



# Journal Processes

## Script Description

A previously entered budget checked and posted Voucher is selected and closed. Closing a voucher will relieve any remaining liability and credit the expense.

## Process Assumptions

- The accounts to be used are set up on the ChartFields tables and are active as of the date of the journal.
- The period for the journal is an open period.
- All setups have been made properly
  - The Ledger to be used is setup.
  - The calendar to be used is setup.
  - The Business Unit to be used is setup, and the ledgers and calendars to be used are associated with it.
  - The currency code is USD

## Understanding the Process

PeopleSoft General Ledger validates journal entries according to the criteria you set up in your General Ledger system. It automatically validates a journal when you request a Journal Edit. The Journal Entry Errors panel shows you any errors the system encountered-you can then go to the appropriate Journal Entry panel to correct the errors. Entries that originate in the General Ledger will require Budget Checking after Journal Edit. Once the system validates the journal entries with no error, you can request posting to your General Ledger.

## Processing A Journal Coming From Another System

You will have some journals that will be imported into the General Ledger with the Journal Generator for AP and PO. You will also load some journals from HRMS, Student Finance, and Advancement and other external systems. You do not need to manually enter these journals since, the system automatically process creates the journals for you.

PO and AP These entries are typically posted and budget checked in their respective PeopleSoft applications. When they are budget checked in these subsystem or feeder applications, the entries so they will not be budget checked again prior to being when posted to your PeopleSoft General Ledger, thus avoiding to avoid duplicate postings to your controlled Controlled Budgets Ledgers. AP and PO will bring in their journals journals are generated with a status of Valid for BCM., since they were Budget Checked in those modules, and we do not want to duplicate that process a second time in GL. They do need to be edited and posted, however. So you would do the following steps above. The steps to processing a journal coming from another system differ from manual journals as indicated below.

- I. Add a Journal Process Flow - Skip this section since the Journal Generator will create the journals for you. See the Journal Generator Processing Script.
- II. Edit a Journal Process Flow - This must be done for all journals.
- III. Budget Checking Process Flow - skip BCM for AP ,and PO. Do the BCM Check for HRMS and Interfaces.
- IV. Post the Journal Process Flow - this must be done for all journals

## **Add a Journal Process Flow**

1. A journal is required to transfer amounts from one ChartField combination to another. Enter the information directly into the Journal Entry panels.

Access the Journal Entry Panels as follows:

2.

<b>GO</b>	<b>Process Financial Information</b>
	<b>Process Journals</b>
<b>USE</b>	<b>Journal Entry</b>
	<b>Header</b>
	<b>Add</b>

***GL Journal ID:***

There are three keys used to identify a journal that you must input when creating a journal:

- **Business Unit**
- **Journal ID**
- **Date**

This combination has to be unique for each journal. You can repeat the same BU and Journal ID as long as the date is different.

You can

- enter your own ID (You can reuse the same journal ID throughout the year, or even within the same accounting period, changing only the date for each instance) or
- let the system assign one (NEXT will assign the next number). These journal numbers will be assigned inclusive of all journals (journals for the Actuals Ledger, as well as Controlled Budget JournalsLedgers).

<u>LEDGER</u>	<u>NEXT JOURNAL ID</u>
<b>ACTUALS</b>	<b>0000007932</b>
<b>APPROPRIATION</b>	<b>0000007933</b>
<b>ACTUALS</b>	<b>0000007934</b>
<b>Etc.</b>	

- Use a combination of both - some ID's assigned by you, and the remaining ID's assigned by the system.

# CAUTION

- **NEVER** type in the word "NEXT" in the Add - Journal Entry Panel shown above. The word must default in to utilize the automatic numbering feature. If you inadvertently type over the word "NEXT", you must press the Cancel key and start over again. If you type in the word "NEXT", the system will use the value of NEXT as the journal number and all automatic numbering will stop until the issue can be resolved by the technical staff.
- Use care if you assign a journal number. If you type in the next number such as 000000009 rather than letting the system use the "NEXT" journal number, the NEXT number on the Installation panel will not update with that number. A duplicate number will be assigned. All manually entered numbers should be out of the range of the automatic numbering sequence or use a unique identifier in the beginning of the Journal ID.

## *Journal Date:*

The journal date determines the fiscal year and period to which a journal is posted, based on the calendar established for your Business Unit. The journal date must be within the range of the current open period(s) before it can be posted.

- Click on the button.

## 3. Select the Ledger Group: (Required)

Options in the prompt list:

- ACTUALS
- ALLOT
- APPROP
- ORG
- PROJ\_GRT
- REVEST

ALLOT, APPROP, ORG, PROJ\_GRT and REVEST are Budget Ledgers. Each ledger group represents a ledger (or group of ledgers) which share common physical structures (defined in Ledger Template). Transactions can be entered for a Ledger Group, which will update all ledgers, or for a particular ledger in the group. For this implementation, there is a one-to-one relationship between the Ledger Group and Ledger associated with it.

## 4. Select a Journal Source (Required)

**Options in the prompt list:**

<u>Source</u>	<u>Descr</u>
ACC	Accounts Payable Accrual
AM	Asset Management
AP	Accounts Payable
GM	Grants
I/F	Interfund Transfer
INT	Interface
ONL	On Line Entry
PO	Purchase Order Processing
PR	Payroll Processing
RC	Receipt of Goods or Services
RQ	Requisition Processing
SF	Student Finance

Every Journal requires a journal source to be defined. The source identifies the origin of a journal entry. The system uses the journal source as the identifier on the journal header line. Sources can be used to help facilitate inquiries and reporting.

Typically, sources appear on screens and reports that reference journal entries; you can use them to better identify and group together journal entries from similar sources.

**5. Select a Budget Adj Type (Optional)**

**Options in the Prompt List Include:**

- (none)
- Encumbrance
- Pre-Encumbrance
- Revenue Adjustment

Encumbrance and Pre-Encumbrance is used to indicate whether an entry should update the expended amount in the ledger or create encumbrances or pre-encumbrances without having to create purchase orders for purchase requisitions.

Revenue Adjustment, specifies for each journal line whether to update the "Recognized" or "Collected" amount bucket on the revenue estimate budget ledger.

6. Select a Journal Class (Optional)

APADJ	AP Adjustment
BUDADJ	Budget Amount Adjustment
BUDJRNL	Budgetary Journal
CASH	Cash Collection
EQTRNS	Equity Transfer
FAAD	Fixed Asset Adjustment
MOEND	Month-End Adjustment
OPTRNS	Operating Transfer
PAYROLL1	Payroll Gross-to-Net
PAYROLL2	Payroll Vacation Accrual
REIMB	Reimbursement
REVAL	Revaluation
YREND	Year-End Adjustment

7. Adjusting Entry - do not select this option. This is addressed in year-end closing processes.

8. Currency Push Button - Not applicable.

9. Reversal Push Button - is used to automatically create a reversing entry , and is covered in Reversing Journal Entry Processes.

10. Select the Journal Lines tab on the panel

11. Enter Journal Line 1 with the proper accounting distributions

. The following methods can be used to enter a ChartField value:

- Enter the ChartField value if known

- Hit the down arrow for a list box of all valid values
- Enter a portion of the ChartField Value and hit Shift + F4 for a partial listing
- Place your cursor in the field and hit F4 for a complete listing (returns the first 250 valid values)

b. Using the same methods, enter the Fund, Deptid, Program, Class, Proj/Grant,

c. Enter the dollar amount to be charged to that accounting distribution

12. Decide if this Budget should be applied to the default Budget Period that was based on the Journal Date used. If security access is authorized for your Operator ID, and you want to override the Budget Period that defaulted in, then select the BP Override button:

If you select the BP Override push button, the following panel will appear, allowing you to input a new Budget Period.

13. Add a new Journal Line

- . Place your cursor anywhere on the prior journal line. To add a new Journal line:
  - Hit *F7* or
  - Hit the icon

b. Repeat steps 11A to 11B

c. The dollar amount needed to balance the journal will default in the 'AMOUNT' column. You can change this amount when you tab into this field.

d. If you want to repeat some of the accounting distribution that was on the prior line, click the icon

This allows you to select the ChartFields you want to copy to the next journal entry line.

The system will ONLY duplicate those ChartField values you select onto the next journal line down. It will not copy these ChartField values on every line

thereafter.

14. Add as many journal lines as needed repeating steps 13A to 13B as needed
15. Verify that the journal is balanced
16. You can save this journal using either of the following commands:
  - Use the icon
  - Use File, Save menu path

## **Edit a Journal Process Flow**

1. Journal Edit must be run for all journal entries regardless of where they originate.
2. Perform the Edit Check by Using the Process Edits Icon

**Specifically, an edit will:**

- Verify that the ChartField values are valid.
- Verify that the Debits equal credits.
- Flag the Journal entry for budget checking.
- Flag the Journal entry for posting to the target ledger.

**This DOS panel will close automatically when the edit is finished. On the Journal Line panel the status code of the journal should change from 'N' to 'V' if it passed the edits.**

**The possible Status Codes are:**

**E - Journal has Errors  
N - No Status - Needs to be Edited  
P - Posted to Ledger(s)  
U - Unposted  
V - Valid**

**If the journal has a status of 'E', the process of handling the error will be discussed in the Business Process Script for Journal Entry Error Handling Process.**

# Budget Control Checking Process Flow

1. Do a Budget Control Check. This must be done for all journals (except those excluded in step 2 below), whether they are using Budget Controlled Funds or not.
2. Journal entries generated from PeopleSoft Payables and Purchasing transactions are arrive already marked with a valid budget checked.

You can only edit and post these journal entries. You cannot budget check these entries because they were already budget checked in the sub-system they originated. If you did it again in GL, it would cause a duplication of the budget checking process in the Budget Ledgers.

The Journal Entry panels have grayed out all the fields in order to prohibit changes. This ensures consistency of information between PeopleSoft General Ledger and the originating system, and protects your audit trails.

3. You will have to Edit, Budget Check, and Post all the journals from the other sources (HRMS, SA and Interfaces).
4. Run the Budget Checking Process

Select the Budget Check Icon

When the Budget Check is finished this screen will close, and the BCM Status code should change from 'N' to 'V' as follows:

The possible BCM Status codes are as follows:

E - Error in Budget Check  
I - Budget Checking In Process  
N - Not Budget Checked  
S - Selected by BCM to process  
V - Valid Budget Check

If the journal has a BCM Status of 'E', the process of handling the error will be discussed in the Business Process Script for Handling Budget Control Exceptions.

*The Budget Checking Process* - Budget checking is a prerequisite to posting. When the BCM enforces budgetary control on a transaction, it:

- . *Verifies Account Types* - Verifies that the account type requires either expenditure or revenue control as specified on the Account Types panel. If budgetary control is not required for the transaction account, the BCM marks

the transaction as passing budgetary control without actually affecting a change to any budgeted amounts.

- b. ***Validates the Transaction Date*** - Validates the transaction date against the detail calendar associated with the General Ledger Business Unit default ledger group and Pprimary ACTUALS ledger to ensure that the date falls within a valid fiscal year and accounting period for that ledger.
- c. ***Validates that the Transaction Type is valid per the Budget Transaction Control Panel*** - Validates that the transaction type may occur on the current date based on the Budget Transaction Control setting.

GO	Define Business Rules
	Administer Budgetary Control
USE	Budget Transaction Control
	Add

Click on the button.

- d. ***Verifies that the Account is not a Budgetary Account Only*** - Verifies that the transaction account is not designated as a Budgetary Account Only, as specified on the Design ChartFields, Account panel.
- e. ***Verifies that the Control Location ChartField is subject to budgetary control*** - Validates whether the Control Location ChartField on the transaction is subject to budgetary control. The system is delivered with the Control Location set to the Fund ChartField on the Budget Control Parameters.
- f. ***Translates Transaction ChartFields to Budget ChartFields*** - Translates transaction ChartFields to budget ChartFields as specified on the Budget Key Translations panel.
- g. ***Verifies the Spending Authority*** - Verifies, on a transaction-by-transaction basis, that the transaction's monetary amount does not exceed the available spending authority. Accounts that you designate as Budget Override accounts in the Account panel are exceptions to budgetary control rules. BCM will allow transactions to pass budget checking even if there is not sufficient Remaining Spending Authority in a budget to cover the transaction

- h. **Marks the Transaction in Error** - If any of the above conditions and validations fail, the BCM marks the transaction as an error and does not update the budgets for any of the lines on the journal. Until all of the errors are corrected, you may not post the transaction to the ACTUALS ledger.
  - i. **Updates the Budget Ledger** - If all the above validations have passed, the BCM updates the budget amounts in the budget ledger immediately so that the expenditure, pre-encumbrance, and encumbrance totals for any ChartField combination are kept up-to-date.
  - j. **Creates Audit Trail** - Each time the BCM passes a transaction and updates the budget, it records an audit record in the Budget Checking Transaction Detail Table, PS\_BCM\_TRANS\_DTL. This table stores:
    - I. The budget ledger row which the BCM updated.
    - II. The date and time that the BCM updated the ledger row along with the BCM process instance.
    - III. The transaction reference information.
    - IV. The budget override information-whether this document was marked for budget override and which Operator ID approved the override.
5. You may run the Budget Transaction Detail report at any time for a list of the transactions that reduced your controlled budgets.

## Post The Journal

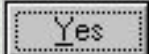
1. Post the Journal. This must be done for all journals.

The Journal Entry panels have grayed out all the fields in order to prohibit changes. This ensures consistency of information between PeopleSoft General Ledger and the originating system, and protects your audit trails.

2. Run the Journal Post Process


- Select the Process Posting Functions Icon

The following panel will appear

Select the  button.

After the posting completes, it should return you to the Journal Line panel with the following status codes.

**See #2 under Edit A Journal15) above for a list of possible Status Codes, and #4 under Budget Control Checking16) above for a list of possible BCM Status codes.**

**You can now close the panel, by hitting the ESC key, or by hitting the  cancel icon.**