

Journal Entry Procedures and Guidelines

updated 3/31/2022

Purpose: To summarize the journal entry process and to provide direction on completion and proper documentation of journal entries.

Journal Entry (JE) Defined: A journal entry is used to record a business transaction that increases funds in one account (credit) and decreases funds in another account (debit) without cash being received or a check being written.

A journal entry is used in the following situations:

1. Chargebacks: Journal entries are used by internal service departments such as Facilities, UHD, GBPAC, Car Pool, Mail Services, Telecommunications, and ITS to record the **sale of goods and services** to user departments.
2. Adjustments: Journal entries are used to correct an error made in recording a cash receipt or disbursement transaction.
3. Accruals or year-end adjustments: Journal entries are used to record certain transactions on the accrual basis of accounting at year-end. These entries are often reversed in September of the following fiscal year.

Should I use a Budget Transfer or Journal Entry?

<u>Situation</u>	<u>JE</u>	<u>BT</u>
Correct the recording of a receipt or disbursement transaction	X	
Charge (debit) the recipient of goods or services and credit the provider	X	
Move funds between GEF accounts (must balance to zero)		X
Establish or change a budget in a non GEF account		X

Journal Entry Standards

Requirements: All journal entries should adhere to the following standards:

CHARGEBACK Journal Entries:

Journal entries submitted by departments providing goods and services to other departments on campus will not require approval by the individual department as long as:

1. The charging department required an interdepartmental requisition requesting the goods and services, signed by the department head.
2. The charging department provides an itemized receipt/invoice to the other department showing the amount charged.
3. The charging department supplies an adequate Journal Description and Line Description so the charged department understands what it is being charged.

ADJUSTMENT Journal Entries:

1. Journal Entries must be prepared using the Microsoft Excel JE template located on the [Forms Repository](#).
2. The preparer's department will retain supporting documentation (ie - contracts or agreements between departments) for a period which is in accordance with [UNI Policy 1.07](#).
3. The journal entry should be uploaded using these [upload instructions](#).
4. Should it become necessary to reverse an uploaded entry, contact 3-3712 as soon as possible. Please have the journal entry name, amount, and date available.
5. All journal entries involving Grants and Contracts or UNI Foundation must be sent to grants-contracts@uni.edu or sharon.hannasch@uni.edu, respectively. These offices will review, approve, and upload the JE for you. Additionally, these offices will be responsible for the approvals, documentation, and retention of records.

Retention of Journal Entries:

- Adjusting journal entries and supporting documentation will be retained by the preparer's department in accordance with [UNI Policy 1.07](#).
- Chargeback journal entries and supporting documentation will be retained by the preparer's department in accordance with [UNI Policy 1.07](#).
- Journal entries and supporting documentation that include Grant accounts (funds 4000-6999) will be retained by Research and Sponsored Programs.
- Journal entries and supporting documentation that include Foundation accounts (funds 9404-9405) will be retained by the Foundation.

Completing the Journal Entry Form

The following is a screenshot of the journal entry form and its fields.

ORACLE												
<p><i>Instructions:</i> https://fo.uni.edu/accounting-reporting/journal-entries</p> <p>1. Complete this form and upload your journal entry using the instructions per the above link 2. All journal entries requiring Sponsored Programs approval must be sent to: grants-contracts@uni.edu 3. All journal entries requiring UNI Foundation approval must be sent to: sharon.hannasch@uni.edu</p>												
Category	*List - Text	Adjustment										
Source	*List - Text	Manual										
Currency	*List - Text	USD										
Accounting Date	*List - Date	7/1/2021										
Journal Name	Text	20201JLS070121										
Journal Description	Text	Correcting Entry - Jon Smith										
<p><--Enter Today's Date (Example: 7/1/2021) - This is the period that your journal entry will post <--Enter your 5-digit Organization value, your 3-digit initials, and MMDDYY (Example: 20201JLS070121) <--Enter a descriptive purpose of the journal entry - your first and last name (Example: Correcting entry - Jon Smith)</p>												
Upl	Fund	Appropriation Year	Organization	Object	Program	Function	Activity	Line Number	Debit	Credit	Line Description	Line DFF
R	0011	22	20201	62010	0000	61	0000	000	10.00		Office Depot, Invoice 23224516, Mouse Pad	None
R	0011	22	20201	64010	0000	61	0000	000		10.00	Office Depot, Invoice 23224516, Mouse Pad	None

Category: Do not change.

Source: Do not change.

Currency: Do not change.

Accounting Date: You will enter a date into this field. This will determine the period in which the journal entry will post. For example, if today's date is May 1st and you want the journal entry to post in April, enter an April date.

Journal Name: This field must contain the following information – Preparer's Organization Number, Preparer's Initials, and Today's Date in the MMDDYY format. If a person prepares more than one journal entry in a day, a letter may be appended to the end. Following this a brief description may be added. Note that this field has a maximum character length of 100.

Example Journal Names:

41001JLS070121

41001JLS070121A

41001JLS070121 Rent

Journal Description: This field must describe the purpose of the journal entry and include the preparer's first and last name. Please be as descriptive as possible. Note that this field has a maximum character length of 240.

Example Journal Description:

Correcting Entry, Invoice 23224516 - Jon Smith

Line Description: This must be a meaningful description of the entry being made. The explanation may be the same as the Journal Description or it may be different. When correcting an expense that has already posted to the account, you must credit the exact same account code combination and reference the original vendor and invoice number. The Line Description will appear on Statement of Account.

Example Line Descriptions:

Line 1 – Corr acct charged in Jul-21 for Office Depot Inv#71717

Line 2 – Partial Reimb. for Martin Bros Inv# 1234