



Chart of Accounts Maintenance SOP: Cost Share Sub-account (Sub-account Type Code =CS)
Sub-account request and Sub-account maintenance / edit
SOP Owner: Chart Manager, General Accounting
Version Number, Date Revised: #4, 09/2014
Date Implemented: 1/12/2012
Approval(s): Sponsored Financial Services

Standard Operating Procedure

1. Purpose

KFS utilizes cost share Sub-accounts (Sub-account type 'CS' -Cost Share) to record mandatory and voluntary committed cost-share contributions utilizing institutional funds. The Sub-account may only be used to accumulate cost share contributions for a single sponsored project; however, there may be more than one cost share Sub-account associated with a single sponsored project.

Each cost share Sub-account is associated with a cost sharing (funding) account, which ultimately bears the expenses associated with the matching contribution. This allows the unit to track what has been cost shared for a particular contract or grant project while applying the expense to the appropriate funding account. Expenditures applied to the cost share Sub-account are automatically funded by the cost sharing (funding) account via a transfer of funds. The transfer is driven by transfer object codes that are based on object level code and generated by the KFS Cost Share batch process. The transfer process eliminates the need for the cost share Sub-account and the cost sharing (funding) account to be in the same Higher Education Function. By recording activity in a Sub-account, the cost share expenditures are captured in the same function as project expenditures. While maintaining the functional classification of expenditures is addressed by this system functionality, it is important to remember that the source of funds being used for cost share expenses must not be payable by the same source of funds as the project (e.g. federal funds (appropriations) must not be used for cost sharing on another federal project.). For additional information on cost share, refer to Policy 1.1: [Cost sharing for Sponsored agreements](#).

Note: Cost Share transfers are configured systematically and apply to all accounts; they cannot be configured to apply to individual accounts.

Balance lookups now have a consolidation option that allows you to exclude all sub accounts. Remember that this view will not accurately reflect the total account balance but only include transactions where no Sub-account was used.

2. Cost Share Expenditures

Cost share expenditures, including effort, should be posted to the cost share Sub-account. Benefit expenses are applied to the cost share Sub-account based on the funding account's labor benefit



rate category. If the funding account applies benefit expenses to labor activity, benefits will automatically be applied to the cost share Sub-account. If benefit expenses are not applied, as in the case of state appropriations, benefits will not be applied to the cost share Sub-account.

Unrecovered indirect expense (Facility & Administrative (F&A)), imputed benefits, and in-kind contributions are not housed in Cornell’s general ledger. A work-paper adjustment for imputed costs, and supporting documentation for external contributions, is retained in the project file to support reporting obligations.

3. Grant-to-Grant cost sharing

At times, a sponsored project, or Federal Appropriation project, will contribute expenditures towards another sponsored project. As noted above, cost share transfers are generated at the object level code while indirect costs are excluded based on specific object codes. The system cannot accurately assess indirect cost recovery through the use of a cost share Sub-account on a sponsored project account. In instances of grant-to-grant cost sharing, a project account is used instead of a cost share Sub-account. An account attribute titled ‘Cost Share for Project Number’ (*Contract and Grant Tab*) identifies the Project Number (OSP Number) of the agreement for which the project account is contributing expenses. Once a project number is assigned to an account, it cannot be removed and all expenses recorded on that account are attributed to the cost share obligation for that agreement. At times, a separate project account may be required depending on the terms and conditions (e.g. performance period) of the agreement requiring cost share.

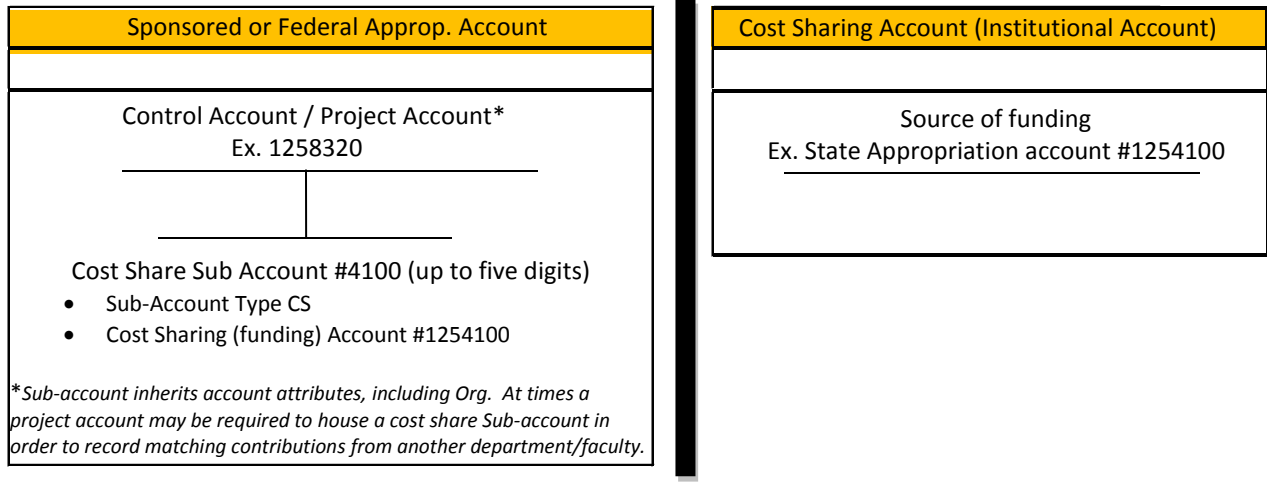
Below are the attributes listed in the Contract and Grant Tab.

Contracts And Grants	
▼ hide	
New	
Contract Control Chart of Accounts Code:	<input type="text"/> ▼ 🔍
Contract Control Account Number:	<input type="text"/> 🔍
Account Indirect Cost Recovery Type Code:	<input type="text"/> 🔍
Indirect Cost Rate:	<input type="text"/> 🔍
CFDA Number:	<input type="text"/> 🔍
CG Account Responsibility Id:	<input type="text"/> ▼
Invoice Frequency Code:	<input type="text"/> ▼ 🔍
Invoice Type Code:	<input type="text"/> ▼ 🔍
eVerify Indicator:	<input type="checkbox"/>
Cost Share for Project Number:	<input type="text"/>



4. Cost Share Sub-account structure, including example of cost share transfers

Account/Sub-account structure:

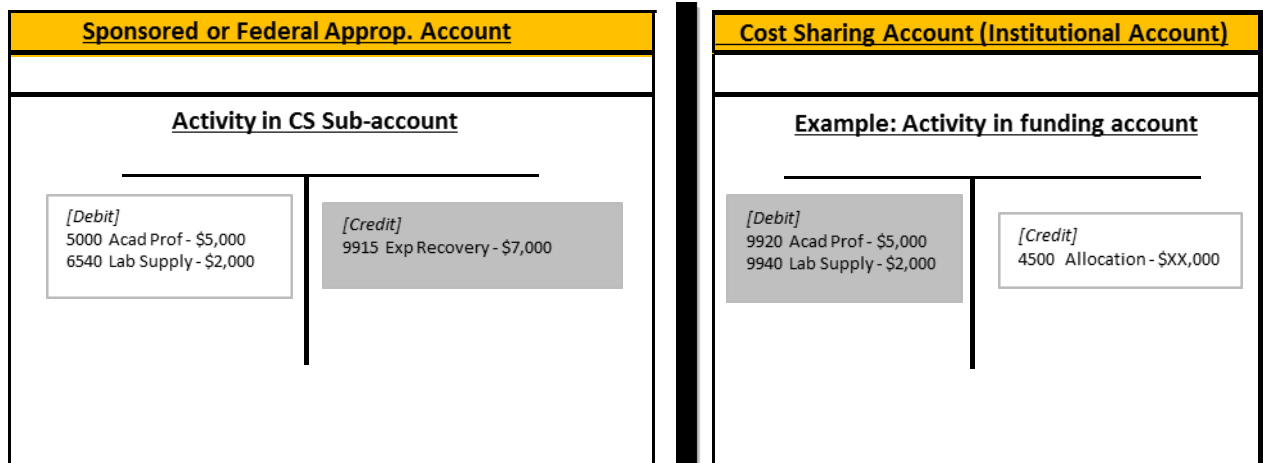


Example of activity posting in the CS Sub-account and funding account:

KFS uses transfer object codes to fund expenditures posted to a cost share Sub-account. Because the activity is funded automatically, there is no need to transfer an allocation of revenue to a cost share Sub-account.

Once all daily transactions are applied, the cost share batch process funds the activity based on the sum of each object level code. Below, the shaded boxes represent the transaction(s) from the KFS Cost Share batch process to fund the Sub-account on a daily basis.

CAUTION: Setting up a Sub-account as EX (the eDoc defaults to EX), intending it to be a cost share Sub-account, requires a Journal Voucher to correct the transfers that should have occurred. In addition, expenses that posted to the Sub-account may have been invoiced and reported to the agency. It is critical that the Sub-account Type Code be defined as CS upon creation.





5. Training

Sub-account Type Code defaults to EX (expense) at setup; as such, the procedure for setting up a new CS Sub-account is:

- Select Sub-account Type Code CS
- Enter Cost Sharing (funding) Account Number
 - Enter Cost Sharing Sub-account Number if appropriate
- Note and Attachments: Enter notes or attachments that may be required for approval or to identify the cost sharing commitment.
- The Sub-account eDoc for CS Sub-accounts will automatically route to the C&G Processor. Please do not ad-hoc route to a C&G Processor (SFS Accountant).
- Once a CS Sub-account has been established, a change to the cost sharing account number is not appropriate; a new CS Sub-account is required.
- Remember: a Sub-account inherits the primary attributes of the account, including Org, Fiscal Officer, and Account Manager. Access to account transactional details, including labor, defaults to the Account's responsibilities.

6. Scope

The intended audience is:

- Person who starts the KFS Sub-account e-doc (Initiator)
- Business Service Centers (BSC) / Financial Transaction Centers (FTC)
- Anyone with financial / budgetary responsibilities (at the college/division level and at a central level)
 - Budget director
 - Senior financial officer
 - Central accounting
 - Department Administrators and financial staff

7. Prerequisites (Forms / Tools)

- Access to KFS
- Training on KFS
- Account e-doc tutorial
- Sub-account e-doc tutorial
- Understanding when / why it is appropriate to set up a new cost share Sub-account
- Cornell-specific business rules
- Clarification on permissions / roles



8. University Policy

- 1.1 [Cost Sharing for Sponsored Agreements](#)
- 3.7 [Accounting: System Structure and Transactions](#)
- 4.2 [Transaction Authority and Payment Approval](#)

9. Responsibilities

Personnel in the following roles / positions:

- Initiator:
 - has financial expertise (i.e., has a financial role in his / her job title);
 - has access to the system;
 - has been authorized by the Senior Financial Group (SFG) as an Initiator;
 - can validate that the new sub-account being set up (or current Sub-account being modified) is appropriate per CU business rules;
 - has the ability to provide 100% of the data required to successfully fill out and submit the Sub-account e-doc;
 - is the person who will respond to any follow-up questions.
- Fiscal Officers (FO)
 - Person who is responsible for the approval of the new Sub-account.
 - **Note:** any reference to FOs in an SOP is understood to include primary and secondary delegates
- C&G Processor:
 - can validate that the new Sub-account is appropriate per terms and conditions of the sponsored agreement.

Best Practice recommendation: if additional review is deemed necessary, ad hoc route as appropriate.

10. Procedure

Lookup and Maintenance

Chart of Accounts

- [Account](#)
- [Account Global](#)
- [Account Delegate](#)
- [Account Delegate Global](#)
- [Account Delegate Model](#)
- [Account Delegate Global From Model](#)
- [Object Code](#)
- [Object Code Global](#)
- [Organization](#)
- [Organization Review](#)
- [Project Code](#)
- [Sub-Account](#) ←
- [Sub-Object Code](#)
- [Sub-Object Code Global](#)

Sub-Account e-doc is located on Main Menu: Lookup and Maintenance section.

Figure 1 – Chart of Accounts e-docs, Lookup and Maintenance e-docs



action list doc search Logged in User: rld46 login

Sub-Account Lookup create new
* required field

Chart Code:	<input type="text"/>
Account Number:	<input type="text"/>
Sub-Account Number:	<input type="text"/>
Sub-Account Name:	<input type="text"/>
Active Indicator:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both

search clear cancel



Figure 2 – Sub-account Lookup (A tutorial that demonstrates “Lookup” functionality is available.)

Document Overview hide

Document Overview

* Description: Explanation:

Org. Doc. #:

Edit Sub-Account Code hide

New

* Chart Code:

* Account Number:

* Sub-Account Number:

* Sub-Account Name:

Active Indicator:

* Sub-Account Type Code:

Figure 3 – Create new Sub-account with description entered on Document Overview tab

Best Practice recommendation for setting up a new cost share Sub-account: the first two words in the required Document Overview tab, Description field, must be ‘Cost Share’. This clearly identifies the intent of the eDoc for the subsequent reviewers and approvers.

Document Overview show

Edit Sub-Account Code hide

New

* Chart Code:

* Account Number:

* Sub-Account Number:

* Sub-Account Name:

Active Indicator:

* Sub-Account Type Code:

Note: the field defaults to EX and must be changed to CS to denote Cost Share Sub-Account

Figure 4 – Edit Sub-account Code tab





Table 1 Edit Sub-account Code tab: field definitions

Field Name	Description (* indicates a required field)
Chart Code	* Enter the chart code associated with the main account, or search for it from the lookup. There will be five KFS charts within the chart of accounts, but the Ithaca chart (IT) is the one most of campus will use.
Account Number	* Enter the account number on which you want to create the Sub-account, or search for it from the lookup. Training Issue: If you want to use the same Sub-account number on several accounts, you need to process an e-doc for each additional account on which you want to use that Sub-account number.
Sub-account Number	* Enter the number / code to define the Sub-account. This is the code to be entered in the Sub-account field of the Accounting Lines tab on financial e-docs as well as in searches and reports. (up to 5 characters)
Sub-account Name	*Note: For Cost Share Sub-accounts, please reference cost share in the account name. For example. Cost Share OSP#53546 Enter the long descriptive name that provides differentiation from the account name. This name appears on the Accounting Lines tab in financial e-docs and in searches and reports. (up to 40 characters) All Sub-account names should appear in the proper (upper / lower) case and without punctuation; avoid uncommon acronyms.
Active Indicator	Select check box if Sub-account is active; clear if inactive.
Sub-account Type Code	Note: Sub-account type code defaults to EX. The initiator must select type CS to create a cost share Sub-account , which indicates that this is a Sub-account used to track cost share expenses on a C&G or Federal Appropriation account. The eDoc will automatically route for approval to the SFS Accountant overseeing the project. Training Issue: Submitting a Sub-account eDoc without changing the Sub-account Type to CS will create an expense (EX) Sub-account, which then charges activity to the project.

Figure 5 shows a screenshot of the 'Edit Sub-Account Code' form. The form is titled 'Edit Sub-Account Code' and has a 'hide' button. Below the title is a 'New' button. The form contains several fields with asterisks indicating they are required:

- Chart Code:** IT
- Account Number:** 1258320
- Sub-Account Number:** 5701
- Sub-Account Name:** Cost Share OSP 57230 IT/1255701
- Active Indicator:**
- Sub-Account Type Code:** CS

Figure 5 – Edit Sub-account Code, example

Required tabs are: Edit Sub-account Code, Edit CG Cost Sharing



Edit CG Cost sharing tab

Figure 7 – Edit CG Cost sharing tab

Table 3 Edit CG Cost sharing tab: field definitions

Field Name	Description (* indicates a required field)
Cost Sharing Chart of Accounts Code	The chart associated with the cost share (funding) account assigned to the Sub-account from the Chart list.
Cost Sharing Account Number	The account number that bears the cost share expenses applied to the cost share sub-account. (i.e the funding account)
Cost Sharing Sub-account Number	The Sub-account number on the cost share (funding) account to which the cost share expenses should be applied. Note: if Sub-account number is not entered, cost share expenses are applied directly to the cost sharing (funding) account, with no Sub-account assigned.

Edit CG ICR and Indirect Cost Recovery Account Tab

This information determines how indirect cost should be calculated for expenses applied to the Sub-account. The CG ICR tab is only required if the Sub-account type code value has been set to 'EX'. For 'CS' Sub-accounts, the ICR tab will be left blank.

Note: Indirect costs (F&A) are not applied to the cost share Sub-account. In the event that waived indirect expense (unrecovered F&A) is approved by the agency as contribution towards a commitment, it will be imputed in the expenditure report, if required, via a work paper adjustment.

Figure 8 – Edit CG ICR and Indirect Cost Recovery Account tab



Document Overview hide

Document Overview

* Description:	Cost Share Sub-account, OSP 57230	Explanation:	To track faculty effort contributed towards cost share
Organization Document Number:			

Edit Sub-Account Code hide

New

* Chart Code:	IT
* Account Number:	1258320
* Sub-Account Number:	5701
* Sub-Account Name:	Cost Share OSP 57230 IT/1255701
Active Indicator:	<input checked="" type="checkbox"/>
* Sub-Account Type Code:	CS

Edit Financial Reporting Code show

Edit CG Cost Sharing hide

New

Cost Sharing Chart of Accounts Code:	IT - Ithaca Campus
Cost Sharing Account Number:	1254100
Cost Sharing Sub-Account Number:	

Edit CG ICR show

Indirect Cost Recovery Accounts show

Notes and Attachments (0) show

Ad Hoc Recipients show

Route Log hide

Route Log

ID: 6917576 show

Actions Taken show

Pending Action Requests show

Future Action Requests hide

	Action	Requested Of	Time/Date	Annotation
show	PENDING APPROVE	Austin, Jennifer	08:47 AM 09/19/2014	KFS-SYS Fiscal Officer IT 1258320
show	PENDING APPROVE	Gauss, Lyn Marie Bollock-Smith, Michelle	08:47 AM 09/19/2014	KFS-SYS Contracts & Grants Processor 5

Figure 9 – New CS Sub-account, example



Workflow

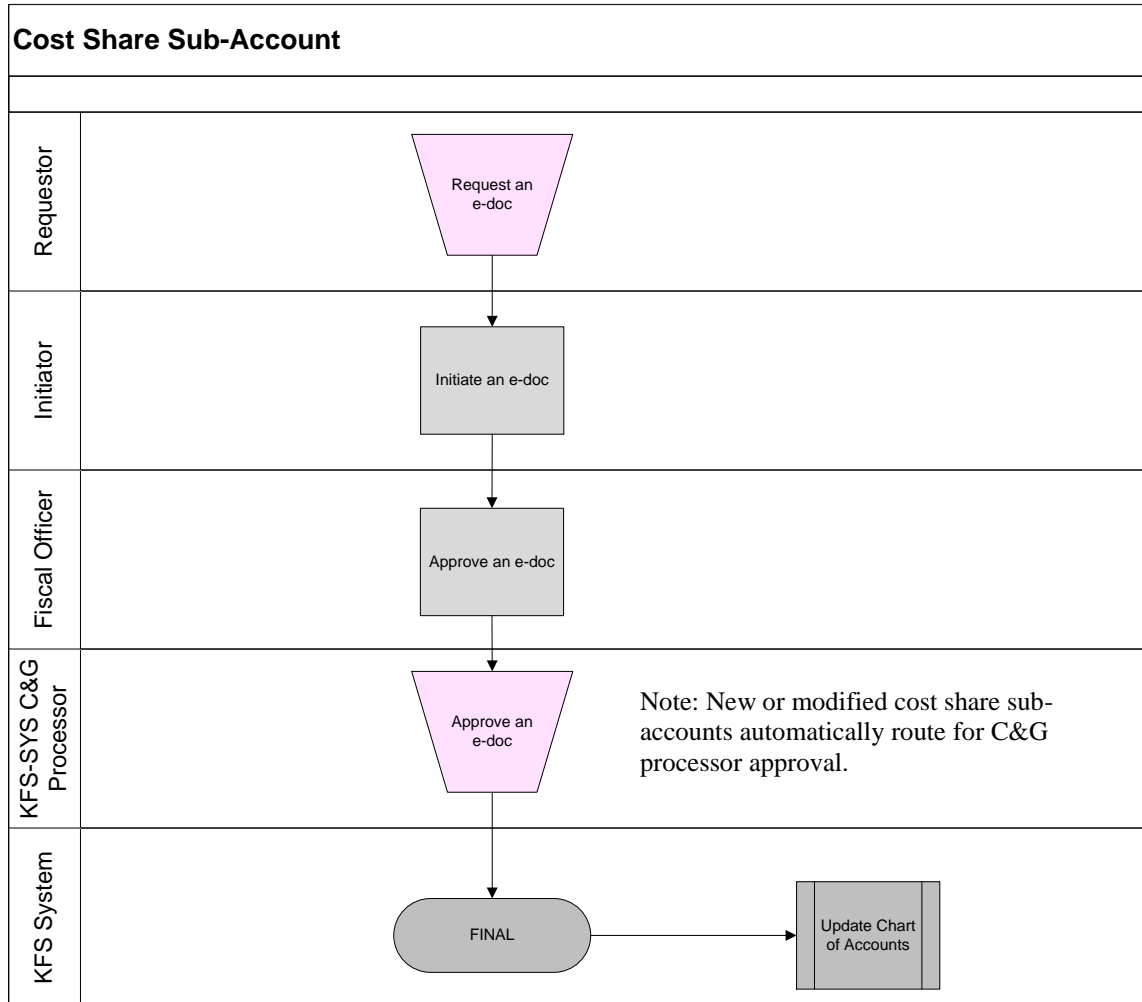


Figure 10 – Cost share Sub-account e-doc workflow

11. Definitions

- [KFS at Cornell Glossary](#)
- [COA Old World-New World \(a comparison of Legacy / KFS\)](#)
- [KFS Acronym Glossary](#)

12. References

- [KFS at CU: Accounts](#)
- [KFS at CU: Sub-accounts](#)
- [KFS, Chart of Accounts, Account e-doc tutorial](#)
- [KFS, Chart of Accounts, Sub-account e-doc tutorial](#)
- [SOP, Account](#)
- [SOP, Sub-account](#)