Journal Entries

9. Rules governing the use of journal entries for adjustments that cross departmental classification codes, for internal sales between departments, for fund transfers, and for year end entries should be described in writing and made available to accounting staff and other persons for whom an understanding of rules governing these types of journals is important to the integrity and validity of the system.

# Western Carolina University
# Journal Entry Guidelines

Western Carolina University guidelines have been developed to assist the Finance Office users in understanding how journal entries are used in Banner and the requirements. Journal entries are identified in the Banner system by rule codes and document numbers. All journal entries are posted in Banner on FGAJVCM, FGAJVCD or FUPLOAD using the rule codes on the following page. See FUPLOAD documentation further in this document.

**Journal Vouchers** are used to record reclassifications, reimbursements, corrections, allocations, transfers and other adjustments. Salary reclassifications for the current fiscal year must go through the salary reallocation process and may not be corrected by a Journal Voucher.

**Internal sales** transactions may not be recorded using a General Journal entry in the STATE bank account. Internal sales and subsequent adjustments must be recorded using a paper Interdepartmental Invoice or FUPLOAD feed.

**Reclassifications** are made to move non-payroll transaction recorded in a Fund/account to a different Fund and/or account. Reclassifications are made using JE16 Journal Voucher form. Generally, these are adjustments made by accountants after departments detect problems when reconciling their Funds/accounts. Reclassifications are supported by paper backup attached to justify the reclass. Banner is checked to verify original entry. A brief description should be included in the description field of Journal Voucher form.

**Correction** entries are made to correct errors detected in non-payroll activity posted to an incorrect Fund/account or for an incorrect amount. Supporting documentation for a correction entry would include copies of the transaction in error and explanation of the mistake.

**Reimbursement** transactions are made to reimburse a project for non-payroll expenses paid for by a department for another department. Reimbursements are made using the same method as reclassifications and the same rules apply as for reclassifications. Generally, reimbursements would credit the fund/account paying for the expense and debit the new fund with the same account distribution.

**Allocation** entries are made to record the distribution of costs or collections in a central pool to the allocable fund.  Types of allocation are listed in the following chart:

| Description of the Allocation | Posting Frequency |
|---|---|
| Contract and Grant Revenue Calculation | As required |
| Fringe Benefit Pool Allocation | End of month |
| Indirect Cost Calculation | End of month |
| Institutional Trust Fund Interest | Monthly |
| Short-term Investment Fund | Monthly |
| Student Fee Allocation | Daily |

# Chart W
## Journal Entry Rule Codes

| | | |
|---|---|---|
| DIS | Non Cash Disbursement | Used for any non cash disbursements for example bank charges. This is a one sided entry with the offset always being cash. |
| REC | Non Cash Receipt | Used for any non cash receipt for example bank interest. This is a one sided entry with the offset always being cash. |
| J13 | GL Beginning Balance | Used for beginning balances originating in 13$^{th}$ month. |
| JE16 | Department journal entries. | General Journal Entry |
| J63 | Interdepartmental | Used to isolate internal sales for elimination at year end. |
| B2Y | Posting Allotment | |
| BCI | Alloted/Unalloted Budgets | For Capital Improvement budget entries |
| CRN | Allotment Reversion | |
| JFP | FUPLOAD JE's | General Journal Entries processed in Banner by FUPLOAD |

Journal Entries

12. Identification of year end entries are especially critical to aid in the identification of beginning balance adjustments, prior year reversal, accruals to be reversed next year, accruals that should be recorded as a permanent adjustment and reclassification entries only.  As well as, being able to identify the classification of funds for budget reporting versus financial statement reporting purposes versus other reporting needs (ITF & IPEDS reporting).  Keeping the year end accrual transactions separate and apart from the cash based transactions is important in maintaining integrity and confidence in the financial reporting system and to be able to produce cash only or accrual reports.  The university should address these critical identification needs through the use of classification codes and separate data bases that provide structure to easily identify year end transactions and maintain integrity between cash and accrual transactions.

## Unique Chart and Unique Rule codes
## Journal Entry Rule Codes for Year End Journals

Accrual year end journals should only be entered in Chart Y.  The only rule codes used in Chart Y are Z37, Z46, Z65, Z67, and Z68.  There are only certain users approved to use these journal entries codes. All document numbers for year end journal entries are copied from last year's entry, or assigned by the University Controller.

| | | |
|---|---|---|
| Z37 | Adjust/non accrual | Used only in Chart Y to record receipt entry that will need to be reversed |
| Z46 | Adjust/non accrual | Used only in Chart Y for Chart W to Y Summary Cash Transactions |
| Z65 | Adjust/non accrual | Used only in Chart Y accruals for a permanent adjustment. |
| Z67 | Accrual entries current year | Used only in Chart Y accruals for an accrual entry for the current year. |
| Z68 | Reversal entries prior year | Used only in Chart Y accruals for an accrual entry for reversing prior year entries with rule Z67. |

Journal Entries

13. Rules governing the restricted use of certain accounts should be described in writing and made available to persons that initiate journal entries. These could include the prohibition of using miscellaneous income accounts for certain journal types, the prohibition of using salary expense accounts for all but HR/Payroll journal types, or the requirement to use specific transfer revenue/expense accounts for fund transfers.

## Interdepartmental Sales Journal Entries

Interdepartmental sales journal entries are used to transfer payment for goods/services for University departments by another University department. It is important to use rule code J63 for the interdepartmental sales journal entry.

The department providing the service or product starts the process by completing an interdepartmental invoice form for miscellaneous charges. Motor Pool, Print Shop and Pay 4 Print are processed in Excel and entered into Banner using the FUPLOAD process.

The following is the how to process an interdepartmental:

1. Interdepartmental invoices are posted 2 or 3 times per month or whenever there are enough invoices to warrant the process from the department. The invoices are batched according to department numbers. The invoices are put in bank order starting with Bank ST, Bank TR and then Bank SP. A list of these department numbers is attached.
2. After invoices are batched, stamp the top invoice with all three stamps showing the clearing account numbers. These stamps are in the travel office. The clearing account numbers are listed below. On the top right of the invoice where the clearing account numbers with the totals are shown put the department number, month, batch# and 2 digit year. (Example: IN130919). There may be more than one batch for a department.
3. FGAJVCM is the screen for entering.
4. For ID number (where JV number shows up) use IN and the department number, month, batch# and 2 digit year. (Example: IN130919) Control/page down.
5. Date will default. Tab to document total.
6. DOCUMENT TOTAL-Total of all invoices to be entered for that department. This amount is the total of the amount in the clearing account and all invoices added together whether it is a debit or credit. Tab to type.
7. TYPE – J63 Tab to description.
8. DESCRIPTION – Intrdept Invoice. Control/page down.
9. Under Journal Voucher Detail tab over to FUND and enter the clearing fund number. Tab to ACCOUNT and enter that number. Tab to amount and enter the total that has been put on the top page for that particular bank. Tab and put a C for credit. Most of the time the clearing account is a credit unless there is a credit memo. When this happens, an entry is done for just the credits and an entry is done for the debit in

connection with the credit memo. Depending on the information on your top invoice, you may have three credit entries.

**CLEARING ACCOUNT NUMBERS**
**ST = C14000-G16150**
**TR = C22029-G16150**
**SP = C90000-G16150**

10. The description for the clearing account is what was entered at the top of the page.
11. The description for each invoice is the invoice number shown at the top of the invoice. If no invoice number is given enter Int Inv and the month and year. The name of the department receiving the funds is added.
    Example: Int Inv 25986 Res Living or Int Inv 08/09 Res Living
12. Tab to FUND and ACCOUNT and enter the numbers shown on the left side of the invoice where it says Pay From Account Code. Tab to amount and enter the total of that particular invoice. Tab and enter a D for Debit. Most of the time the invoice posting is a debit unless there is a credit memo. Then you put a C for Credit.
13. After entries are made stamp all copies of invoices with processed stamp. If there are yellow and pink copes, mail the yellow copies to the department on the left side of the invoice and the pink copies to the department on the right side of the invoice. Staple all white copies together. If there is more than one batch for a department take a plain piece of paper and at the time put the name of the department, the number for that department and the month and year. Stamp with all three stamps. List the total of each bank for each batch. If there is a credit for that particular batch, it is listed separately. When there is more than one batch, enter the amounts and total. This will help when balancing.
14. FGIGLAC – Screen to check balances on all invoice entries.
15. Tab to PERIOD and enter the month (our year starts in July which would be 01). Tab to FUND and ACCOUNT number enter the Clearing Account number for each bank. This will be done 3 times. Control page down. Hit F8.
16. Under HELP at the top of the screen click EXTRACT DATE NO KEY. This will bring up Excel.
17. Click on F then click on the $ sign. This will format cell with decimal.
18. Click in empty box at left above numbers. Once it is highlighted click DATA, SORT, Column B & D. This will put each department in date and fund number order. The Motor Pool feed and Print Shop will be at the bottom and will have to be moved manually. The Systems' Technician feeds the Motor Pool and Print Shop once monthly. After the feed is processed, the paperwork is returned.
19. Insert 2 rows at the top and enter whichever bank you are balancing (Example: BANK ST). Enter a row between each department if there is only one entry. Enter 2 rows for a department that has more than one entry. After the first row has been inserted hit F4 and it will insert the rows

20. Highlight totals for single entries in bold.  To get the totals for the departments with more than one entry, under the last amount go to sum.  Once that has been done, on the left side put TOTAL.  Highlight this row.
21. Verify your totals with your paperwork.
22. A cut off date to post for a month is usually the last week.  Contact Print Shop and Motor Pool regarding cutoff date.
23. END OF MONTH:  After balancing print a copy of each bank. Take each department, add all ending totals of all three banks and make a receipt with the department name, fund and account number that is on the Interdepartmental Account sheet.  Total all receipts to make sure they equal the totals for all the entries made.  Give the receipts and printout to the General Accountant.  Who then requests checks to deposit this money into the proper funds from the clearing accounts.  After this has been done, file the invoices.

When interdepartmental invoices are received that do not fall under the lists of departments with clearing accounts, these are audited for completion with correct information and signatures.  Any invoices that are being paid from Special Funds into either State or Trust Funds must have a check issued.  This invoice is given to General Accountant.  If the fund from which the invoice is being taken is the same bank as the fund into which the invoice is being deposited a journal entry is made.  The type will be J63 when entering these invoices.  If the fund from which the invoice is being taken is different from the fund into which the invoice is being deposited a cash receipt and a cash disbursement is made.  All invoices that are entered on these forms are attached and then given to the General Accountant.  When these entries are posted under LOC of the FOAPAL put J63.  After posted, all paperwork is stamped processed.  If there are yellow and pink copies with an invoice, the yellow copy is returned to the department shown on the left side and the pink copy is returned to the department shown on the right side.

**INTERDEPARTMENTAL ACCOUNTS**

| CODE | DEPARTMENT NAME | FUND/ACCOUNT | ID NUMBER |
|------|-----------------|--------------|-----------|
| 1 | | | |
| 2 | BOOKSTORE | 320853-R04080 | IN02 |
| 3 | CATAMOUNT CLOTHING | 320857-R04080 | IN03 |
| 4 | RESIDENTIAL LIVING #1 | 320530-R04500 | IN04 |
| **5** | **COMPUTER CENTER** | **170112-R03100** | **IN05** |
| 6 | RESIDENTIAL LIVING #2 | 320500-R04500 | IN06 |
| 7 | BOOKSTORE UPS | 320853-R04980 | IN07 |
| 8 | MOTOR POOL | 321113-R03900 | IN08 |
| **9** | **MOTOR POOL VAN** | **170511-R03900** | **IN09** |
| **10** | **FACILITIES MANAGEMENT** | **180516-R03200** | **IN10** |
| 11 | PRINT SHOP | 321458-R04040 | IN11 |
| 12 | CONFERENCE FOOD SALES | 320300-R04340 | IN12 |
| 13 | CATERING | 320300-R04350 | IN13 |
| 14 | BOOKSTORE SERV CHGS | 320853-R07080 | IN14 |
| **15** | **PUBLIC INFORMATION** | **170141-R03900** | **IN15** |
| 16 | PRINT SHOP/PAY 4 PRINT | 321436-R04040 | IN16 |
| 17 | | | IN17 |
| 18 | UNIVERSITY CENTER | 320200-R04200 | IN18 |
| 19 | BOOK RENTAL | 320854-R04080 | IN19 |
| 20 | COMMUNICATION EQUIP | 240009-281120 | IN20 |
| 21 | CAT CARD/MEAL MONEY | 320300-R04300 | IN21 |
| 22 | RESIDENTIAL LIVING #3 | 320528-R04500 | IN22 |
| 23 | RESIDENTIAL LIVING #4 | 320534-R04500 | IN23 |
| 24 | RESIDENTIAL LIVING #5 | 320526-R04500 | IN24 |
| 25 | HEALTH CENTER | 320400-R04410 | IN25 |
| 26 | | | IN26 |
| 27 | RES LIVING-CONF SERV | 320536-R04200 | IN27 |
| 28 | | | IN28 |
| **29** | **ED OUTREACH-CONFERENCE** | **103914-R01300** | **IN29** |
| 30 | | | IN30 |
| 31 | | | IN31 |
| 32 | | | IN32 |
| 33 | | | IN33 |
| 34 | | | IN34 |
| 35 | | | IN35 |
| **36** | **GRADUATE APP FEES** | **160735-R01400** | **IN36** |
| **37** | **ADMISSIONS APP FEE** | **160732-R01400** | **IN37** |
| 38 | | | IN38 |
| 39 | | | IN39 |
| 40 | | | IN40 |
| **41** | **COMPUTER REPAIRS** | **170113-R03900** | **IN41** |

**CLEARING FUNDS**        **ACCOUNT**

STATE   = C14000      G16150

TRUST   = C22029

SPECIAL = C90000

## WESTERN CAROLINA UNIVERSITY

No. 27651

### INTERDEPARTMENTAL INVOICE

Date _____

To: _____

_____

Sender: _____

Vendor: No. _____

Pay from Account Code

Pay to Account Code

_____

_____

_____

_____

Please verify this invoice with your own records and if there are any questions, immediately contact the sender. It is not necessary for you to request the Controller's Office to pay this invoice, as payment will be made by the Controller's Office from the copies it receives.

| Date | Description | | Cost |
|------|-------------|---|------|
|      |             |   |      |
|      |             |   |      |
|      |             |   |      |
| **Total to be charged to your account** | | | |

White Copy: Controller's Office, Accounts Payable
Canary: Controller's Office, Accounts Payable
Pink: Controller's Office, Accounts Payable
Goldenrod: File Copy, Sender

Correctness of this charge certified by:

_____
(Signature)

## Interdepartmental Transfer Journal Entries

Interdepartmental transfer journal entries are used to record transactions between departments for transfers of funds.  Transfers of cash between projects must be authorized by the transferring department by an email from the accountable officer or designee or a signed Interdepartmental invoice form by the accountable officer or designee.

Transfer accounts begin with an 8 and must be used on the debit side and use the appropriate corresponding R0xxxx on the credit side of the transactions.

| 850040 | Debt Service Transfer | R08410 |
|--------|-----------------------|--------|
| 860010 | Overhead Transfers – General Institutional Support | R08100 |
| 860013 | Other Intra Transfers | R08400 |
| 860019 | Endowment Transfer | R08400 |
| 860097 | Foundation Transfers to University | R02790 |

14. Rules for supporting a journal entry including specific documentation requirements should be described in writing and made known to persons that initiate journal entries.

## General Rules for Journal Entries

- ALL journal entries, without exception, must be approved in writing by an accountant other than the preparer prior to entry into the Banner system.
- Infrequent or unusual journal entries should be submitted to the University Controller for review and approval, prior to entry.
- Journal entries are not allowed between bank accounts. CMCS must be used between banks held at the NC State Treasurer's Office. Transfers to other banks must be done by check in Accounts Payable and receipt in the Cashiers Office.
- When correcting an error on a journal entry, use the same rule code as the original transaction.
- Do not mix receipts and disbursements on a journal entry form for state funds. Forms specific to receipts or disbursement transactions should be used.
- It is important that the line description provides a clear explanation of the purpose of the entry for both the credit and debit side of the entry. The line description is what the departments will see in Banner and on their reports.
- Document, Document, Document. It is important to clearly explain in writing all transactions on a journal entry. This may be picked up later by an auditor and it should be clear to the reader the reason for the transaction. Also, attach copies of any documents that are needed to further explain and clarify the transactions.
- All journal entries are filed by Banner journal number. The notebooks are filed in numeric order in the vault.
- Journal entries are not allowed across funds that begin with 1xxxx and 9xxxx.

# WESTERN CAROLINA UNIVERSITY
## JOURNAL ENTRY

Journal Type : JE16          Date:                    JE #_____

| FUND | ACCOUNT | AMOUNT | D/C | DESCRIPTION |
|------|---------|--------|-----|-------------|
|      |         |        |     |             |
|      |         |        |     |             |
|      |         |        |     |             |
|      |         |        |     |             |
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|      |         |        |     |             |
|      |         |        |     |             |
|      |         |        |     |             |

TOTAL          -

NET          -

EXPLANATION _____

_____          _____
REQUESTED BY                          APPROVED BY

                                      _____
                                      CONTROLLER

| File Name: | | Approved By: |
|---|---|---|

**Click Here to Save**

| Requested By: | | Controller: |
|---|---|---|

| Rule Code: | **JFP** | Chart: | **W** | Effective Date: | **Click Here** |
|---|---|---|---|---|---|

| FUND | ACCOUNT | AMOUNT | D/C | DESCRIPTION |
|---|---|---|---|---|
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**STEP 1**
***CLICK HERE***
after you have completed
entering data into the form.

**STEP 2**
***CLICK HERE***
after the upload is formatted
to check for possible errors.

**STEP 3**
***CLICK HERE***
if all errors have been
corrected or none exist.

**STEP 4**
***CLICK HERE***
to print the journal entry
form for your records

**Instructions:**
*Create your JE to the left
*Click Step 1 and wait for
message.
*Click Step 2 - if there are
and return to this sheet to
After you've made your co
Step 1 again to double che
*Click Step 3 after all error
format the sheet.
*Click Step 4 to print for yo
*Click the yellow save butt
*If you have additional Not
the ~~~NOTES PAGE~~~

# Questions and Answers

Q:     How will I know how to complete the FUPLOAD Journal Entry form?
A:     See the tab labeled "Instructions" for step by step data entry.

Q:     Does the Journal Entry need backup documents attached?
A:     Documentation from FGITRND can be used as backup along with any email that may provide the reason for your transfer.

Q:     What should I include in the Description box?
A:     The description should include the document being corrected.  Remember, the description will appear on your departmental reports, so it needs to give information that will help describe the reason for your transfer.

Q:     Why can't I use account numbers that end in three zeros?
A:     Account numbers that end in 000 are for "pool expenses".  These are budget lines. Your account number must be more specific, reflecting the type of expense that you are charging.

Q:     How do I know if the journal voucher has been processed?
A:     Go to FGIBDST in Banner and key in the fund and account number.  Do a next block and then highlight the account number.  Under Options, select Transaction Detail Information.

Journal Entries

15. Rules for oversight approval of sensitive journal entries should be described in writing and made available to persons that initiate journal entries. These could include the requirement for fund transfers to be approved by the budget office (if state funds) or by the controller's office (if trust funds).

Journal entries pertaining to Grant funds are preapproved by Paul Henninger, Grant Director before processing.

The use of miscellaneous income/miscellaneous revenue account numbers is prohibited. These numbers include R08400 and G.