

# General Ledger Journal Entry

## University Operations – Financial Activity

### CWU Policy 202-19

**Effective:** December 27, 2022

**Policy Review Date:** YEAR

**Policy Executive:** Senior Vice President – Finance and Administration

**Responsible Office/Unit:** Finance and Business Auxiliaries

#### **Policy Statement:**

#### **Applicability:**

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#### **Content:**

Policy

Appendix A - General Ledger Journal Entry Procedure

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#### **(1) Policy**

- A. The purpose of this policy is to ensure journal entries recorded in the general ledger are properly prepared, supported, reviewed, approved, recorded in accordance with generally accepted accounting principles, and stored in a uniform and consistent manner for easy accessibility.
- B. All Central Washington University (CWU) employees responsible for preparing, entering, or approving journal entries must be knowledgeable of journal entry policies and procedures. In addition, journal entry approvers must possess an appropriate level of Central Washington University financial knowledge for the areas they are reviewing and approving.

#### **(2) Scope**

- A. This policy applies to all Central Washington University employees involved in the creation, processing, approval, and recording of manual journal entries. This policy excludes journal entries that are system generated and posted automatically to the general ledger.

#### **(3) Responsibilities**

- A. The Director of Financial Services or other designee is responsible for this policy and the relevant procedure, General Ledger Journal Entry Procedure.

#### **(4) Policy Maintenance**

- A. The Director of Financial Service will review and recommend changes to this policy statement at least annually or more frequently as needed to respond to changes within the institution and the regulatory environment.

#### **History:**

*Responsibility: Finance and Administration; Authority: Cabinet/UPAC; Reviewed/Endorsed by: Cabinet/UPAC;  
Review/Effective Date: 10/04/2017; 12/27/2022; Approved by: A. James Wohlpart, President  
Reformatted and Assigned new Policy Number - Previous Policy CWUP 2-10-210, June 2025  
Attached Procedure CWUR 3-50-610 as Appendix A, June 2025*

## Appendix A - General Ledger Journal Entry Procedure

### (1) Purpose:

- A. This procedure defines the process that will help ensure all journal entries recorded in the general ledger are properly prepared, reviewed, approved, recorded in accordance with generally accepted accounting principles, and stored in a uniform and consistent manner for easy accessibility.
- B. All Central Washington University (CWU) employees responsible for preparing, entering, or approving journal entries should be knowledgeable of journal entry policies and procedures. In addition, journal entry approvers should possess an appropriate level of Central Washington University financial knowledge for the areas they are reviewing and approving.

### (2) Scope:

- A. These procedures apply to all Central Washington University employees involved in the creation, processing, approval, and recording of manual journal entries. These procedures exclude journal entries that are system generated and posted automatically to the general ledger. These procedures define:
  - 1. The process and tools for uploading and posting journal entries to the general ledger.
  - 2. The support documentation recommendations.
  - 3. The audit and review requirements.

### (3) Guidelines:

- A. Journal entries should have an approver that is different from the preparer. The approver should have adequate knowledge of the activity to properly review the journal.
- B. The journal entry preparer will submit the completed journal entry template and supporting documentation to the designated approver for approval.
- C. The journal entries should be reviewed and approved in compliance with CWU financial policies and procedures.
- D. Evidence of journal entry approval should be in the form of a written signature, system generated approval workflow, or on an exception basis by electronic approval via email.
- E. Approved journal entries and supporting documentation should be stored in accordance with CWU procedures, as well as stored in an accessible storage location designated by the Director of Finance.
- F. All journal entries which involve external Grant and Contract funds (Fund 145/146) are required to comply with the specific regulatory guidelines from the respective governing entities. If there is a question as to the allowability of the entry, it is the journal preparer and approver's responsibility to contact the Grant and Contract Office for guidance and/or approval.

#### **(4) Definitions:**

- A. General Ledger – The general ledger contains all Central Washington University financial transactions. Currently, the general ledger (system of record) is the PeopleSoft Financial Management System (FMS).
- B. Journal Entry – A journal entry records financial transactions in the general ledger.
- C. Journal Entry Template - All journal entries should be prepared using the journal entry template (Spreadsheet JV) or entered directly into FMS using the journal entry page. Detailed instructions for inputting information into the template are within the journal entry template excel file.
- D. Supporting Documentation– All manual journal entries should have supporting documentation. Supporting documentation consists of source documents (or copies of original documents), supportive analysis and calculations, and/or other items necessary to substantiate the accuracy and appropriateness of a journal entry. At a minimum, the supporting documentation should include a brief written description of what the journal is intending to do in addition to any analysis or calculations provided. Supporting documentation should be attached to the JV template when submitted for approval or attached to the JV in FMS. Typical supporting documents include, but are not limited to, general ledger reports, worksheets with supportive calculations, copies of source documents such as check requests, purchase requisitions, travel expense reports, third party reports/statements, or related emails. However, emails without supported documentation are not sufficient. Supporting documents can be attached to the Journal Voucher once it is loaded into PeopleSoft using the delivered attachment functionality.
- E. Manual Journal Entry Types – below are the types of Journal Header Class designations that should be utilized when making manual journal entries:
  - 1. Externally Sponsored Grant or Contract (Fund 145/146) Entry – A journal entry that affects externally sponsored grant or contract related funds. Given the regulatory requirements associated with federal contracts and grants, additional measures and documentation is required for federal contract and grant related general ledger entries. These entries involve Funds 145 and 146. Contact the post award manager with questions and for additional requirements.
  - 2. Estimate Entry – A journal entry requiring subjectivity or judgment to calculate. These entries typically impact bad debt reserves, paid time off (PTO) reserves, workers compensation reserves, actuarial liabilities and other estimates or reserves. These will be identified with the ESTIMATE header class.
  - 3. Accrual/Deferral Entry – A journal entry that impacts accounts payable, other accrued liabilities, or deferred revenue. Examples include entries to recognize expenses incurred but not recorded, entries for compensation earned but not recorded, and tuition revenue received but not earned. These entries are typically reversed in the next period, and both the accrual/deferral and the reversals should be identified with the ACC/DEF header class.
  - 4. Investments Entry – A journal entry primarily made by the Financial Services office staff, that includes accounts that roll up to investments or investment income. This includes monthly earnings as well as realized and unrealized gains, these journals will be identified with the INVESTMENT header class.
  - 5. Debt Entry – A journal entry primarily made by the Financial Services office staff for areas that include accounts that roll up to bonds, amortization, deferred outflows, commercial

- paper, interest rate exchange agreements or long-term debt. These journals will be identified with the DEBT header class.
6. Original Entry – A journal entry that is made based on original data from a recognized source (banking documents, daily cash reports, etc.) that directly enters the data from the source document into FMS (the journal entry amount matches the backup document).
  7. Semi Manual Entry – A journal entry that is manually entered into the system, however the backup to the journals is the output of a third party system (work order, telecom, foundation, etc.), so all original documents and backup exist in the source system records and either summary or detailed accounting information is being entered in the journal. Semi manual journals should have a summary report or page that includes a reference to the source system as well as the location of the backup. This category includes journals processed through the custom interface pages. Supporting documentation for these types of transactions could be a batch header summary page, or similar summary showing the activity being processed.
  8. Internal Entry – A journal entry that reflects internal activity, transfers, reclassifications, or corrections and has no consolidated impact. These entries include:
    - a. Funding transfers performed in compliance with appropriate procedures - EQTRNS for equity transfers;
    - b. Distributions of shared revenues/expenses – OPTRNS for operating transfers;
    - c. Reclassifications/corrections of accounts, components, departments, or funds – RECLASS; and
    - d. Other internal transactions that do not affect consolidated net assets. (i.e. these entries have no impact on the consolidated total fund balance), use appropriate adjustment class (APADJ, ACCT ADJ, etc.)
  9. All other entries affecting net assets – A journal entry affecting net assets not previously defined.
  10. Automated/System Generated Entry – A journal entry that is generated and submitted to the general ledger through an interface with a subsidiary application/ledger (e.g. Human Resources, Accounts Payable, Payroll, Student Financials, Expenses, Allocations, etc.).
- F. Preparers – The individual who creates the journal entry and compiles the supporting documentation. The preparer is responsible for uploading the journal into FMS and attaching both the journal entry and supporting documentation into the designated storage location and ensuring a valid edit and budget check. The preparer also submits the entry to their designated journal approver for review and posting.
- G. Approvers – The individual who is responsible for reviewing the journal entry template and supporting documentation for validity, accuracy, and completeness prior to approving for posting it into the General Ledger.

## **(5) Journal Audit and Review procedures**

- A. A query showing preparers who post their own journals will be reviewed monthly and issues will be communicated to relevant parties. The query will exclude the semi-manual type journals from the analysis.
- B. There will be periodic audits or reviews of department-stored documentation, including journal vouchers, supporting documentation, and third party system reports or documentation. This also includes reviews of manual journals where not all backup is attached electronically to the JV, as well as semi manual journals where the data is stored in third party systems in other departments.

**(6) Journal entry responsibility:**

- A. The Preparer will prepare the journal entry template (or enter Journal into FMS) and supporting documentation.
- B. The Preparer will scan the relevant supporting documentation and attach to Journal as an attachment in FMS or attach the supporting documentation to the paper journal.
- C. The Preparer will ensure a valid edit and budget check.
- D. The Preparer will submit the journal entry for approval.
- E. The Approver will review the journal entry template and supporting documentation.
- F. The Approver will approve and post the journal entry.