

JOURNAL OVERVIEW TRAINING

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RESPONSIBILITY/APPROVER QUESTIONS:

1. What is the difference between a journal entry/import/upload versus a voucher versus a journal voucher?

This training is for journals only. A voucher is used to pay an invoice from an external vendor. A journal voucher is the form used to change a chartfield on an invoice paid. The detail for vouchers and journal vouchers reside in the accounts payable sub-ledger.

2. Is the new form in PeopleSoft used for all types of journals?

The new form in PeopleSoft is what we previously referred to as "journal entries", 10 lines or less. A workflow process in PeopleSoft is used for journal entries and journal uploads. Journal entries are directly entered into PeopleSoft by the department, journal imports/uploads are uploaded into PeopleSoft by P&PS. An email is still sent to und.journalimports@und.edu.

3. Can you tell me the basic difference between the two types of journal forms?

A journal import/upload form and a journal entry form change the general ledger in exactly the same way. The import form allows for a description by each line and looks like a spreadsheet. The journal entry form is entered directly into PeopleSoft by the department

4. Why do journals post directly to the General Ledger and not have a sub-ledger?

Journals are meant to record non-common transactions; common transactions are usually posted via a sub-ledger, not posted directly to the general ledger.

UND does use journals for inter-departmental charges and cash transfers. These are common transactions but are eliminated in the UND financial statements, therefore, they are not high risk to justify creating a sub-ledger. All other journals are higher risk and we want to decrease the number of these journals.

5. Is it a PeopleSoft limitation as to why journal entries/imports post directly to the general ledger versus the sub-ledger?

No, see answer in 4. PeopleSoft does not have a sub-ledger for journals, nor would that be an expectation.

6. How does the system ensure that an invoice isn't paid twice when using a P-Card? For example, the item is paid on the P-Card and the invoice is also submitted for payment through Perceptive Content.

This training is related to journals, not accounts payable payments.

P-Card invoices are not loaded with an invoice number by vendor. A P-Card charge means the invoice was paid at time of purchase. All P-Card transactions are loaded into PeopleSoft from the P-Card statement.

For a P-Card transaction to be posted twice, the UND Pcard holder would need to submit the card twice to the vendor or the vendor would need to run the card twice. The department is responsible for approving and monitoring all P-Card purchases.

7. Can you actually back-date a journal entry or is that only for certain situations during year-end?

A department is responsible for backdating journals at fiscal year-end. Any other backdated journals will be processed in the next month and not backdated. Any exceptions need to be coordinated with Controller, Director of Treasury, or Accounts Payable Manager.

8. Under How to Date a Journal, it says "at fiscal year-end, some journals can be backdated to 6/30 in July and August." I thought that we only had until mid-July to back-date a journal? We can still back-date in August?

You are correct, department journals must be submitted by the P&PS published date. The goal is to have all those journals posted around the 20th of July. With that said, this starts the financial closing process and a small group of individuals will be posting journals into August. The department journals must be submitted and entered before the financial statement journals can be posted. If we could delete and insert an audio clip in the video, we would take out the word "August".

9. Closing date - is it end of the month, or by the 5th of the next month?

At this time, it is the end of the month except at fiscal year-end. We have an internal process that does allow for some backdating monthly. These backdated journals are largely related to bank reconciliations of cash. If you have a specific concern or request of backdating, let us know.

10. Why is it important/helpful to indicate which fiscal year a journal entry/import should post to at fiscal year-end in addition to backdating the journal?

June 30th is UND's fiscal year-end, UND financial statements are governed by Generally Accepted Accounting Principles (GASB). These principles require we post expenses to the proper fiscal year.

11. If backdating to 6/30 in July or August, how does it "post" if the general ledger for June is closed? (Your example for 2/28 and submitting 3/10 said it will not backdate because GL for Feb is closed)

The closing and opening of a general ledger period in PeopleSoft is a process given to only a few individuals. The timing of the closing and opening of periods is handled by UND's Department of Treasury. They have the ability to open and close periods based upon a schedule. Exceptions are discussed with the Controller or Director of Treasury.

12. The training says that some journals could be backdated, but you don't indicate how to do this. Is that a special request to Payment and Procurement Services?

Backdating a journal at year-end requires the journal be dated 6/30, not 7/10 as an example. All year-end backdated journals must be submitted by a specific date or they will not be backdated.

Journals submitted during the year excluding fiscal year-end will not be backdated regardless of date. The reasoning is a month-end cutoff needs to happen in a consistent, timely manner so cash can be reconciled and financial statements run for Administration.

Any exceptions must be coordinated with the Controller or Director of Treasury.

13. In what cases might you use a journal that posts to a balance sheet account?

A balance sheet account is an asset or liability that has a balance. These accounts do not close out at year-end like a revenue or expense item. For example, a department is collecting sales tax that is posted to a liability account and the liability account is decreased when the actual sales tax is paid.

The department is required to know the balance in the account and what is included in the balance. A balance sheet accounts need to be balanced and reconciled. Balance sheet accounts should not be on a journal entry unless the approver knows what the balance is, why it is there and what makes up the balance.

14. Regarding journals that post to a balance sheet account of either 1xxxxx or 2xxxxx, can you still use those accounts if you use them for holding accounts for deposits before you transfer the funds out with a journal?

The skill set to manage deposit accounts (balance sheet accounts) requires more than basic accounting knowledge. For example, if an account is being used to move deposits to revenue, the individual responsible for that deposit account must have a reconciliation process and know the contents of the balance.

15. In video #2, it states you are required to provide backup documentation for your journals. Is the exception for this when you include the statement "All Backup Documentation is retained by department"?

Great question, this needs to be addressed in the next training video. Our questions in response to the departments using "all backup documentation maintained in the department" are:

- Is the department aware of the responsibility and risk in maintaining the backup?*
- What is the required record retention for these documents?*
- What is the department using to verify authorized individuals can sign on-behalf of a department?*
- If a department is indicating this statement, what is their documented process including following polices and processes?*

16. *As a journal approver in a department, I would have a documented process entailing exactly what type of backup documents are maintained in department. Backup documentation could also include how charges were calculated.*

4(d) Facilities

Yes, if the journal is from an original charge from a department, an invoice that ties to the amount on the journal should be attached. If several charges are added to one charge on the face of the journal, a tick or reference mark should be included that ties to the detailed backup to the amount in the journal.

Some exceptions exist with the department maintaining the backup in their department. This department is fully responsible for documentation including record retention, auditor questions, and approval of the department charge.

17. Can backup documentation simply be an email describing a purchase? Or do you need more detailed statements showing an actual transaction occurred with payment?

Journals are only used for purchases between UND departments, not purchases from vendors. We highly recommend a journal for a purchase from another department include an invoice, but a description of the sale including price is also acceptable.

18. At year-end, there are multiple journals entered with 6/30/XX date. Using the same journal entry number would cause errors. How do you know when to use the original journal entry and when not to?

The journal will not post with the same ID or reference number on the same date; the PeopleSoft system will indicate an error. If this happens, we will monitor the issue and strategize on a solution. P&PS will solve the issue in the interim to get the journal posted.

19. We have had instances where a JE has been entered twice by P&PS since they system allows duplicate JE numbers and we have had to process a correction. If P&PS double entered, why can't they correct/reverse on their side?

If P&PS entered a journal incorrectly, they will correct. If P&PS entered a journal twice because it was submitted twice by a department, the department needs to correct.

20. If another department sends a journal as in example FACDEC19, can another department do a correcting entry using the same FACDEC19 journal number if there is an error?

Yes, the journal is not a sub-ledger. No edit check exists unless we would try to post on the same day. If this happened, we would post one the next day.

21. Related to the JE number, is it possible to have subsets related to that number for corrections? For example, JE 658111 if the original, 658111-1 is a correction.

We try to refrain from manual processes. A manual process only works if people remember to use it or it may require increased resources to monitor.

22. In reference to the facilities import example, if FACDEC19 was the originating reference number and a correcting journal was submitted with the same reference number and yet another correcting journal is needed, would you recommend still using the same reference number of FACDEC19? In essence, there would be three journals with the same reference number.

Yes, we want to have the original data and all corrected data tied to the original journal. If an individual inquires in PeopleSoft for the original journal, they would never know part of the journal was corrected unless they saw all journals with the same reference number.

23. Why can't the system flag duplicate journal entry numbers? I will suggest a different numbering system in part II, however, a few months ago we had a journal entry that was posted twice. The postings occurred on different dates (about 10 days apart) and the second entry should not have posted. This required a third entry to reverse the duplicate posting.

The journal ID/reference/number is not part of a sub-ledger so no system check exists. This is why we want to advocate for less journals and use of sub-ledgers as much as possible. We are making the assumption the journals posted twice because they were submitted twice. This is the downside of a paper system and upside of an electronic system. In an electronic system, to submit a journal twice, the department will be required to hit submit and enter twice.

24. Is there a preferred report for backup documentation as proof a transaction hit the GL or can we use the GL Activity Report?

We see good documentation and not so good documentation. The not so good documentation is largely seen when submitting corrections. Proof needs to be from the general ledger that indicates it was posted to the general ledger. For example, a copy of a print out of a journal form only proves a form was completed, nothing on the copy indicates it was posted to the general ledger.

The only documentation acceptable on a correcting journal is "proof" it posted to the general ledger. We see a budget transaction detail report used or the GL73 query.

25. For a cash transfer, if the amount is self-explanatory, is the JE going to be sent back if you do not explain how the amount was derived?

In a perfect world, yes. When journals are being reviewed and processed centrally, because of volume and deadlines the central reviewer may decide the importance of posting is outweighing the central review. It is important to remember that it is ultimately the departments responsibility to understand and document the who, what, when, where, and why they are preparing and posting a journal.

26. Can you go into more detail regarding why we cannot do a transfer with funds that begin with a 3 unless further approval by the assistant controller has been sought?

Appropriated funds hold general state appropriations and tuition dollars. The management of these monies (balance sheet accounts) are controlled and monitored at a central level. The department does not need to track or worry about the money to cover the expenses in a 3xxxx fund because it is being managed centrally. In summary, we do not want others transferring money in and out of appropriated funds.

27. Do you think an add-on will ever help make this process less of a risk with some edits or checks and balances?

No, the goal of current and future training is to educate approvers to understand the risk of journals so

- *the number of journals will decrease by using sub-ledger systems*
- *putting processes in place so the journal is completed correctly the first time*
- *Limit the number of small dollar journals.*

We do not foresee an add-on in PeopleSoft to expand the use and decrease the risk of journals. This needs to be managed by the campus. One thought is to somehow decrease the risk by centralizing the process so less individuals are touching the general ledger directly.

28. Why do journals not have the same checks and balances as accounts payable?

Sub-ledgers have the checks and balances, journals do not and should be limited as much as possible.

29. When would a unit use the new account codes 491005-491015 and 721005-721015?

These account codes will be used only for MIRA transactions and will not affect the UND annual financial statements because they will net to zero:

Transfer between units - premium services/agreements - (491005/721005)

Mapped to transfer to/from cash in PBCS

Transfer between units - institutional support/base – (491010/721010)

Mapped as institutional support in PBCS

Transfer between units - institutional support/strategic - (491015/721015)

Mapped as strategic institutional support in PBCS

30. In the future, change the Assistant Controller title to Director of Treasury, and Budget Manager to Associate Director of Resource Planning & Allocation.

31. How do you correct a journal that was submitted in error?

A journal is corrected by submitting a new journal. A correcting journal can only correct a journal, it cannot correct a sub-ledger such as student finance, financial aid, accounts payable, asset management, etc.

This is the type of journal most often submitted with insufficient backup, please include “proof” of what actually posted in the general ledger.

32. What if you have an item that you are not able to tie to an invoice/journal/or voucher and is deemed not reconcilable? What kind of backup documentation would be attached to that?

Invoices and vouchers are within the sub-ledger accounts payable system. An entry pertaining to an invoice or voucher would not be processed via a journal.

If you have a balance in a balance sheet account that you are unable to reconcile, work with Controller, Director of Treasury, or A/P Manager. The documentation and process that was used to try to balance will need to be part of discussion with one of the three individuals above. One of these individuals will make the

final determination and process the entry so going forward the process it is not repeated.

33. For journals that post to a balance sheet account, it was mentioned the assistant controller or director of treasury approve the balancing tracking process. To clarify, we still approve the entry but a second step is needed that is completed by the assistant controller or director of treasury?

Yes, that is correct.

34. On an import what is the difference between the purpose and description? Are both required?

On a journal import, PeopleSoft allows for a 30 character description by journal line that is uploaded to PeopleSoft. The purpose is used to better explain the who, what, where, when and why you are doing the journal. The purpose is not uploaded into PeopleSoft, if needed, the department can use the purpose cell to better explain the journal.

35. Is there a future plan to eliminate Journal Imports and require all journals to be done using the Journal Entry process in PeopleSoft?

There is not. The direct entry into PeopleSoft is working well, it does require keying into PeopleSoft. When a journal has many lines that come from an external spreadsheet or system, the import works great because it is uploaded, with no data entry.

One goal is to decrease the journals. One way to do this is decrease the number of journals entered into PeopleSoft, combine journals and submit once a month via an import.

If a department is struggling with the risk and responsibility of journals, we highly recommend they contact the Business Service Center for this service.

36. List an example of what a department can do to reduce risk when making a journal entry.

If we were kings for a day, we would require the department approver review correcting journals very carefully. For example, how many correcting journals are being completed monthly and what is being corrected. This is the biggest identified risk and could be reduced by department scrutiny. Why are there so many journal corrections?

For example, within two weeks of going live with the PeopleSoft journal process, we saw one approver finding transfers between funds that was not allowable.

One question to ask yourself, what is the cost to correcting entries that are small dollar amounts?

37. Cash transfers on grant funds are initiated through G&C only? Also, the only time the 479 account is used on a grant fund is when revenue is transferred to a program income fund. We don't use this account on regular grant funds.

The journal training is applicable to all Grants & Contracts funds but in many cases Grants & Contracts funds have elevated rules and regulations. If you have any questions on Grants & Contracts funds please work with Grants & Contracts staff.

38. Can a journal that includes a grant project be backdated at year-end?

PeopleSoft would allow this. The Grants & Contracts Office works with the departments and reviews G&C journals as their process allows.

39. Can cash be transferred from a local fund to a grant project?

PeopleSoft will allow this. Grants and Contracts works with the departments and reviews G&C journals in their process.

40. Is a trial balance indicating a cash deficit in a fund sufficient backup for cash transfers?

Yes, this would be great backup.

41. Training indicates the journal/upload/import approver requires this training. Currently all journals (corrections of errors or departmental transfers) are approved by the department approver. Not all are approved by the department approver as most are monthly recharge center billings which have been reviewed and verified as appropriate charges by fund/project managers and or budget analysts. Can you clarify which journal types require the singular department approver?

We are aware of this issue with journal imports and the new PeopleSoft process. We hope to have clarification or a process in place after the fiscal year end.

42. Does a department approver of charges who has provided email approval at a point in time of authority remain valid when that person moves to another department prior to a journal posting?

This would be dependent upon the timing of the change in notification and the submission of the journal. In this case, work with P&PS to obtain your desired outcome.

PROCESS QUESTIONS:

1. It sounds like there is a way for this to be approved without the authorized signer approving it in the system, just via email. How does that process work?

Journal approvers are not the same as authorized signors for payments. The departmental journal approver is required to sign into PeopleSoft and approve all journals with a journal class of IDB or COR.

If the journal class is ACT, the journal was initiated by central finance or an email to UND.JOURNALIMPORTS@und.edu. These journals cannot be approved by the department in PeopleSoft journal workflow.

We are reviewing this process and will communicate to journal approvers when the decision is made. In the interim, these journals are all approved by central finance after the department approves which may not be a trained journal approver.

For example, an import for catering charges does not require 200 different approvals by all the various departments that had catering charges that month. The department processing the charge to other UND funds is responsible for maintaining and receiving proper approval using the authorized signor list and indicating the backup is maintained in the department.

2. When submitting a one-sided entry, will that automatically go to the appropriate individual for approval? Or will it error out when trying to submit because it is a one-sided entry?

A one-sided entry will not error out. One-sided entries are very uncommon and are typically used ONLY to correct the cash balance. These are entered with a journal class of CCE (Cash Correcting Entry) and the second side of the entry will impact cash. A department would never complete a one-sided entry unless a pre-approved process is documented with the Treasury Department.

3. There was discussion regarding how to DATE a journal. If a journal is submitted at the end of the month and not approved until the following month, it will still have that previous month's dating on it. Are these journals to be deleted, and restarted with the current month's dating? Or is the previous month to be opened and then the journal posted?

Submission date is not a field in PeopleSoft. We will assume the submitted date is the journal date. For example, if a journal is created on July 10th, the journal entry date will be July 10th unless the creator over-rides this date with a different date (journal date).

The journal will post in the month of the journal date.

At end of the month, if a journal dated 3/31 is not posted by 3/31, the journal will be removed from workflow via a process run in central finance. The journal remains active and will be updated with a new journal date of 4/1. The downside is this journal will require repeat approval by the department.

When a department creator gets a "Denied" email, the department has until the end of the month to correct and re-submit. For example if denied on 3/31 and not corrected on the same day, the journal is deleted and is lost so must be re-created if still necessary. The new PS journal workflow generates the J/E number automatically. How can we change that journal number and add our own reference number? For example, if we are making a correcting J/E and need to use the J/E of the number we are correcting?

On the "Add a New Value" tab of the Create/Update Journal Entries menu option, the fields and the defaults data for those fields are Business Unit (UND01), Journal ID (NEXT), and Journal Date (current date). Before clicking the "Add" button to move on to the entry header, you may change the NEXT to the journal id number of your choice.

4. Can an email approval or signed authorization form be used as approval for a department instead of it “routing” in the new JE module? Can that routing be bypassed?

No, the electronic process must be used for all journals. The exception is journals not entered by the department but first sent to the UND.JOURNALIMPORTS@und.edu. These journals can be approved via email submission from authorized journal approver, the journal class must be ACT

5. Will we eventually be allowing a secondary approver – what happens if the approver is on vacation and a JE is needed quickly?

No, not at this time. Approvers may delegate their approval access when out of the office. The delegation is for all Finance approval access – Travel & Expense and Journals – and is found in the system profile of the user. In an urgent situation where an approver is unexpectedly out of the office, the journal may be re-assigned to another approver by submitting a remedy ticket to CTS.

6. Can the Long Description field be viewed on the Approval page?

The long description is one description per journal (header description). There are currently two ways to access and view the journal to be approved:

- 1. Accessing through the email link the Long Description is visible immediately upon opening the journal.*
- 2. Accessing from Journals Pending My Approval in the GL Work Center, the Long Description is visible immediately upon opening the journal.*

The long description is not the journal line description, a journal line description can be entered for every line on a journal.

7. Can you tell me where you can view the 30 character description that’s included on the journal import?

We assume this question is referring to the journal line description which is not the same as the longer description that is in the header of journal (see question #6). The 30 character journal line description is found when viewing a journal in PeopleSoft, the field is called “journal line description”. The field is also displayed in the GL73 query.

8. Is there a minimum/maximum amount of lines that can be submitted on a journal import?

There is not a minimum/maximum amount of lines that may be submitted on a journal import.

9. When will the new process for completing journal entries be implemented by Procurement & Payment Services?

The new process is live. The final approver list may be slightly lagging behind in some areas. The new process was live as of 04-02-19. Training of the process was held prior to go live with journal approvers and those individuals designated to enter journals on a department's behalf.

10. We experienced correction of a journal which needed to be reversed. The Journal was reversed, by entering the first row (dr), the second row was added and auto-filled with the opposite (cr). Then a 3rd row was added and the correction allowed entering an amount (cr). The 4th row took the two previous rows and auto-filled (incorrectly). Although the number can be overwritten, it caused confusion. Is auto-fill necessary, is there be a requirement for equal credits/debits?

Lines added after data has been entered on a previous line of a journal will auto fill with the same fund and department as the previous line and will input an amount to balance the journal to zero. If you do not wish the lines to auto fill, you may add the additional lines you will need PRIOR to completing the data on the first line of the journal. Be sure to click the calculator at the bottom of the details once you have completed entering your data and verify the Total Debits equal the Total Credits.

11. Part 3 – I received notification from Eileen that a journal needed approval. It has happened a couple of times that journals which I have approved end up needing approval again. Are there others who have had this same experience?

You may receive a reminder email (from Eileen or another individual) if the journal is showing as needing your approval and has been in workflow for more than three days. Other times you may need to "reapprove" a journal is if the journal was removed from the workflow. It may have been previously denied and resubmitted, or has been corrected and resaved. Either of these actions would remove it from workflow and require the approval process to start over.

Helpful chart from journal processing training

- Debit/Credit impact to the general ledger

Account Type	Acct Code Number	Account Balance	To Increase	To Decrease
ASSETS	101001-162102	Debit (+)	Debit (+)	Credit (-)
LIABILITIES	201001-234102	Credit (-)	Credit (-)	Debit (+)
EQUITIES	310001-330001	Credit (-)	Credit (-)	Debit (+)
REVENUES	400000-484010	Credit (-)	Credit (-)	Debit (+)
EXPENSES	500000-730020	Debit (+)	Debit (+)	Credit (-)