KFS Cost Sharing Workaround FAQ

General Questions

1. Why can't we use KFS Cost Sharing out-of-the-box?

   KFS uses cost sharing accounts like actual operating accounts to pay salaries of cost shared personnel. However it uses an account code structure which the State payroll system cannot accommodate.

   Also, to "cost share" KFS transfers cash from the source account to the cost share subaccount. This does not mesh well with current UH business practices. For example, if the source account was a general fund, cash representing the total cost shared salary AND fringe would be transferred from the source account. Because general fund fringe benefits are assessed to a central pool rather than the account level, the general fund source account would take a larger financial impact than it would under normal circumstances. The KFS method might also pose financial reporting issues for non-extramural funds.

2. What is the purpose of the pseudo account?

   The pseudo account will be used in place of the actual source account. When a cost sharing subaccount is setup, a source account must be provided so that the system can transfer cash. UH prefers that actual source accounts not be used in the transfer process, therefore a pseudo account will be used instead.

3. What are the future plans for cost sharing in KFS?

   UH could consider using companion accounts in the future because they would not require manual input of data and could address the payroll account issue. This is because they would be actual accounts that could be used on Personnel Notification Forms (PNF) and procurement documents. However, the use of companion accounts would need to be vetted with the affected parties because it is a significant change from prior business practices.

Fringe Benefits, RCUH personnel

1. What fringe benefit rate will be used to calculate cost shared fringe benefits under the workaround?

Fiscal Administrators should use the current composite fringe rate less vacation fringe rounded to the nearest 1% for regular UH employees such as faculty and staff. For example, for FY 2013, the cost sharing fringe benefit rate is 41% (44.21%-3.25% = 40.96%).

Vacation fringe is not used because the fringe would not be assessed on non-extramural funds, which would be the source accounts for cost sharing.

Fringe for graduate assistants, casual hires and undergraduate students should be calculated using the current composite fringe rates applicable to those positions.

2. Where do I record employees that are paid through RCUH and that are being cost shared to the project?

Effort reporting for employees paid through RCUH are handled outside UH's effort reporting system. Thus, they should be recorded under the Direct Cost object codes (7812, 7822).

DI Document

1. Why is the same account number used for both the "From" and "To" entries?

To ensure there is no financial impact made by cost sharing entries, the cost sharing subaccount is used for both the "From" and "To" entries on the DI document. The net effect is zero.

2. Is it necessary to have two sets of "From" and "To" object codes?

Due to the way KFS is designed, separate object codes are required for the "From" and "To" entries for the cash transfer process to work properly. It also accomplishes two things. First, the sum of the balances for the "To" and "From" object codes in the cost sharing subaccount should net to zero. Second, this arrangement also ensures that the net cash transfer from the pseudo account nets to zero as well.

3. Why is one document required per source account?

Actual source account data is not used to record cost sharing transactions but is required for F&A cost proposal purposes and the only field available to reference this that could accommodate the 9 digit account string was the Organization Document Number field. Because there is only one Organization Document Number field per DI document, only one source account may be used per document.

4. Can entries for more than one cost sharing subaccount be combined in one document if they have the same source account?

Yes, they can be combined. However, if the entry involves cost sharing subaccounts for other Fiscal Administrators, please note that all that ALL Fiscal Administrators must approve the DI document for it be posted to KFS.

5. Can the creation of the DI document be delegated to the project?

   Yes, the creation of the DI document can be delegated to someone at the project level with basic KFS access.

Workflow/Processing

1. How would cost sharing entries involving more than one department or school be handled?

   Under Fast Track, the cost sharing input form was not approved by other schools or departments. Only the Fiscal Administrator preparing the entry approved the document.

   The DI document may not route to another department or school for approval unless one of its cost sharing subaccounts is included in the document.

   The initiator or Fiscal Administrator will need to ad hoc route the DI document for acknowledgement by the affected Fiscal Administrators. Using "acknowledge" is recommended because all approvers have to approve the document for it to be posted in KFS.

2. Will the DI document route automatically to Cost Studies for review and approval?

   Effective February 1, 2014, it is not necessary to ad-hoc the cost sharing DI document to the ORS Cost Studies section. The ORS Projects Financial Services section will be handling the monitoring of the cost sharing entries and the DI documents will automatically route to the ORS Accounting Group.

3. Will KFS be modified to automatically generate the salary and fringe entries like UH had under the old system?

   No. This would require extensive modification to capture the necessary data and perform the calculations. KFS already provides a copy document function to limit reentry of data. In addition, KFS also allows data to be uploaded into the DI document via template.

   If UH adopts the companion account approach in the future, this automation wouldn't be necessary because the companion account would be used in Payroll Notification Forms and procurement documents and transactions will "automatically" be posted to the companion account.