

Journal Entry Processing

Chapter 3

Journal Entry Processing

Section Objectives

At the end of this section, you should be able to:

- Enter a Journal Entry and submit it for approval

Journal Entries

JE Definition: A journal entry is used to document a business transaction that increases funds in one account and decreases funds in another account without cash being received or a check being written. A journal entry is used in the following situations:

- Chargebacks: Journal entries are used by internal service departments such as Physical Plant, Department of Residence, GBPAC, Car Pool, Print Services, Mail Services, Telecommunications, and ITS to record the sale of goods and services to user departments.
- Adjustments: Journal entries are used to correct an error made in recording a cash receipt or disbursement transaction.
- Accruals or Year-End Adjustments: Journal entries are used by Financial Accounting to record certain transactions on the accrual basis of accounting at year-end. These entries are normally reversed in September of the following year.

When to use Budget Transfers versus Journal Entries.

- Use a Journal Entry to correct the recording of a receipt or disbursement transaction.
- Use a Journal Entry to charge(debit) the recipient of goods or services and credit the provider.
- Use a Journal Entry when it is important to keep track of historical costs in the area that benefited from the receipt or disbursement.
- Use a Budget Transfer to add or subtract funds from an account when no payment is expected.
- Budget Transfers are primarily used only in the General Educational Fund (Fund 0011) and must balance to zero.
- Budget Transfers are used within a fund group but not between fund groups (i.e. within Athletics or within Residence, but not between Athletics and Residence).

Summary of the process is:

- Get a copy of the Journal Entry form from MEMFIS Forms on the web. The form is a Microsoft Excel Spreadsheet.
- Fill out the spreadsheet
- Save it to your hard drive
- Email the file to journal-entry@uni.edu with a cc: to your department head
- Print out the spreadsheet
- Attach supporting documentation
- Mail journal entry and supporting documentation to the Financial Accounting, ATTN: Journal Entry Processing

Creating Journal Entries

Microsoft Excel

MyUNIverse > MEMFIS > MEMFI Forms > MEMFIS Journal Entries

manual_adj.xls

Instructions:
 <-- Enter Mmm-YY to Post (Example: Jun-01)
 <-- Enter ORG Value, Your Initials and Unique ID (Example: 2020KSP00)
 <-- Describe Purpose of Journal Entry

Upl	Fund	Appropriation	Year	Organization	Object	Program	Function	Activity	Line Number	Debit	Credit	Description	Line DFF	Context	Line DFF 1
										Value	Value	Text	Text	Text	Text
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
													None	None	None
										0.00	0.00				

Totals: 0.00 0.00

Note: This is not the end of the Journal Template. Unprotect the sheet and insert as many rows as needed.
 (Excel Navigation: Tools-Protection-Unprotect)

Select one set of the following value sets for the DFF Context and Line fields:
Value A:
 UNI Foundation/Alumni Expense and
 Employee Travel Expense and
 Physical Plant Expense and
 Student with Financial Aid and
 None and

Value B:
 Account Number
 Employee Number
 Job Cost Number
 Student Number
 None

1. If asked, select Enable Macros.
2. Note that the **Category** is Adjustment and the **Source** is Manual.
3. **Accounting Date**

Enter the current date in MM/DD/YYYY format.

4. **Journal Name**

Enter your ORG number, your initials and MMDDYY. (Example: 20201KSP070104). Brief information may also be included to describe the purpose of the JE. The maximum field length is 25 characters.

5. **Journal Description**

Enter the purpose for the journal entry and the preparer's first and last name. The description should answer the question, "Why are you doing this journal entry?"

6. **UPL**

Leave blank.

7. Account Code Combination

Enter a valid Account Code Combination.

8. Debit/Credit

Enter the corresponding debit/credit for the account code combination listed.

9. Description

- If you are correcting a payment, enter the Supplier Name and Invoice Number (Example: Anixter, Inv 123456).
- If you are correcting another Journal Entry, enter the Journal Name and Description.
- If you are doing a charging entry, enter the name of the charges and the period (Example: Telephone Charges, Jul-04)

10. Value A

Select one of the following from the drop down menu (default is None):

- UNI Foundation/Alumni expense (FUND = 9404 or 9405)
- Employee travel expense (OBJ = 61000-61999)
- Physical Plant expense
- Student with Financial Aid
- None (default)

If the expense is for Employee travel and is being paid out of a UNI Foundation/Alumni Account, select Employee travel expense.

11. Value B

Based upon what you entered in Value A, enter one of the following:

- If you entered UNI Foundation/Advancement expense, enter the Foundation or Advancement Account Number
- If you entered Employee travel expense, enter the employee number
- If you entered Physical Plant expense, enter the job cost number
- If you entered Student with Financial Aid, enter the 6 digit student number
- If you entered None, enter None

12. Messages

Leave blank. This is for system messages only.

13. Add additional debits/credit lines as needed.

14. Verify that the total debits and credits are equal.

15. **Save**

Save the file to your local drive as an Excel spreadsheet. The filename should be the journal name. (Example: 20201KSP070104.xls)

16. Submit the file to journal-entry@uni.edu via Email **as an attachment**. Be sure to cc: your department head. If you are using any Grants & Contract accounts (G&C account fund numbers generally start with a 4) the journal entry must first be submitted to grants-contracts@uni.edu. If you are using any Foundation accounts (Fund 9404 or 9405) in the journal entry, the journal entry must be submitted to ann.dolphin@uni.edu

17. **Subject**

Enter the file name on the subject line. This allows for easier processing in the Financial Accounting Office.

18. **Body**

Add additional information as you see necessary.

19. **Send**

Be sure to attach the file before clicking on the Send button.

20. **Supporting Documentation**

Paper copies of all journal entries and supporting documentation must be maintained in either the Financial Accounting or the departmental office for seven years.

If this is an adjusting entry (category=adjustment), print a copy of the spreadsheet, attach supporting documentation (interdepartmental requisitions or copies of invoices) and send them to Financial Accounting ATTN: Journal Entry Processing.

If this is a charging entry (category=chargeback), paper copies of the journal entry and all supporting documentation may be maintained in either the department or Financial Accounting for seven years.