

Notice 25-02  
June 05, 2025

## **IMPORTANT CHANGES EFFECTIVE FY 2026**

Please route this notice to individuals in your department responsible for:  
**Accounting, Travel, Payroll, Purchase Cards, and Budget.**

As we approach the start of Fiscal Year 2026 (effective July 1, 2025), several important changes will take effect. Please review the updates below and ensure appropriate action is taken within your area:

### **1. Centralized Foundation Payroll Reimbursement Process**

To improve University cash tracking, reporting and reduce duplicative efforts, departments will no longer need to submit reimbursement requests to the Foundation for payroll expenses.

- Budget Fiscal Officers are working with Financial Reporting to establish reciprocal projects in FIS, to direct charge all payroll transactions reimbursed by Foundation funds. A separate project, beginning with the letter "F" is created for each Foundation account that payroll expenses are charged to.
- Financial Reporting will coordinate directly with the KSU Foundation to process monthly reimbursements for all Foundation funded payroll expenses.

### **2. New FIS Fund Sources for KSU Foundation Reimbursed Accounts Payable Transactions**

To support better visibility of expenses being reimbursed by the KSU Foundation, new FIS Fund Sources have been created for Accounts Payable transactions reimbursed by the KSU Foundation.

- All KSU Foundation reimbursements using these sources will be treated as funds collected and will not require an overdraft letter on file. Departments should use these fund sources for all AP transactions that will be reimbursed with foundation funds. Departments still need to submit reimbursement requests to the KSU Foundation for all non-payroll expenditures.

New FIS Fund Sources:

<b>FIS Fund Source</b>	<b>State Fund</b>	<b>Budget Unit</b>	<b>Description</b>
<b>2095</b>	<b>2520</b>	<b>2080</b>	<b>RESTRICTED FEES - FOUNDATION FUNDING MAIN</b>
<b>1105</b>	<b>2697</b>	<b>1100</b>	<b>RESTRICTED FEES FUND - FOUNDATION FUNDING ESARP</b>
<b>5550</b>	<b>2590</b>	<b>5530</b>	<b>RESTRICTED FEES FUND - FOUNDATION FUNDING VMC</b>

*Reminder:* Use R4105 for reimbursement deposits from the KSU Foundation.

### 3. Fixed Asset Capitalization Threshold Increase

The capitalization threshold for fixed assets has been increased from **\$5,000** to **\$10,000**.

- Relevant **E4xxx object codes** have been updated in the Expense Object Code Listing.

New Thresholds:

Asset Type	New Capitalization Threshold
Equipment and Furnishings	\$10,000
Vehicles	\$10,000

Current assets with a value between \$5,000 and \$10,000 will remain on the central university capital asset inventory.

### 4. Optional Excise Tax Refund for Fuel Purchases

Departments now have the option to claim excise tax refunds on fuel purchases. Departments are encouraged to evaluate the monetary value received versus the administrative burden in entering and tracking purchase information.

- The expense entry for fuel purchases using a University Purchase Card will default to 0 gallons and \$0.00 per gallon.
- Departments must manually enter gallons and price per gallon on the expense form to request an excise tax refund.
- If an expense report is submitted with zeros in these fields, *no claim will be filed*.

### 5. State Sales Tax Exemption for Travel

Travel related state tax exemption is now only *required for Kansas and Missouri*.

- Travelers have the option to file sales tax exemption forms at the time of purchase for other states.
- Travelers must provide the sales tax exemption form for expenses in Kansas and Missouri at the time of purchase.

#### Tax Exemption Forms:

- [State of Kansas Sales Tax Exemption Form](#)
- [State of Missouri Sales Tax Exemption Form](#)

Additional out-of-state exemption information is available on the [Division of Financial Services Website](#).

We appreciate your attention to these updates and your continued support in improving our financial processes. Should you have any questions, please contact **Financial Reporting at** [financialreport@ksu.edu](mailto:financialreport@ksu.edu).