AS 202 Journal Entries: Procedures and Guidelines

Policy

The Department of Accounting Services manages the stewardship of the University's funds, produces financial statements per Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards (GASB) and federal and non-federal funding agency regulations.

Journal entries record financial transactions in the general ledger. Accounting Services is responsible for entering the general ledger journal entries. Journal entries are created either manually or are system generated. Departments can create certain journal entries that must be sent to the Accounting Services for processing. Manual journal entries are electronically uploaded into PeopleSoft Financials.

Fiscal Agents are responsible for reviewing, approving and sending manual journal entries to Accounting Services for processing.   CM-21 – Financial Management Responsibility Policy.

Types of Journal Entries

There are various types of journal entries generated by Accounting Services and other departments at LSUHSC.

PeopleSoft Generated Journal Entries. This type of entry is system generated from the payroll, accounts receivable, and accounts payable sub-ledgers.

Manual Journal Entries. This type of entry is processed directly into PeopleSoft Financials by Accounting Services. The template for journal entries is available under Forms in the Accounting Services website. Access to process journal entries directly is limited to specific individuals in Accounting Services. Fiscal Agents may complete the journal entry template and send to Accounting Services for posting. These journal entries should be sent to:

>   Sponsored Project related entries go to nosponsproj@lsuhsc.edu

>   Billing & Accounts Receivable related entries go to spon_con@lsuhsc.edu

>   All other journal entries should be sent to generalaccountingno@lsuhsc.edu.

Electronically Imported Journal Entries. This type of entry is uploaded via the journal upload process and used to allocate charges such as telephone charges. Billing departments must maintain appropriate documentation for audit purposes.

Documentation

Proper documentation consist of source documents, supportive calculations, and/or other items necessary to substantiate the accuracy and appropriateness of a journal entry. All journal entries are required to have supporting documentation. Proper documentation reduces and/or eliminates the need for individual recollection by the person who created the journal entry. Ideally, the support should be added to the excel journal entry under a separate tab in the same spreadsheet.

Typical supporting documents used for journal entry support may include, but not limited to:

- Reports. General ledger reports. (nVision, BIPublisher reports).
- Queries.
- Invoices.
- Supporting Schedules.
- Other Documents. Specific emails or documents that provide a better understanding of the entry. Previous journal entries that were done incorrectly to support correcting journal entries.

The preparer should review the entry prior to submitting to Accounting Services for posting. The entry should be reviewed for the following:

- Possible Errors. Ensure the correct chart strings are used. Debits and credits are not reversed. Total debits must equal total credits (totals should net to zero). Amounts are correct. Period posting to is correct.
- Reasonableness. Numbers reflect the support. Recurring entries should be similar to prior month's entry.
- Completeness. Comments and notes should be clear and complete in content and documentation should fully explain what the journal entry is doing. The journal entry is properly referenced and supporting documentation is attached.
- Reasonable. The amounts are reasonable to the support.
- Accurate. The amounts are reasonable to the support.
- Appropriate. The journal entry is appropriate to the specific accounts based upon fund requirements, budget and account activity.