

Journal Entry Guidelines

This section of the manual outlines the guidelines to be used when preparing and submitting journal entries for entry into the Banner Finance system. It also includes rules governing the use of certain account codes.

BB User General Entry forms

BB users in the Controller's Office and Budget Office use a journal entry request form or request for WFUPLOAD form in Dynamic Forms to submit entries for approval to record reclassifications, reimbursements, corrections, allocations, transfers and other adjustments not provided for otherwise in the BANNER FINANCE System. A unique document number is generated in FGJVCMM when an entry is entered for posting in BANNER FINANCE.

Journal Entry Excel Workbook

All other departments, divisions, and units may prepare journal entries using a "Journal Entry Excel workbook" that can be downloaded from the Controller's Office website. Entries received in this process are uploaded to the Banner Finance system using the WFUPLOAD process. The procedures for requesting a journal entry using this method are outlined in procedures posted on the website and in the Processing Section of these guidelines..

Account Codes

University Account codes are established in accordance with guidance from the North Carolina Office of the State Controller (OSC). Each account established in the Banner Finance system is mapped to an approved North Carolina Accounting System (NCAS) account. OSC groups NCAS accounts into the correct caption line for State agency and university GAAP financial reporting. OSC account rollups are reviewed any time a new Banner account is created. Banner Revenue and Expenditure can be found on the Controller's Office website.

Types of Entries

Revenue Entries

Revenue entries should only be processed to correct errors in fund and account posting. Exceptions are allowed in certain revenue sharing agreements between departments or for internal service transactions (ISR discussed below)

Expense Entries

Expense entries may be processed to correct errors in posting to either a fund or an account. Expense entries may also be processed to transfer the funding source related to an existing expense. An expense transfer should take place between two or more different funds and should be posted to the same accounts. They should not create a credit balance in an expense account.

Salary Reclassifications

Salary and benefit reclassifications or redistributions (**6xxxxx accounts**) should be processed through the Payroll system and ***should not be corrected by a journal entry***. The salary redistribution process is recorded using the BANNER Human Resource System by appropriate payroll personnel. In rare circumstances when a journal voucher is needed to reclassify salary

accounts, prior approval should be obtained from the University Controller.

Intra-fund Transfers

For ordinary transfers among University funds and accounts where the only objective is to move cash from one fund to another (no exchange of goods or services provided), transfer accounts **884440** and **808440** should be used. These accounts must balance at year end and have to be in conjunction with one another. **808440** has a normal credit balance like a revenue and **884440** has a normal debit balance like an expense. For NRL&P only transfer accounts **808490** and **884490** should be used.

All other transfer accounts in the 8XXXXXX range are used exclusively by the Controller's Office and Budget Office.

Transfers to and from State Appropriated Funds (General Fund) require approval from the Budget Office and require a budget revision. Transfers are not generally processed to and from State Appropriated funds unless a transfer is between the General Fund and Institutional Trust Funds. Transactions within the General Fund are processed with budget revisions. Please contact the Budget Office for additional information.

Budget Entries

Journal Entries cannot be processed using Budget Pool accounts (i.e. 720000 etc.) Budget adjustments within the same fund must be processed using the online budget transfer process. Please consult the Budget office for budget revisions that are between two different funds.

Documentation

For audit purposes, adequate documentation should be attached to each journal entry request. Documentation should provide adequate support, computations, files, documents, and/or other supporting materials to attest to the validity of the journal entry being processed.

The journal entries requested by the Controller's Office and Budget Office should normally post using rule code **JE16** as the TYPE. It is important that the "LINE DESCRIPTION" (limited to 29 characters) on the Journal voucher provides a clear explanation of the purpose of the entry for both the credit and debit side of the entry. The "ENTRY DESCRIPTION" must also be completed and should include a more detailed description of the overall entry not just the line items. The person initiating the entry signs request electronically and then the entry is forwarded to an approver. Requesters may not approve his or her own entry. The approver must ensure that the appropriate fund and account is recorded for the transaction, that the entry is within the standards provided herein, and that the journal entry is supported by adequate documentation and necessary and then sign and date as approved. The entry must have supporting documentation attached for audit purposes. The person posting the Journal Entry to Banner Finance must review the posted document for posting accuracy, and indicate that the entry is posted on the electronic form by documenting the BANNER document number assigned at posting on the space provided. Entries are stored in a network folder for the fiscal year in which they are posted in.

WFUPLOAD

Entries and Requests for Journal Entries – The documentation requirements for these types of

entries is the same as the entries discussed above. Supporting documents are stored electronically on the University's network drive in a folder for the fiscal year in which they were posted. Generally, the WFUPLOAD process uses the rule code FUP, however other rule codes may be used if appropriate.

Departmental entries submitted to the Controller's Office will be uploaded into the system using WFUPLOAD or posted manually using FGJAVCM.

Internal Service Revenue

Rule Code **ISR** should be used when recording any ASU internal revenue (inter-departmental sales of goods or services) in order to facilitate the elimination of internal sales transactions for year-end financial reporting purposes as prescribed by GASB 34/35. Some departments on campus utilize an automated feed process to place charges on funds and accounts. These entries are posted using unique document codes and rule codes for each specific type of feed.

Bank Clearing Entries

Any journal entry that is between Bank 01 (state funds) and Bank 05 (trust funds) must have an offsetting clearing entry in funds 109005 and 226005 for each line of the entry that crosses between the two banks to balance cash in the bank fund. In addition, any entry that is debiting or crediting a state fund with either a revenue or expense account or a general ledger (Balance Sheet) and subsidiary ledger (Income Statement) account must use the 109005 clearing fund. See the example below:

Expense transfer example: Debit 109310-729900, Credit 337010-729900 for a \$100.00 expense transfer

Fund	Account	Amount	DR/CR	Description
109310	729900	100.00	D	Expense Transfer
109005	785210	100.00	C	Expense Transfer
226005	785210	100.00	D	Expense Transfer
337010	729900	100.00	C	Expense Transfer

Clearing entries are posted to funds 109005 and 226005. These funds must maintain offsetting balances that equal zero. 785210 is used to clear expense related transactions and 509970 is used to clear revenue related transactions.

Processing Procedures

1. Requests for Journal Entries will be submitted through a Dynamic Form. The requestor should complete section 1 - 5 of the Form (Department Initiating the Journal Entry Request, Approver Information, Detailed Description of the Entry, Journal Entry Excel Workbook and Supporting Documentation).

2. Journal entries should be prepared using the Journal Entry Excel Workbook published on the Controller's Office website. Once the Workbook is completed it should be attached to the Dynamic Form along with the supporting documentation.

3. Business Officers will review the entry for accuracy and compliance with fund authorities and spending guidelines. Once approved the journal entry request will be routed to the Controller's Office for posting. All entries for Colleges and Departments that require divisional level approval will be routed to the designated approver(s) before the form is released to the Controller's Office for processing.

a. If a Business Officer is the requester the workbook and supporting documents should be approved by Divisional Approvers for approval. If no divisional approvers are designated, the journal entries should be approved by the next level supervisor for approval.

b. Sensitive or personal identifying data (SSN, TINs, medical or student information) should be retained in the department.

4. Once the request is fully approved and reached Data Control the file along with supporting documentation will be reviewed and compiled in a temporary posting folder on the network drive in the fiscal year folders: \\ustor.appstate.edu\BA\BA\Controllor\June 30, 20XX\Campus JEs.

5. Files received during the week until the end of each Thursday will be held in a temporary folder that will be renamed once posting is complete. The temporary folder will be used to store the workbook, supporting documents, and approvals for each request and will be created using the following naming conventions.

a. Division Abbreviations:

- i. CH - Chancellor
- ii. AA - Academic Affairs
- iii. SA - Student Affairs
- iv. FO - Finance and Operations
- v. ATH - Athletics
- vi. UA - University Advancement

b. Folder Naming Convention: Division Abbreviations and JE Banner Posting Date (MMDDYY) with a 1 up number

Examples: AA-032520-01, AA-032520-02, BA-032620-01, ATH-032720-01

6. Data from the workbooks will be added to a .csv file that will be used for posting. Data Control will post journal entries on Friday of each business week. Posting may be done more frequently if time allows.

7. After posting, Data Control will save the Banner reports/screenprint and add to the permanent file for the fiscal year and add the posted document number generated by the system to the name of the folder.