

GT Accounting Basics

Journal Entries

JOURNAL ENTRIES

When it is necessary to move a charge from one PeopleSoft project to another PeopleSoft project, we make Journal Entries. Journal entries can occur several ways such as Expense/Encumber Journal Entry Panels, Cost Transfers, Campus Service Units Entries and Accounting Services Journal Entries.

Expense/Encumber Journal entries are the most basic and the most limited. They allow the user to move expense charges for Federal Express (source code FDX) and P-Card (PCD) only. You may move these charges from one project to another. The panels will also allow the user to adjust Postage and DOAS Communications encumbrances. These encumbrances are based on prior year expense. A department may find it necessary to increase or decrease the encumbered amount. A training class is available on the Training Website.

Electronic Cost Transfers are entries that give the unit a little more flexibility than Expense/Encumber. There are two levels of ECT's. Level A allows the Department to move charges without review when the account code does not change, the account charged is for Non-Personal Services (but not Tuition), charges transferred are less than \$5000 and the move is occurring within 60 days of the original posting date. If the transfer does not meet these conditions, then it is classified as a level B and must be reviewed by Grants and Contracts before posting. A training class is available on the training schedule but there are several pre-requisites and Department approval must be obtained.

Campus Service Units entries allow units, who provide a service and need to bill other units, the ability to charge any PeopleSoft projects. An example is the Buzz Card Center. They are allowed to charge your projects for services rendered. This is not an open class on our training schedule. Your Department must be approved for CSU entries and individual training is performed.

Paper Cost Transfers are journal entries that are posting to sponsored projects, matching projects or a combination of the two. The complicated form should have documentation that supports and justifies all changes made to the sponsored/matching projects. Departments should include all relevant detail information such as Asset Id when equipment is being moved, Employee Id when travel moved and a vendor id when any Per Diem and Fee account (751XXX) account is touched. Send these journal entries to Grants and Contracts for approval.

Accounting Services journal entries are done strictly in the Accounting Services Department. Accounting services may adjust any Fund, Project or Account code. If you need a journal entry completed through Accounting Services, you should fill out the ACC Journal Entry form and submit to mail code 0257. Journal entries that only charge to the following projects can come directly to Accounting Services: State with no matching funds involved, Departmental Sales, Agency, Plant, and Loans and Endowments. Journal entries that involve a Sponsored Project or State Project with matching funds MUST go through Grants and Contracts Accounting using their Cost Transfer Form.

HINT: How do I know if matching funds are involved? Check the Project Description on your expense ledger. The description will tell you if it is matching or not!

On the next few pages, you will see the Accounting Services Journal Entry form with explanations of each column.

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JOURNAL ENTRY FORM
(Effective July 1, 2002)

1 of 1

The description line is very important. The information you put here shows up on the ledgers in the description column. You only have 17 characters. Make sure the description means something to you and makes sense to other users!



Description:

(17 Characters Max)

Account Only

RE: Attached Complete Supporting Documentation

BUDGET PERIOD (4 Characters Max)	PSOFT PROJECT # (10 Characters Max)	ACCOUNT NUMBER (6 Characters Max)	CAMPUS REF (10 Characters Max)	VOUCHER/ OTHER REF (8 Characters Max)	VENDOR ID (10 Characters Max)	AMOUNT
↑						
↓						
<p>The Budget Period is the year the money is Budgeted. A good rule of thumb is that if you are moving charges on a 38, 125 or 46 report the BP is the Current Fiscal Year. If you are moving charges on the 306 report, the BP is the prior FY.</p> <p>Why is this important? If you do not put the correct Budget Period in this column, you could decrease the wrong Budget. For example, let's say we have \$500 in BP 2003 money that needs to be moved to another project. If we leave the BP column blank or put in 2004, the journal entry will affect current year Budget Money causing the current year free balance to change for money really paid for in the prior year's Budget.</p>						
Totals						0.00

Prepared by: _____

Title: _____

School or Department: _____

Approved By: _____

Title: _____

School or Department: _____

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(Effective July 1, 2009)

Page 1 of 1

DATE: _____

Description: _____
(17 Characters Max)

For Business Office Use Only
Entered By: _____
Effective Date: _____
Journal Entry No.: _____

RE: Attached Complete Supporting Documentation

BUDGET PERIOD <small>(4 Characters Max)</small>	PSOFT PROJECT # <small>(10 Characters Max)</small>	ACCOUNT NUMBER <small>(6 Characters Max)</small>	CAMPUS REF <small>(10 Characters Max)</small>	VOUCHER/ OTHER REF <small>(8 Characters Max)</small>	VENDOR ID <small>(10 Characters Max)</small>	AMOUNT
		←				
		<div style="border: 2px solid black; padding: 5px;"> <p>The Account Number column is for the Valid Account Number you want to charge. The account must be 6 digits. You can check for valid accounts the same way you check for projects. Again, if you are moving a charge run the ledger and verify that the expense or revenue is where you think it is! It is very common for CAD to move your equipment charges within a few days of the initial posting. Also, there can be mispostings. You may think you entered 714200 but actually hit 714300 - so check first!!</p> </div>				
		<div style="border: 2px solid black; padding: 5px;"> <p>This column is for the Valid PeopleSoft project you will be debiting or crediting. If a project has been inactivated, we CANNOT enter the aje. Verify that your projects are valid before submitting the journal entry. You can check for valid projects on the GTASC webpage by clicking on the Chart of Accounts Look-up link under the Financial Administration Tab. Even if another Department has given you a project to charge, verify that it is active!</p> <p>An easy way to make sure you are moving the charge correctly is to run an Expense Ledger or Revenue Ledger first. That way you can verify the charge is on the project you think it is. Remember, it is possible for CAD, ACC to move expenses - your charge could be somewhere else!</p> </div>				
Totals						0.00

Prepared by: _____

Approved By: _____

Title: _____

Title: _____

School or Department: _____

School or Department: _____

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BUDGET PERIOD (4 Characters Max)	PSOFT PROJECT # (10 Characters Max)	ACCOUNT NUMBER (6 Characters Max)	CAMPUS REF (10 Characters Max)	VOUCHER/ OTHER REF (8 Characters Max)	VENDOR ID (10 Characters Max)	AMOUNT
Totals						

The Campus Ref and voucher/Other Ref columns are optional. Some users like to put in this information to help track the movement of their charges. It is very easy to lose track of what amounts are being moved if the Campus Ref and Voucher are not included.

You can use these fields for additional data, also. If the Description does not give enough information, you can include additional information in these columns. Campus Ref can accommodate 10 characters while the Voucher has 8. Popular uses for these columns are dates, traveler's names and company names.

Vendor ID is required when you are moving Travel (6XXXXX) or Per Diem (751XXX) expenses. For travelers, you may use the Employee ID as the vendor ID. For individuals receiving per diem, they must be in our AP system as a vendor. Use the vendor id lookup to search for the number.

Why is this important? Accounts Payable is required to track ALL travel expenses, by individual for the State Audit Department. When you move an expense without supplying the employees id, AP must research whose expense were moved! AP is also responsible for the Federal Tax Form 1099 sent to individuals for work done at GA Tech. Anyone who is being paid out of a 751XXX account could possibly receive a 1099. When charges are moved, we lose track of individual's and their total amounts.

Prepared by: _____ Approved By: _____

Title: _____ Title: _____

School or Department: _____ School or Department: _____

Journal Entries through Accounting Services

Accounting Services prepares journal entries for Prior Budget Period/Current Fiscal Year adjustments to all accounts and Current Budget Period/Current Fiscal Year adjustments to Revenue (4XXXXX) and Balance Sheet (100000 – 399999) accounts.

For Current Budget Period/Current Fiscal Year Expenditure Account adjustments (600000 – 899999) please use the Cost Transfer panels. To sign up for training for these panels, please go to: <http://www.trainsweb.gatech.edu/mastcal.asp>

Journal Entry Procedures

If your journal entry meets the above requirements, complete a Journal Entry Form. When filling out the form, please remember:

All accounts and projects should be active. You can check for active accounts here: <https://intranet.gatech.edu/cfprod/fin/coalum.cfm>

All entries should have sufficient supporting documentation.

All 6XXXXX and 751XXX account adjustments should include the proper vendor and employee id information (not SSN).

Debits should be shown on the form as positive amounts, credits as negatives.

If the journal entry is moving amounts that have been posted to a ledger, please attach a copy of the report, with amounts to be moved highlighted.

If you are moving equipment items (843XXX, 743XXX) please include the GT Campus Ref and Voucher in the appropriate fields and include the Asset ID in your backup documentation.

All journal entries should have the signature of the preparer and approver.

Send the form and documentation to Accounting Services, mail code 0257,
Atten: Journal Entry

Journal Entry Checklist

1. Understand why you are making the aje. This will help you prepare the aje correctly and write a comprehensible description.
2. What's the budget period? If you are creating expense/revenue, it would be the current FY. If you are moving charges, look at the report. Report 306 = prior budget period (FY), Report 38, 125, or 46 = current budget period (FY).
3. Project number valid and correct? Check the web listing for active projects. If moving expense/revenue, check the project number on the report.
4. Account number valid and correct? Again, check the web listings and reports for active and correct accounts.
5. Campus Ref appropriate? If you are moving charges, use the campus ref on the report. If there is no campus ref, use this field to enter additional identifying information.
6. Voucher? If you are moving charges, use the voucher number on the report.
7. Do I need a vendor id or Tag Number? If you are moving Travel or Per Diem and Fee charges (account 6XXXXX or 751XXX) use the vendor id lookup to find the correct code.
https://gtwebapps.gatech.edu/cfprod/vendor_info/
If you are moving Equipment (743XXX or 84XXXX), you MUST lookup the tag number on the online inventory report.
8. Amounts correct? Debits should be put in as (+) and credits as (-). The aje should be balanced and equal zero.
9. Sign the "prepared by" portion of the form. Have another person sign as the approver. Audit regulations require DIFFERENT people in these spaces!
10. Attach Documentation. Documentation should be self explanatory and clear. If you are moving charges, include a copy of the report showing the charges posted.