

CFR-4-05 Manual journal entry approval procedures

CFR-4-05.01 Introduction

Journal entries are necessary in PeopleSoft Financials to record revenues and expenditures, to transfer funds, or to record balance sheet accruals. This policy defines the difference between a system generated journal entry and a "manual" journal entry. This policy will also establish procedures for the review and approval of manual journal entries by accounting department supervisors.

CFR-4-05.02 Definitions

1. Journal source - two or three alphabetic code which identifies the type of journal
2. System generated journal - automatically created journal which is posted with little intervention
3. Manual journal - entered and posted by an authorized employee

CFR-4-05.03 Authorized personnel

Approximately twenty employees at The University have authorization to make a journal entry to PeopleSoft Financials. All of these employees work in the following departments:

1. Accounting department including general, property, taxes, and sponsored programs
2. Office of Resource Analysis and Budget
3. Parking Office

CFR-4-05.04 Journal entry types

Journal entries can be identified as system generated or manual by the journal source. Additional sources may be created at any time and will be reviewed to determine the proper category.

1. System generated journals
 - (a) ALO - Allocation: Allocations are used to automatically calculate and reallocate resources within The University. Allocations can be run at any time by a limited number of users (currently three). Most of the allocations are run at month end on the third business day to close the books. An allocation is also automatically run on a nightly basis to balance cash between all funds.
 - (b) AP - Accounts Payable: AP journals are generated from the Accounts Payable module. Usually four types of journals are generated: voucher accrual, voucher payment, accounts payable closure, and accounts payable cancel.
 - (c) AV - Advancement: AV journals are created from the Advancement module and generated in accounting. These journals record donations to The University given through the Development Office.
 - (d) DR - Daily Receipts: DR journals are generated from the CashNet cashiering system.
 - (e) EXT - External: These journals are generated from other external subsystems. This would include the Fee Distribution subsystem, the Inventory subsystem, Physical Facilities charges, and Telecommunications charges.
 - (f) PY - Payroll: PY journals are generated from the Payroll module. A separate journal is generated for

CFR-4-05.04 Journal entry types (continued)

2. Manual journal entries

- (a) OLD - Online Disbursement: This is used for direct banking disbursements including banking fees, electronic ACH and wire disbursements, and transfers from one university bank account to another.
- (b) OLJ - Online journals: This is the default source for online journal entry and is used for all manual journals not otherwise indicated with a source.
- (c) OLR - Online receipts: This is used for direct banking receipts including electronic ACH and wires.
- (d) PRK - Parking: This is used by the Parking Office to identify their journals. The Parking Office has been given permission to journalize interdepartmental charges such as parking permits and signage.
- (e) PYC - Payroll Corrections: Speedtype corrections for payroll charges are identified by the Payroll Department and sent to accounting. After verification by the appropriate accounting personnel, payroll expenses and corresponding fringe corrections are manually posted to the general ledger.
- (f) WKS - Worksheet: This is the same as OLJ, but is created on an Excel spreadsheet and loaded to the ledger using the Journal Upload feature of PeopleSoft.

CFR-4-05.05 Approval of manual journal entries

- 1. The Associate Vice President/Controller will have the ultimate responsibility for all manual journal entries made to the system. System generated journals will not require additional review and approval.
- 2. Review and approval
 - (a) The Director of Financial Reporting will review and approve all manual journal entries posted to the system. A few manual journal entries are made by the Director of Financial Reporting. These journals will be reviewed by the Associate Vice President/Controller or one of the individuals listed below if the AVP/Controller is not available.
 - (b) If the Director of Financial Reporting is not available to review and approve, the following supervisors will have the ability to review and approve as long as they have not created the journal entry:
 - (1) Associate Controller, General Accounting