asset from one account to another, proceed as follows:

1. In the Accounting Lines tab, enter the existing account number for the asset in the From section and enter the new account number in the To section.

2. In the Retrieve Asset to be Updated section of the Capital Assets tab, enter the existing capital asset number.

To use a DI transaction to create a new asset based on an expense that has already hit an account but, for some reason, has had no asset data tied to it, proceed as follows:

1. In the Accounting Lines tab, enter the new account number and capital asset object code in the To section.

2. Use the Create New Assets section of the Capital Assets tab to create a new capital asset.

### Example 1

The travel department purchases all airline tickets via a central credit card and pays the card bill via a clearing account. Then the expenses are distributed to the proper accounts after the fact.

Enter the account number, object code, and total amount to be transferred from the clearing account in the From section. Enter the account numbers, object codes, and amounts for the expense being transferred in the To section.

Departmental accounts are then charged for the airfare expenses and the credit card clearing account is reconciled. Fiscal officers approve charges on their accounts. The pending entries include the offset generation to the cash object code for each account.

### Example 2

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.

Enter the account number, object code, and amount of change currently residing in the general Business account in the From section.
Enter the account numbers, object codes, and amounts for the areas of the Business School that are responsible for the mail charges in the **To** section.

This distributes expense from the general accounts to the specific accounts (credit expense/debit expenses).