



**JOURNAL VOUCHER
FUNDAMENTALS**

OBJECTIVES

- What are the common functions of journal vouchers
- How to decide which GL accounts are appropriate
- How to create a JV and what backup is needed
- Where to send JVs
- When will JVs be posted to SAP
- Who to contact for JV questions

JOURNAL VOUCHER (JV)

SAP document used to record an internal transaction between funds, cost centers, WBS elements or internal orders. Transactions with external entities are completed on various other document types such as Purchase Orders, PRDs, Cash/Check Transmittals, etc.

COMMON FUNCTIONS OF JVS

- Corrections to previously posted transactions
- Allocation of costs based on a reasonable, verifiable method
- Posting charges for goods or services rendered from a UK department to another UK department
 - Service centers
 - Auxiliary service operations
 - Recharge operations
 - Hospital revenue
- Accounting transactions such as accruals for accounts receivable and accounts payable
- Transfers between business areas and fund groups

GRANTS

- For JVs involving grants (WBS elements starting with 3), please refer to Appendix 2 of the Business Procedures Manual for specific grant related guidelines and help topics.
- <http://www.uky.edu/ufs/bpm-structure/appendixes>
- Research Financial Services (RFS) can also be contacted for grant specific JV questions.

CHART OF ACCOUNTS

- **Business area** identifies the reporting entity within the University of Kentucky.
- **Fund group** specifies the major funding source for the cost/funds center and fund. It is incorporated in the first three digits of the cost/funds center or fund number.
- **GL account** refers to a specific transaction designation originating from the financial accounting chart of accounts.

GL ACCOUNTS

- GL accounts starting with 1xxxxx are assets
 - 11xxxx is cash. These transactions are only allowed to be posted by University Financial Services departments.
 - 12xxxx - Investments
 - 13xxxx - Accounts receivable
 - 14xxxx - Loans receivable
 - 15xxxx - Inventory
 - 16xxxx - Other assets
 - 17xxxx - Capital assets
- GL accounts starting with 2xxxxx are liabilities
 - 21xxxx - Accounts Payable
 - 22xxxx - Deposits and withholdings
 - 23xxxx - Accrued expenses
 - 24xxxx - Unearned revenue
 - 25xxxx - Long-term liabilities
 - 26xxxx - Bonds and capital leases liabilities
 - 27xxxx - Self insurance liabilities
- GL account 310000 is net position (fund balance)

GL ACCOUNTS (CONT'D)

- GL accounts starting with 4xxxxx are revenues
- GL accounts starting with 5xxxxx are expenses
 - 51xxxx - Salaries
 - 52xxxx - Benefits
 - 53xxxx and 54xxxx - Operating expenses
 - 55xxxx and 56xxxx - Capital expenses
- GL accounts starting with 6xxxxx are recharges
- GL accounts starting with 7xxxxx are transfers

REVENUE

- GL accounts starting with 4.
- Normally revenue is generated from external sources.
- Although revenue and expense JVs are not common, some exceptions are parking, auxiliary services, hospital revenue and tuition/fees not related to student records.

PASS-THRUS

- 519000 (salary) 529000 (benefits) and 539000 (operating expenses) are pass-thru and must be used on both sides of the transaction.

RECHARGES

- GL accounts starting with 6.
- Recharge GL accounts MUST be recorded on the same GL account on both sides of the transaction. The recharge GL account used must be the same as originally charged.
- A service is being provided by a service center or a recharge operation to other departments with established rates approved by the University Budget Office and RFS.
- Original recharge JVs should be sent directly to RFS for approval, prior to review/posting in Accounting and Financial Reporting Services (AFRS).

TRANSFERS

- GL accounts starting with 7.
- The debit GL account usually begins with 75 and the credit GL account begins with 74. Each debit amount must equal each credit amount.
- Transfer GL accounts are used to provide support from one unit to another unit.
- Transfers within the same business area and fund group will use the same 74 GL account on both sides of the transaction.

CORRECTING PREVIOUS TRANSACTIONS

- Provide proof that the original transaction was charged on the cost center or WBS element that is now being corrected. A printout of KSB1 is preferred for cost centers and CJI3 for WBS elements.
- If the JV is being prepared for one amount that consists of a number of separate transactions, provide a KSB1 printout or simple listing of the various items that make up the total.
- Corrections must be made during the same fiscal year in which the original posting occurred. The deadline for submitting corrections is published in the year end schedule.

REALLOCATING EXPENSES

- Before creating a JV, check SAP screen KSB1 to make sure the original charges posted on the cost center and GL account in the current fiscal year. KSB1 will provide the document number of the original charge.
- If reallocating only part of the expense, please note the total expense amount on the JV or backup.
- The expense must have actually occurred and must not be more than the actual amount spent. Provide documentation of original expense as backup.

OTHER POINTS TO PONDER

There are other transactions that may need additional consideration:

- Payroll JVs
- Discretionary cost centers
- Agency cost centers

PAYROLL JVS

- Salary GL accounts begin with 51 and Benefit GL accounts begin with 52.
- The SAP Payroll Schedule displays earliest retro dates for payroll edits to be corrected on a Z4 Payroll Adjustment document.
- If possible, current Payroll edits should be corrected by cost distributions through the HR system.
- Exceptions to retro dates would include Graduate Student Health, overtime, and COBRA.

DISCRETIONARY COST CENTERS

- JVs that include discretionary expenditures must adhere to the UK Discretionary Expenditures Policy.
- The UK Discretionary Expenditures Policy can be found at: <http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-7-10.pdf>
- Expenses can be reallocated from one discretionary cost center to another discretionary cost center.
- Expenses moved from a discretionary cost center to nondiscretionary cost center will need appropriate backup and justification.

AGENCY COST CENTERS

- JVs that involve agency cost centers starting with 112 or 113 (ie: student clubs or professional organizations) require the signature of the contact person listed on SAP Funds Center master data (FMSC).
- JVs cannot credit an agency cost center unless correcting an error in a previous posting. Disbursements to agency cost centers should be made via PRD.
- Agency cost centers must be verified for available funds in SAP before submitting a JV.

JV RESTRICTIONS

- Revenue GL accounts are not allowed on expense only cost centers 1012xxxxxx, unless it is for prior year reimbursement of expenses and is less than \$5,000. GL 449050 - Reimbursed Costs is then used.
- Expense GL accounts are not allowed on revenue only cost centers 1011xxxxxx.
- Expenses that have not yet occurred cannot be moved.
- Funds moved from one cost center to another in the same business area and fund group for the use of the second cost center should be moved by budget transfer.

EXCEPTION REQUESTS

- JV transactions that do not follow the standard JV restrictions must submit a “Request for Exception to Business Procedures” .
- The policy and instructions can be found at:
<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-1-2.pdf>
- Email form to: UFS@uky.edu or it may be faxed to: (859)257-4805.
- Please attach a copy of approved form to the JV submitted.

SAP TRANSACTION CODE FV50 IS USED TO PARK A JV. THE VALID ENTRIES FOR THE REFERENCE DOCUMENT (REF. DOC.) ARE:

Park G/L Account Document: Company Code UK00

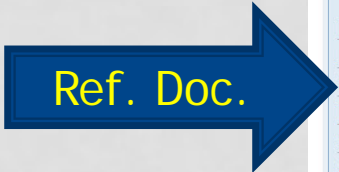
Tree on Company Code Simulate

Basic Data Details

Document Date Currency
Posting Date Period
Reference **AFRS**
Doc.Header Text Total Cr.
Document Type SA G/L account document
Company Code UK00 University of Kentucky

0 Items (No entry variant selected)

S...	G/L acct	Short Text	D/C	Amount



RFS - if the transaction involves a grant- (WBS elements starting with 3 for grants)

HOSP - if there are no grants but includes only hospital cost centers (starting with 105, 106, and 107) or business areas (0111, 0112, or 0114)

AFRS - for all other cost objects

PRINTING JVS

Printing Checklist

- Use Transaction code FB03 Display Document to print parked JVs
- Document number must be seen
- Choose document layout that displays all cost objects involved
- Multiple transactions on one document are encouraged
- Description of JV transaction
- Provide legible contact name and phone number
- JV with original or electronic signatures and attached documentation must be sent to the appropriate University Financial Services department or Hospital Accounting
- Multiple copies are not needed

JV Example

Document Number

Confirm all columns of involved cost objects have printed

Doc. Type : SA (G/L account do						
Doc. Number : XXXXXXXXX						
Doc. Date : 03/20/2017						
Calculate Tax : <input type="checkbox"/>						
Ref. Doc. : AFPS						
Doc. Currency : USD						
Doc. Hdr Text : Correct account charged						

It	PK	Account	G/L acct short text	Amount	Cost Center	Fund	Text
1	50	540312	Classrm&Teachin Subc	40.90-	XXXXXXXXXXXX	XXXXXXXXXX	Move to course fees
2	50	540324	Gases	45.58-	10012003500	0011000100	Move to course fees
3	40	540312	Classrm&Teachin Subc	40.90	XXXXXXXXXXXX	XXXXXXXXXX	Move to course fees
4	40	540324	Gases	45.58	10012003500	0011000100	Move to course fees
				0.00			

Multiple transactions on a single JV are encouraged


Description of transaction

John Doe 257-0000

Original or Electronic Signatures → *John Doe*

Provide legible JV contact information

Print only one copy



ELECTRONIC SIGNATURES REQUIREMENTS

- JVs must contain the original signature of the person responsible for the transactions. Adobe Acrobat digital signatures qualify as an original signature if all of the following criteria is met:
 - First and last name must be displayed in print (graphic signature may be used, but printed name must also appear in the block)
 - Time and date stamp is required
 - Block must be large enough to read easily

EXAMPLES OF ACCEPTABLE JV BACKUP

- When correcting or reallocating expenses, a KSB1 printout showing the original expense is generally accepted
- E-mail approvals and correspondence
- Invoices or any other supporting documentation, such as breakdown of amounts or calculations may be included if KSB1 printout does not provide adequate information, such as distribution of copier expenses or reallocating a transaction from a discretionary to non-discretionary cost center
- Approved Request for Exception to Business Procedures forms if applicable

Where to send the JV?

- Check the Reference field on the JV.
 - **HOSP** (Hospital Accounting) This includes JVs only including cost centers beginning with 105, 106, and 107 or business area 0111, 0112 and 0114.
 - JVs involving Hospital cost centers and non-Hospital cost centers should be sent to Hospital Accounting first.
 - **RFS**, this includes JVs involving a grant- (WBS elements starting with 3 for grants).
 - JVs involving both grants and cost centers should be routed first to AFRS for cost center approval.
 - **AFRS** should be sent all other cost objects.
 - Original service center and recharge operation billings involving cost centers only should first be sent to RFS for rate approval.
 - Business area 0500 Athletics is an exception that must be sent to the Athletics Business Office for prior approval before AFRS can post.
 - Agency cost centers must have the contact person's signature before being sent to AFRS.

JV TIMING

- AFRS strives to either post JVs or contact departments if there are issues within 3 days of receipt.
- Departments should allow sufficient time for JVs to be received and posted before confirming the posting in SAP.
- There should be special timing consideration for posting JVs that must be routed through RFS or Hospital Accounting.
- If after 2 weeks, a JV has not been posted and AFRS has not contacted the department for verification, the department should contact the appropriate accounting office.

Who should I contact?

When JVs arrive in AFRS, they are distributed to staff according to the GL accounts and/or business area listed on the JV.

AFRS Contact	Phone #	Approval of:
Annetta Carter	257-6245	Business Area: 0500 (Athletics) GL Accounts 11 (Cash Only)
Bill Coleman	257-1111	Plant Fund WBS Elements 4 GL Accounts 56 (Capital Construction)
Lora Dials	257-6604	GL Accounts 1 (Other Assets) GL Accounts 2 (Liabilities) GL Accounts 4 (Revenue) Except UK Athletics, Boone Center, Housing and Dining
Robbie Dials	257-6243	GL Accounts 53 and 54 (Operating Expense) GL Accounts 6 (Recharges) Business Area: 0103 (Housing and Dining)
Christy Goodley	257-6022	GL Accounts 51 (Salary) GL Accounts 52 (Benefits) GL Accounts 53 and 54 (Operating Expense) GL Accounts 6 (Recharges)
Derek Hitt	257-6290	GL Accounts 7 (Transfers)
Chantal Le Rutter	257-6242	GL Accounts 7 (Transfers)
Jessica Milner	257-6244	GL Accounts 4 and 5 (Boone Center only) GL Accounts 53 and 54 (Operating Expense) GL Accounts 6 (Recharges)
Hao Xin Zhang	257-8638	GL Accounts 53 and 54 (Operating Expense) GL Accounts 55 (Capital Equipment) GL Accounts 6 (Recharges)

FOR MORE INFORMATION

- Gwen Conley, AFRS Director
 - gtconl2@email.uky.edu
 - (859) 257-6235
- AFRS website
 - www.uky.edu/ufs/accounting-and-financial-reporting
- AFRS main phone line (859) 257-8889