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Journal Entry Process

All Journal Entries, regardless of type, are created using the same following steps:

1. Navigate to the Journal Entry Page
2. Complete the Header Page
    1. Add Attachments (Optional)
    2. Set-Up Reversal (Optional)
3. Complete the Lines Page
4. Edit the Journal Entry
5. Submit the Journal Entry
6. Approve the Journal Entry
7. Post the Journal Entry (Optional)

What is the Header?

Use the header page of your Journal Entry to identify the specific details of a transaction, such as:

- **When:** Journal Date
- **Why:** Long Description
- **Where:** The Ledger Group
- **Who:** Source Code (Defaults based on your user ID)

Completing the Header

There are several things to consider when completing the header page.

Long Description

The Long Description provides the business purpose for your journal entry. It needs to clearly explain why you're creating the JE and what the JE is intended to accomplish, as well as provide relevant details of individual journal lines. If you're creating the JE to correct an error, identify what the error was. Inadequate journal entry descriptions lead to audit questions!

Some real-life examples:

Inadequate Description: To move lab supplies from one SpeedType to the new project SpeedType where they should've been reported.

Suggested Description: To transfer lab supplies from ST63022723 NIH training grant to ST63033345. Lab supplies were required by ST63033345 in order to complete INUITRO studies for the grant. Expenses were originally booked wrong due to a miscommunication in lab order request.

Inadequate Description: To transfer income/expenses from HRSA grant.

Suggested Description: To transfer salary expenses from HRSA sponsored project (ST 63054321) that is over budget due to personnel costs being greater than planned. Expenses transferred to an allowable unrestricted departmental funding source (ST62612345).

Adding Attachments

You attach documentation to a journal entry in order to provide the supporting calculations and to demonstrate that the charges are reasonable, allowable, allocable (appropriately assigned to the SpeedType), and in accordance with award terms (for contracts). Be sure to verify that all attachments are legible before you submit the journal!

What makes a good attachment?



[1]

Creating Attachments



[1]

Adding Attachments



[1]

What about Reversals?

If you know at the time of a creating a journal that you want it to be reversed at a point in time in the future, you can set it up as a reversal journal entry at the time of creation, such as for manual accruals.

Groups audience:
Controller

Debit/Credit Convention

When you want to increase or decrease an amount in a transaction, knowing whether to use debit or credit depends on the Account code range.

In this chart, the UP arrow means to increase … and the DOWN arrow means to decrease the amount.

Example

On your monthly financial statements, you see that a conference registration (Account Code 553000) was accidently charged to Dues/Memberships (Account Code 510100). To move the expense (decrease) from Dues/Memberships to Conference Registrations (increase), you would credit (-) Dues/Memberships and debit (+) Conference Registrations (553000).

Debit/Credit Convention - Interaction

Personalizing Your Line Display

The default order of columns on the Lines page may not show the fields in the order you prefer. You can rearrange the columns with the Personalize link.

Refer to the video, or this step by step guide for instructions on how to do this.

Editing a Journal

After you've completed your Journal Entry lines, you need to Edit the journal.

The Edit process identifies incorrect ChartField combinations and other errors, including the following:

- Is each line's Fund/Account combination valid? (For example, you cannot pay for an official function with alcohol with a Fund 10 SpeedType.)
- Are you using a Cash control account (000100)?
- Are you entering a Budget-Only Account (Budget Pool Account, such as 480000 - Office Admin General Budget) on an Actual Journal Entry?
- Is your Actual Journal Entry in balance (total debits equal total credits)?

To run the Edit process, select Edit Journal from the process dropdown menu, and then click the Process button.

Source URL:https://www.cu.edu/controller/journal-entry-process

Links
[1] https://www.cu.edu/