

Journal Voucher

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Journal Voucher**Journal Voucher****I. Purpose**

To describe the proper use of and documentation required with Journal Vouchers (JV).

II. Definitions

- *Agency cost center:* Cost centers with the starting account structure of 1129XXXXXX are set up for entities outside the University such as student clubs or professional organizations that wish to utilize the SAP financial system to process income and expense documents. The University acts as a fiscal agent for these organizations.
- *Business area:* Business area identifies the reporting entity within the University.
- *Cost transfer:* A cost transfer is a transfer of an expense involving a sponsored project. Refer to [BPM E-50-3 Cost Transfer Policy](#) for these transactions.
- *Document types:* Document types identify the type of transaction being processed within the SAP financial system. These are assigned by the user.
- *Earliest retroactive date:* The date set in the payroll system beyond which adjustments to HR payroll information will not adjust.
- *Fund group:* Fund group specifies the major funding source for the cost/funds center and fund. It is incorporated into the first three digits of the cost/funds center or fund number.
- *GL account:* A six-digit code used in the SAP financial system to identify assets, liabilities, revenues, expenses, recharges and transfers.
- *Journal voucher (JV):* The official document used to record assets, liabilities, revenues, expenses, recharges and transfers between SAP funds, cost centers, internal orders, WBS elements and general ledger (GL) accounts. JVs are typically used for four types of transactions:
 1. Corrections related to previously recorded transactions including cost transfers on sponsored projects.
 2. Posting charges for goods or services rendered by one department for another University department when a satellite billing system is not used.
 3. Journal entries to record accounting transactions such as accruals for accounts receivable and accounts payable and transfers between business areas.
 4. Allocations of costs to accounts based on a reasonable, verifiable method.

III. Responsibilities

- A. Department/College
 1. Create a JV using SAP transaction code FV50
 2. Use only document types SA and Z4. Other document types are not included in workflow.
 3. Attach all supporting documentation in PDF format with "create attachment in open text";
 4. Ensure document adheres to applicable policies and procedures;
 5. Ensure document adheres to month-end, year-end and cost transfer deadlines;
 6. Assign the appropriate posting unit in the reference field in the JV, either HOSP, RFS or AFRS, according to the below descriptions in III. B. Hospital Accounting and III. C. University Financial Services.

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7. Provides gift and endowment JV copies to Gift Receiving and collaborates with Gift Receiving on advancement fee reversals and questions.
8. Start workflow and select department approver if necessary. Workflow will route the JV to the appropriate processing department.
- B. Hospital Accounting (HOSP)
 1. Will review all documents that include hospital cost objects (cost centers that begin with 105, 106 and 107 and 108 or business areas 0111, 0112, and 0114–0117). This does not include 107 cost centers for MG Group in business area 0121.
 2. Will review and approve all documents that only include hospital accounts (cost centers that begin with 105, 106 and 107; and
 3. Will review and approve documents that include hospital accounts and College of Medicine accounts for enterprise investment requests. (Limited to certain GL transfer codes)
- C. University Financial Services (UFS)
 1. Research Financial Services (RFS) will review and approve all documents that include sponsored project accounts (WBS elements that begin with 3) and validate that the service and recharge center rates utilized on original billings are approved.
 2. Accounting and Financial Reporting Services (AFRS) will review and post all other documents.

IV. Policy

The type of transaction on the JV determines the appropriate explanations, documentation, and approvals required. For example, due to the special reporting and auditing requirements for sponsored project accounts (WBS elements that begin with 3), the [BPM E-50-3 Cost Transfer Policy](#) has been established to provide requirements in addition to the guidelines below. Follow the [Online JV Process](#) for instructions on the JV process.

- A. General guidelines applying to all JVs
 1. Propriety of the transaction
 - a. Cost objects (revenue and expense transactions) – use GL accounts beginning with 4, 5, 6 and 7. A list of GL accounts can be located in [BPM E-17-8 Chart of Accounts – General Ledger \(G/L\) Accounts](#).
 - b. Funds (Balance sheet transactions) – use GL accounts beginning with a 1 and 2. A list of GL accounts for funds can be found in [BPM E-17-8 Chart of Accounts – General Ledger \(G/L\) Accounts](#).
 - c. Budget Pool codes are for budget purposes only. These are not used on JVs.
 - d. Expense GL accounts should be credited only when correcting an error by moving expenses between two expense GL accounts.
 - e. Revenue GL accounts should be debited only when the JV is correcting an error.
 - f. If the JV debits (charges) an expense GL account and credits a revenue GL account, the cost objects cannot be in the same business area and same fund group (except for tuition and Auxiliary Services). These types of JVs are limited to charges for goods/services between departments. If both the charge and credit cost objects are in the same business area, a budget transfer should be completed rather than a JV.
 2. All JVs must contain the appropriate approvals through JV workflow.

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3. Description
All JVs should contain a detailed explanation of the entries in the back up or the text of the JV that provides a reason for the entry so that a person unfamiliar with the situation will understand the nature of the transactions.
 4. Documentation
All JVs should have documentation attached that corroborates the appropriateness, descriptions, dates of service, and amounts of the transactions that are listed on the JV. Examples of required documentation include, but are not limited to, the following:
 - a. Cost allocations – includes legible copies of detailed invoices and/or receipts for the original expense and documents that show the basis of allocation such as units used, square footage, or full-time equivalent (FTE) and related calculations for the amounts allocated;
 - b. Expense corrections – source documentation includes:
 - 1) Legible copies of detailed invoices and/or receipts for the original expense; or
 - 2) The SAP transaction detail (i.e. KSB1 or S_ALN_01000003) including the SAP document number when the document is electronically stored;
 - c. SRM transactions – purchases through the e-catalog will not have source documentation therefore the KSB1 transaction including the SAP document number is required;
 - d. Travel costs – Concur document number, copies of travel expense reports or Payment Request Document (PRD) showing original travel charges and supporting receipts and invoices;
 - e. Corrections of errors - require any information necessary to demonstrate the posting of the error such as copies of KSB1 screen prints; and
 - f. Other costs – copies of PRD, JV, purchase order, or procard documents and supporting receipts and invoices.
 5. Timeliness
 - a. Corrections to cost center entries must be made during the same fiscal year in which the original transaction occurred.
 - b. If the correction is to or from a sponsored project WBS element, refer to [BPM E-50-3 Cost Transfer Policy](#).
- B. Specific requirements for certain cost centers, GL accounts or transactions
1. Agency cost centers
 - a. JVs may not be used to credit an agency cost center. Instead, the department that needs to make a payment to an agency cost center should utilize a PRD to disburse the funds to the agency. Once the check is received by the agency, the money will be credited to the cost center utilizing the online check transmittal system.
 - b. Disbursements from agency cost centers are normally made using a PRD. In some cases, however, an agency organization will utilize University services such as duplicating. These situations may be handled on a JV as long as:
 - 1) The JV is approved by the responsible person identified on the agency cost center; and
 - 2) The cash balance in the cost center is sufficient to cover the expense.

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2. Discretionary transactions
Expense transactions entered on the JV may require discretionary funds. A complete list of discretionary items can be found in the Discretionary Expenditure Policy. Refer to [BPM E 7:10 Discretionary Expenditure Policy](#) for specific information about these transactions.
 - a. Examples of discretionary types of activities include:
 - 1) Departmental social events;
 - 2) Alumni functions;
 - 3) Fundraising activities;
 - 4) Retirement dinners; and
 - 5) Other items noted in [E 7:10 Discretionary Expenditure Policy](#).
3. Endowment funds
JVs for endowment funds require review by Endowment and Gift Accounting to ensure the transactions to be posted do not violate supporting endowment agreements, board actions or Research Challenge Trust Fund (RCTF) requirements. Documentation includes:
 - a. Copy of endowment agreement;
 - b. Board action;
 - c. RCTF documentation;
 - d. Donor letter; and/or
 - e. Authorization of responsible person.
4. Gifts
JVs for gift revenue corrections or transfers from gift holding accounts should include the following considerations:
 - a. Complete description of the purpose of the transfer (examples of common purposes include moving from holding account to designated fund or deposit error);
 - b. Include documentation for recording the transfer (examples of common types of documentation include gift agreements, copies of the check(s), donor correspondence/emails, SAP deposit screen shots, deposit transmittals);
 - c. Each gift and its corresponding advancement fee should be listed separately on the JV;
 - d. Refer to the Common JV Transactions guide and Advancement Fee Manual on the [Endowment and Gift Accounting website](#); and
 - e. Provide gift and endowment JV copies to Gift Receiving and collaborate with Gift Receiving on advancement fee reversals and questions.
5. GL Accounts
 - a. Payroll wage and benefit GL accounts (beginning with 51 or 52)
 - 1) All payroll cost distribution corrections must be adjusted through HR unless the correction is being processed beyond the earliest retroactive date.
 - 2) Payroll JVs will be prepared on document type Z4 for corrections beyond the earliest retroactive payroll date set in the SAP HR system (info-type 0003) according to the procedures in [V.A Procedures](#) below.
 - 3) In rare circumstances, pass-thru GL accounts (519000 and 529000) may be used on cost centers for payroll corrections that cannot be processed by budget transfers.
 - 4) Description

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- a) Enter the reason for the distributions;
 - b) Enter the payroll periods covered;
 - c) Enter the names of the employees requiring payroll modifications; and
 - d) Enter the cost distribution breakdown for any amounts that are different from the labor distribution sheets.
 - 5) Documentation
 - a) Correspondence from payroll approving JV exception to policy if applicable; and
 - b) HR Labor Distribution Report including "in period" and "for period".
 - b. Transfer GL accounts
 - 1) Cost share funding JVs utilizing transfer GL accounts to align budget with expenses do not require documentation.
- 6. Hospital JVs
 - a. Documentation exception: JVs that require patient confidentiality are required to retain the documentation on file in the Hospital.
 - b. Explanation or text field must contain
 - 1) Patient number(s); and
 - 2) Dates of service.
- 7. Service centers and recharge operations
 - a. GL account
Use the same recharge GL account on both the debit and credit entries on the JV
 - b. Description
 - 1) Describe the items or services to be charged; and
 - 2) The time period covered for the charges (dates of service).
 - c. Documentation
 - 1) Invoice or document contains the quantity, rate description and per unit rate used to determine amount credited to each cost object;
 - 2) Must be submitted or accessible to the department requesting service once posted; and
 - 3) Is eligible to be processed through a batch process instead of a central office if using the rates approved in accordance with [BPM E-50-5 Service Centers and Recharge Operations](#) and the description contains the information in 6.b. above.
- C. Sponsored Projects
[BPM E-50-3 Cost Transfer Policy](#) provides detailed requirements in addition to the general guidelines established above.
 - 1. Documentation exceptions
 - a. JVs initiated centrally to record salary cap limitations required by sponsored project terms and conditions;
 - b. JVs initiated centrally due to administrative master data changes resulting in new WBS element numbers for sponsored projects;
 - c. JVs posting Auxiliary Services to grants must provide documentation of published rates used;
 - d. Rentals and Leases – JVs processed to allocate charges among multiple cost objects, including Sponsored Projects, require the copy of the fully

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- executed lease agreement for the time period in question and supporting calculation; and
- e. JVs initiated by offices within University Financial Services following documented procedures.

- D. Transactions not prepared on a JV
 - 1. Budget entries should be completed on the Budget Transfer or Budget Revision Form that is utilized for the type of budget (plant fund project, sponsored project or cost center account).
 - 2. Fund Reservations are not made on a JV. Corrections to system generated fund reservations should be directed to Purchasing for purchase orders.

V. Procedures

- A. Create the JV
 - 1. Create a JV using SAP transaction code FV50.
 - 2. Select the appropriate document type for the transaction SA for non-payroll GL accounts and Z4 for GL accounts beginning with 51 or 52 or processed through the payroll system;
 - 3. Include processing department initials in the Ref. doc. field (AFRS for Accounting and Financial Reporting Services; RFS for Research Financial Services; or HOSP for Hospital Accounting);
 - 4. Z4 document type required entry format
 - a. Each pay period and personnel number must be corrected on separate lines;
 - b. Enter the personnel number of the employee in the assignment field;
 - c. Enter the wage type, personnel area and pay period end date in the text field in the following format: WWW P MM/DD/YY where
 - 1) WWW is the four digit wage type for 51 GL accounts and "BENE" for all 52 GL accounts;
 - 2) P is either M for Monthly or B for Bi-weekly payroll assignment
 - 3) MM/DD/YY is the end date of the pay period to be corrected.
 - d. Only 51 or 52 GL accounts may be used on this document type;
 - e. GL accounts cannot be modified from original GL accounts on payroll distribution;
 - f. 52 GL accounts must be in same personnel grouping as 51 GL accounts;
 - g. The following conditions will lead to error messages:
 - 1) Blank assignment field;
 - 2) Blank text fields;
 - 3) Invalid payroll period end date;
 - 4) Invalid personnel number;
 - 5) Entering only 51 GL accounts on WBS elements, benefits must also be moved;
 - 6) Sponsored Projects that have ended and the Report of Expenditures date field has been completed on the GMGRANTD Reporting tab;
 - 7) Sponsored Projects will be validated to ensure that the correction is within the budget period of the project;
 - 8) Funds starting with 04, 05 and 07 are not allowed; and
 - 9) Fund 0011000000 is not allowed.

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5. Save the document as complete in SAP;
 6. Add a full description of the activity as backup to the JV;
 7. Include a person's name, phone number and campus address for the processing department to contact if needed; and
 8. Additional information for the JV can be found on the [AFRS website](#).
- B. After saving the JV
1. Highlight relevant information on the supporting documentation;
 2. Supporting documentation for Z4 document types may be obtained from Tableau by pulling the labor distribution;
 3. Attach the appropriate supporting documentation to the JV; Initiate the JV workflow; and
 4. Add departmental approvers to workflow.
- C. JV workflow will forward to the appropriate processing department
1. Hospital Accounting: Cost centers beginning with 105, 106 and 107.
 2. Research Financial Services
 - a. WBS element transactions (beginning with 3);
 - b. Service center original billings (cost centers beginning with 10438); and
 - c. Recharge cost center original billings (budget family 23).
 3. Accounting and Financial Reporting Services
 - a. Agency cost centers;
 - b. Discretionary transactions;
 - c. Endowment funds;
 - d. WBS element transactions (beginning with 2 or 4); and
 - e. All other JVs.
- D. Alternative entry procedure for large number of transactions
1. Download the Excel template at [JV upload example Excel file](#). Default document is Z4 for salary and benefit JVs, but may change column A to SA for non-salary and benefit journal entries.
 2. Enter information into the template;
 3. Save the file as a text tab delimited file when all entries are completed;
 4. Close the file;
 5. In SAP, use transaction code ZFI_PARK_FROM_FILE;
 6. Upload the file by choosing the saved file from its location on the network drive;
 7. Execute the transaction (enter the posting period and select saved as complete);
 8. Make note of the document number;
 9. In SAP, use transaction code FB03;
 10. Enter the document number;
 11. Save as complete; and
 12. Follow [V.B.](#) and [V.C.](#) above.