EARLY INDEX INACTIVATION

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EARLY INDEX INACTIVATION

I. REFERENCES

UCSD Policy and Procedure Manual (PPM)

300-50 Guide to Reading the IFIS Chart of Accounts

II. BACKGROUND/SCOPE

The Early Index Inactivation (EII) application is a budget control tool that allows departments to stop certain expenditures against an index number which has exceeded or is about to exceed its allocated funding.

This is achieved by the entry of an Early Index Inactivation Date to the IFIS Chart of Accounts for a sponsored project's index number. The scope of the Early Index Inactivation process applies to prescribed Rule Classes for expenditures. These Rule Classes encompass recharges, new purchase orders and new payroll distribution-lines. For these expenditures, the department may assign an Early Index Inactivation Date to an Index Number in the IFIS Chart of Accounts. Should these expenditures occur after the Early Index Inactivation Date, IFIS will reject them.

In addition to the Early Index Inactivation Date, the IFIS Chart of Accounts also has the Inactivation Date (a.k.a. End Date). The distinction in how IFIS treats these fields for editing is as follows:

A. The Early Index Inactivation Date is used as a filter to block specific expenditure activity based on certain Rule Classes from occurring after this date.

B. The Inactivation Date is used as a block on all transaction activity entering IFIS with a later date.

III. POLICY

University of California policies prescribe that expenditures must comply with the policies and procedures associated with the funding source being charged. Incorporated in these policies is the requirement that expenditures can only be charged to a funding source with available funds. The Early Index Inactivation Date process has been established to comply with this requirement.

IV. PROCEDURES

A. Departments

1. Determine which index numbers are expected to be or are over expended and require expenditure control.

2. Using the INDEXCPY screen, enter Early Index Inactivation dates into IFIS for Chart of Accounts (COA) index numbers requiring expenditure control.

   Note: On the date of entry, Early Index Inactivation dates must exceed the IFIS processing date by 2 days, or IFIS will reject the transaction. This will allow recharge departments time to download the index files with the new data.

3. As funding augmentation or expenditure transfers occur to eliminate the need for this expenditure control, delete the Early Index Inactivation Date from index number in the COA using the INDEXCPY screen.

B. Recharge Units

1. Journals prepared on-line
Enter recharge entries into the JVCHDETL screen inserting the last used date in the "Detail Transaction Date" field. For example, if a customer buys goods or services on the 6th, 8th and 19th of the month, the 19th is inserted into the Detail Transaction Date field. If, in the same example, the index number were inactivated on the 15th, the purchase on the 19th would be rejected. Instructions for entering journal vouchers can be found at the BFS web site.

2. Batch recharges

Recharge units using batch files may find instructions incorporating the Early Index Inactivation process.

3. Validation process for the Early Index Inactivation Date

To validate their recharges, recharge units can use the FinancialLink Chart of Accounts.

The FinancialLink Reports web page provides the following facilities in the Chart of Accounts Reports for validating charges.

a. Account Distribution Validation

The first is an index by index interactive validation that a recharge unit could use to validate charges as they are being accepted at point of sale. This process is called the Account Distribution Validation.

Using this facility, the recharge unit can enter an index number and a date to find out if it is valid for the given date. If the recharge unit also enters their rule class (a.k.a. journal type) and their account code, they can learn if their account code is a valid charge to the supporting fund source.

b. IFIS Journal Voucher Validation

The second method of validation is for recharge units to create a batch file and load it up to IFIS using the IFIS Journal Voucher Validation process under the ACT COA web site to validate the file.

This process performs the Early Index Inactivation Date validity check and the fund/account validity check and returns messages regarding any problems.

V. RESPONSIBILITIES

A. Business and Financial Services - General Accounting Division

Assigns the Rule Classes for application of the Early Index Inactivation Date edit which will encompass:

1. New payroll distribution-lines
2. New purchase order entries
3. Recharges - both online data entry and batch processes

B. Recharge Centers
1. Update their internal operational system daily for index numbers with assigned Early Index Inactivation dates,

2. Validate requests for goods and services against index numbers for Early Index Inactivation dates prior to processing an order,

3. Review and follow up on charges rejected by IFIS because of Early Index Inactivation date/index number exceptions, and

4. Incur the costs of rejected expenditures with Early Index Inactivation dates for which the originating department does not have an alternative source with available funding.

C. Departments

1. Monitor fund activity to determine available balances, and

2. Maintain Early Index Inactivation dates in IFIS's COA for index numbers requiring expenditure control.

D. Administrative Computing and Telecommunications (ACT)

ACT maintains the systems capability to provide for:

1. Campus departments to assign an Early Index Inactivation Date on a COA index number,

2. IFIS to incorporate the Early Index Inactivation Date edit in rejecting transactions determined by the prescribed Rule Classes, and

3. Recharge departments to access Data Warehouse daily to update their operating systems for index numbers with an Early Index Inactivation Date.