Kuali was announced in August 2004 as a community source initiative to build a financial accounting system for higher education, by higher education. However, Kuali's story requires one to look back further, through the history of Community Source software initiatives that set the stage for Kuali to emerge, and helped shape the structure of the Kuali Community.

Community Source Software Initiatives

Community Source is a hybrid open-source software development model, pioneered by the Higher Education community, that combines aspects of the Cathedral and Bazaar models. Dr. Brad Wheeler's paper, "Open Source 2010: Reflections on 2007 provides a detailed overview of the Community Source Model", including the basic concepts, challenges posed and how the model has evolved in recent years.

Although Community Source Software is often perceived as a recent phenomenon, collaborative efforts in the Higher Education community date back to the 1960s, and the first Community Source projects such as Sakai and uPortal benefited from those early projects. In turn, Kuali learned from the experience of the first Community Source projects, which strongly influenced Kuali's structure.

Kuali's name is, in part, a tribute to this history of collaboration. "Kuali" is a Malaysian word that refers to a cooking utensil -- essentially a small wok -- that is often described as a humble, but essential tool. On one hand this description is appropriate for Kuali software, which performs imperative business functions behind the scenes. On the other hand, the cooking reference is a nod to Sakai, named after a Japanese chef, and University of Michigan's CHEF system, which was the basis for Sakai.

Kuali Emerges

(source: IU's FMS Newsletter)

Around the turn of the millennium, Indiana University administrators were considering alternatives for replacing the existing financial information system. The replacement was necessary, due to the use of outdated technology in the FIS. They looked at the standard options, such as retooling the current financial system or buying a vendor package. Retooling alone, while it usually ensures that the institution will get the features it needs, brings with it the ongoing responsibility for its maintenance and enhancement. The uncertainty in the industry, the lack of control over maintenance costs and upgrades, the inflexibility of features for higher education and the perceived increase in workloads for central, departmental and colleges made purchasing a proprietary
enterprise resource planning system (ERP) from a vendor less attractive to IU for replacing its legacy financial information system. The $20 million plus price tag was also a significant factor. Seeking a better strategic path, IU turned away from both these options and began formally exploring the collaboration option. IU joined with NACUBO, a commercial partner and several other institutions in need of a financial system, to explore the possibilities of this innovative approach to this complex and costly aspect of institutional administration.

The preliminary work assessed higher education's readiness for a community source financial system project and its applicability across colleges and universities through a planning grant from the Andrew W. Mellon Foundation to National Association of College and University Business Officers (NACUBO) in 2004. In March 2005, after more than a year of evaluation, partner coalescing, and preparatory work, the Kuali Financial System (KFS) received a $2.5 million grant from the Mellon Foundation to help complete the software development. Founding partners are Indiana University, The University of Arizona, the University of Hawaii, Michigan State University, San Joaquin Delta Community College, Cornell University, NACUBO and the rSmart Group.

**Kuali Expands and Matures**

As interest peaked in the Kuali Financial System project, new ideas began to form for building additional administrative software under the Kuali paradigm, and in 2006 Kuali Foundation, Inc was formed to facilitate collaboration and handle cross-project concerns such as financial management and software licensing.

The need for pre-award research administration components was recognized as sufficiently weighty to deserve its own project, and in 2006 Kuali Coeus (KC) was born, based on MIT’s Coeus, and received a Mellon grant.

In 2007 Kuali Student came together, receiving a $2.5M grant from the Mellon Foundation.

With multiple Kuali projects, an effort began to separate common code components out of each project and into their own middleware project called Kuali Rice. In 2009, Rice became a fully-funded project with its own Charter, Board of Directors, and steering committees.

We’ve come along way since 2004 and are continuing to exceed expectations with our software for higher education.