UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
Accounting Services

JOURNAL ENTRY GUIDELINES

The following general guidelines have been developed to assist campus users in understanding how journal entries are used in the Financial Records System (FRS) and the requirements for making manual journal entries, or on-line general journal entries using the Finance Central system.

If you should have questions that are not answered in these guidelines please call or e-mail your question to Accounting Services, 919-962-5606.
You may also refer to the Finance Division Policy & Procedure Manual or the Finance Division training webpage for information regarding specific transactions or operations of a department.

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FINANCIAL RECORD SYSTEM (FRS) ACCOUNT CODE STRUCTURE

The FRS identifies an account by a sequence of numbers called an account number. The ledger number and account identifier define a unique account number. The University's account code structure consists of a 10-digit account number made up of three sets of identifiers. For example, the identifiers for the account number, X-XXXXX-XXXX, are:

- Ledger Number – is the first digit of the account number, X-XXXXX-XXXX. It refers to the ledger in which an account belongs. It also gives a general idea of the type of account, but other attributes govern the specific type of account.
- Account Identifier – is the next series of five digits. It identifies the specific account number assigned, X-XXXXX-XXXX
- Account Control or Object Code – is the last series of four digits. It is used to record activity in the general ledger or to record expenditures in the subsidiary ledger X-XXXXX-XXXX.

Typically, the account number is referred to as the ledger and account identifier. Object codes or account controls are only used when recording account activity.

Additional information is available in a [web-based module](#), or in the user's manual located on the [Finance Training web page](#).

JOURNAL ENTRY OBJECT CODES

Object codes are used to record expense/revenue in the Subsidiary Ledger and are referred to as subcodes. Account Controls are used to record activity in the General Ledger . Fund transfers use specific object codes and are readily identified by the object code for reporting and tax purposes. A listing of some of the standard [expenditure codes](#) and [GL account controls](#) are in the Financial Policy and procedure Manual. For assistance or questions about object codes, contact Accounting Services 919-962-5606.

JOURNAL ENTRY TRANSACTION TYPES

Input into the Financial Records System (FRS) is categorized by different transaction types. Particular transactions within these categories are tagged with a two-digit transaction code. This transaction code is printed on the transaction portion of the monthly FBM091 account statement, and Finan$eer (in the "TC" column) to help identify the reason the transaction was processed.

Maintenance Transactions

Maintenance transactions are those used to create and modify non-dollar data within an account. For example, they are used to create an account, to change an attribute, or to set a system operating flag. The entry codes for these transactions are 01–19, except for 10, which is used to identify the batch header record into data input. These transactions do not appear on the FBM091 reports.

Budget Transactions

The various budget transactions for original budget, budget revisions, future year budget, etc., are identified by transaction codes 20–29. These types can be input by Accounting Services, Budget Office or Office of Sponsored Research (OSR) depending on the type of account.

Cash Receipt Transactions

Receipts from the Cashiers Office are identified by transaction code 30. All other receipts are identified by transaction code 31.

Cash Disbursements Transactions

Most cash disbursements and credit memos enter the accounts payable system under that system's transaction code requirements. When they are passed to the accounting system they are given transaction code 48. Disbursements made through the payroll system have transaction code 42. Some cash disbursements and credit memos, identified by transaction codes 41 and 45, are manually entered into the system.

Encumbrance Transactions

Encumbrance transactions may use transaction codes 50–59. Transaction code 58 is reserved for Facilities & Administrative (F&A) encumbrance. Encumbrances carried forward to the next budget year are identified by a unique 57 code, which is determined at year-end. Transaction code 51 is an encumbrance adjustment from the purchasing system.

JOURNAL ENTRY TRANSACTION CODES

Journal entry transactions are those where both the debit and credit account numbers must be entered since the system cannot determine the accounts to use. The transaction codes used are 60 and 62. If the entry is a compound journal entry (unequal number of debit or credit entries but equal debit and credit dollars) the entry code is 69. For journal entries created by automated prorates of dollar data, entry code 61 is used. Transactions from the Student Billing and Receivable System use entry code 65. Entries created using the online system use transaction code 64. Please see next page.

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Journal Entry Guidelines
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Transaction Entry Codes as they are used on the FBM091 report are as follows:

Budget

20 Budget Entry (to affect original and revised budgets)
21 Revised Budget (affects revised only)
22 Budget Transfer (affects revised only)
29 Future Year Budget (non-State funds)
82 Future Year Original Budget (State funds only)
83 Future Year Revised Budget (State funds only)

Cash Receipts
30 Cashiers Office Cash Receipt
31 Direct Deposit Cash Deposit

Cash Disbursements
42 Payroll Disbursement and Payroll-generated Journal Entries
45 Other Cash Disbursements
48 Accounts Payable Disbursements and Canceled Computer Checks

Encumbrances
50 Encumbrance
51 Encumbrance Adjustments from the Purchasing System
57 Encumbrances Carried Forward
58 Reserved for F&A Encumbrance

Journal Entries
60 Journal Entry-----Current and Permanent Transactions
61 Journal Entry---- Automated Prorate Transactions
62 Journal Entry-----Bypass Freeze Flag
64 Journal Entry-----Created using online system
65 Journal Entry-----Billing and Receivable System
69 Compound Journal Entry/Transfer Vouchers

98 Journal Entry----Beginning Balance Adjustments

Accrual Journal Entries
67 Journal Entry----Accrual Entries----(flagged for future year reversals)
68 Journal Entry----Accrual Reversals

Additional transaction codes are used in the system by the UNC–Chapel Hill business offices.

PROCESSING JOURNAL ENTRIES

Journal entries may be submitted to Accounting Services via paper Account Adjustment Form or by using the online Journal Entry system.

MANUAL JOURNAL ENTRIES

A paper entry is required for any transaction that is not available using the online journal entry system, including some fund transfers. A paper entry is created on an AJ-1 form by the department and approved with a signature by that department and other departments if their accounts are used in the transaction, and forwarded to Accounting Services for review and posting. Approvers should be knowledgeable of the Journal Entry Guidelines, the University spending guidelines, and the University Trust Fund, State Fund, and OSR Guidelines. Accounting Services will forward to other departments for pre-audit prior to posting in FRS, as required. The Budget Office would pre-audit State and Overhead Funds; Office of Sponsored Research would pre-audit Contract and Grant Funds, and Accounting Services would pre-audit Institutional Trust Funds. Back up documentation is required for each transaction.

Modifications cannot be made to the completed AJ. A separate AJ must be completed to modify a transaction created using a paper AJ.

SUSPENSE ENTRIES

Suspense entries occur when an object code is invalid for an account or an account has been frozen or closed. The transaction amount is put into a clearing account until the issues can be resolved. Accounting Services and OSR work with the departments to reconcile these accounts on a daily basis. All suspense items must be cleared before month end close.

ONLINE JOURNAL ENTRY SYSTEM

The majority of journal entries are online entries initiated through the Finance Central system. The Finance Central systems are security driven and provide for the customer department the ability to change their account numbers if necessary and to either approve the transaction or reject it back to the originating department. Back up documents are attached electronically.   Some transactions allow multiple lines and some allow only one line per customer department. The creating department starts the process by recording the necessary information for the charge including the account number and object code for both sides of the transaction and explaining the charge.

The use of miscellaneous income object code is restricted in online journal entries, as is the posting of transactions to salary line items or transfer line items. In addition, it is important that the description provides a clear explanation of the purpose of the entry for both the credit and debit side of the entry.

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Journal Entry Guidelines
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General guidelines for using the online Journal Entry system, and sample screen prints
are found in the journal entry user manuals located at
http://finance.unc.edu/finance-division/training/training-overview.html#accounting.
Note: A consolidated journal entry manual is being compiled and will be available in
2010.

Business Rules Governing Online Journal Entries

Online transactions are subject to pre-programmed Business Rules based on the type of
transaction. Examples are provided:
Business Rules

Add	Business Rule	Go
	Allow BBA overrides for preaudit?	→
	Allow corrections to cash receipts?	→
	Allow deleted or dropped accounts?	→
	Require preaudit for amounts?	→
	Require preaudit for certain GL and SL accounts?	→
	Require preaudit for certain SL object codes?	→
	Require preaudit for object code 2xxx?	→
	Require preaudit if correcting object codes/account controls are different?	→
	Require preaudit if document created or approved after end date?	→
⊕	Require preaudit if the billing end date is after the budget end date?	→
⊕	Valid Value 3 for ABR Method	→
⊕	Valid Values 0 or 4 for ABR Method	→
⊕	Valid Values 07 or 08 for Major Fund Source	→

⊕ **= Available to add to subsystem.**
→ **= Already linked to subsystem,
click to modify or add values.**

For a complete list of all available Business Rules Contact Accounting Services.

The department that oversees the particular fund type can choose the appropriate rules for
that fund type. An example is provided:

Allow SL object codes?   Show All Current and Expired

[Add Values]

Values per page: 3 ▼

Values	Office of Sponsored Research	Trust Funds	State Funds	Apply to all offices	Add
1921 - 1922 ⊗	Yes. Effective dates: 05/27/2008-12/31/2028	Yes. Effective dates: 05/27/2008-12/31/2028	No. Effective dates: 05/27/2008-12/31/2028 Action: Error		➕

Approval Of Online Transactions

Created transactions are routed through an online approval process. Approvers in the online system should be knowledgeable of the Journal Entry Guidelines, the University spending guidelines, and the University Trust Fund, State Fund, and OSR Guidelines.
If the transaction fails a Business Rule, the transaction must be corrected before being submitted for approval. Once approved by the creator and customer department(s), the entry is routed to a variety of sources depending on the circumstances. If the transaction passes all of the Business Rules applied to the transaction, and sufficient budget is available in the account, then the transaction will post automatically to FRS. If the accounts in the transaction do not have sufficient budget, the transaction is routed to the Finance Department that oversees the fund type for pre-audit approval. Entries requiring changes will not be changed by the pre-audit department, but instead be rejected back to the billing department with notes as to the required change and will begin the approval process all over again. Once approved by both departments and any pre-audit departments, the expense and revenue amounts associated with the entry are posted to FRS.

Modification Of Online Transactions

The customer department typically initiates corrective action if the postings to their accounts are incorrect. Corrective action may include communication with the originator to adjust the posting using a paper form, or may include creating an online correcting entry if the wrong account was posted. Customer departments should communicate with the originating departments regarding corrections.

Types Of Online Journal Entries

The following types of journal entries are available online:

Journal Entry Main Menu

○ **Correcting Entries**

○ **Billing**

⊟ **Money Market Requests**
- ○ Purchase or Increase participation in Money Market
- ○ Liquidate or Reduce participation in Money Market

⊟ **Trust & Special Funds Transfers**
- ○ Foundation Allocation to University Restricted or Unrestricted Gift Account
- ○ Gift to Gift
- ○ University Endowment Income to Principal Account
- ○ University Endowment Income to University Endowment Income Account
- ○ Agency Endowment Income to Agency Endowment Principal Account
- ○ Agency Due to Due From
- ○ University Due to Due From

⊟ **Deposits and Accounts Receivable**
- ○ Departmental One Card Deposit
- ○ Print Plan Deposit
- ○ Development Office Gifts Assessment
- ○ Morehead Planetarium

○ **P & A Revenue Distribution**

○ **Cash Advance Settlement**

Correcting Entries

Correcting entries can be made to existing cash disbursements, cash receipts, and journal entry transactions that have posted in FRS. Transactions posted in the current and prior fiscal years are available to correct, excluding those posted in the current month.

Billing Entries

The Billing module of the online journal entry system allows for collection of accounts receivable between University departments. The department utilizing the billing module for collection of receipts for services or supplies is required to continue current practices in place at the University for tracking accounts receivable and obtaining approvals for billing rates.

Money Market Requests

The Money Market Request module allows departments to facilitate updates to the money market system. The Money Market Request module of the online journal entry system may be for purchases or liquidation of money market funds.

 The request will be formatted as journal entries, which will update FRS upon departmental approval. Please note that the participation in money market is subject to the Accounting Services Business Manual Policy 17 and Policy 32 related to short term investments.

Trust and Special Fund Transfers

Journal entries for trust and special fund transfers are designed to debit the general ledger account and credit another general ledger account, except with foundation allocation to unrestricted accounts. Accounting Services approval will be required for these transactions before posting to the Financial Records System.
NOTE: Transfers for State Appropriated Funds and Facilities and Administrative (F&A) (ledger 2, and certain ledger 3 accounts) are not allowed and changes are done via budget revision. Please contact the Budget Office for additional information.

Deposits and Accounts Receivable

The Departmental One Card Deposit journal entry is designed to communicate with the One Card office to purchase a copy card and place funds for copies on deposit in the One Card account.

The Print Plan Deposit journal entry is designed to communicate with the One Card office to place funds for Print Plans on deposit in an existing One Card account.
The Development Office Gifts Assessment journal entry is designed to create an online document showing payment of the fees assessed to a University Department or Foundation for services performed by the Office of University Advancement (Development Office).

The Morehead Planetarium journal entry is designed to create an entry to record a deposit or account receivable for the Morehead Planetarium, and access is limited to that department (8911).

P&A (Physicians & Associates) Revenue Distribution

The P&A Revenue Distribution journal entry is designed to meet the needs of the Physicians & Associates administrative office to journalize revenue and other activity within the account range for P&A clinical accounts.   This module in development and expected in production in 2010.

Cash Advance Settlement Entries

The Cash Advance Settlement entry allows the creation of a multi-line entry to replace the currently used paper AJ to process settlements of cash advances. Original receipts will still need to be sent to the appropriate business office (OSR or Accounting Services). Only one settlement is allowed per journal entry.

If excess funds remain from the cash advance the deposit of these funds will be made to the account of the cash advance check request, and documented in the original paperwork.

Policy and procedures for Cash Advances and settlement can be viewed at http://www.unc.edu/finance/busman/act/actpol25.html for Accounting Services and http://research.unc.edu/osr/OSRPolicyManual/documents/500.14.1_cash_advance_request_and_reconciliation.pdf for OSR.

TYPES OF AUTOMATED JOURNAL ENTRIES

Data Collect Batch Billing Entries

Data collect batch entries represent billing transactions posted directly to the financial system without review of the individual transactions by the customer department being charged or by Accounting Services. The customer department supplies the billing department with the account to be utilized for the transaction when the product/service was ordered. In addition, the billing department may send the customer copies of back up documentation as necessary. While Accounting Services does not review the individual transactions, they do review the batch error report with the billing department, and verifies the batch is submitted timely and meets other journal entry Business Rules before posting. Batches are created and managed in conjunction with University ITS staff.

Departments having the ability to initiate a data collect batch must have prior approval from the Dean, Director or Department Head, as well as Accounting Services to record the transactions directly.

On the next page is a sample list of the Data Collect Batch checklist used each month by Accounting Services Financial unit:

UNC-Chapel Hill
Journal Entry Guidelines
December 2009
The University of North
Carolina at Chapel Hill
Check Off List:
Data Collect Batches

Batch Number	Description of Batch and Contact	Expected Date	Actual Date FBD010		Method
0-13595	Paymaster * ITS	Mid Month	/	/	tom
AIT030	LEO Retirement *Payroll Expeditor	**Wed before Monthly Payroll**	/	/	dc
AUX001	Auxiliary Services Contact not published	Monthly	/	/	dc
AUX002	Auxiliary Services Contact not published	Monthly	/	/	dc
CHE001	Chemistry Contact not published	Monthly	/	/	dc
DGS001	Design Services Contact not published	Monthly	/	/	dc
DLM001	Lab Animal Medicine Contact not published	Monthly	/	/	dc
DPS001	Transportation & Parking Contact not published	Monthly	/	/	dc

ITS Batches contact is Becky at 962-8585

RUN THE DCBANK   Date:_____
Completed by:_____

The customer department must initiate corrective action if the data collect batch postings are incorrect. Corrective action may include communication with the originator to adjust the posting or may include the recording of a correcting entry if the wrong account was posted. Customer departments should communicate with the billing departments to ensure subsequent correction of account codes.   If repeat errors occur after communication to the billing department, the customer department should report the billing problem(s) to Accounting Services.

Pro-Rate Transactions

Pro-rate entries represent recurring and predictable transactions posted directly to the financial system on a periodic basis. Some pro-rates are set up to record a percentage or flat rate being charged to certain accounts; some are based on account attributes and are posted to update budget balances in FRS, while others post allocation entries. Each month end, the pro-rate reads the Report Description directory in FRS, which contains the parameters for each entry.

While Accounting Services does not review the individual transactions, they do verify the pro-rates post in a timely manner. Pro-rates are adjusted on an as needed basis. A pro-rate must have prior approval from the Department, as well as Accounting Services.

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Accounting Services is responsible for entering and managing the parameter data in FRS.
Below is a sample list of the pro-rates managed by Accounting Services Financial unit:

ProRate Number	What does it do	Criteria
T1	Creates budgets equal to receipts & transfers from GL	ABR 4, 1-1 mapping, 3-1xxxx, if T1 then also should be in T7 and FBY005B
T3	Looks at all to consider valid transactions, runs in last daily cycle of 3rd day of close	P&A department use only
T5	Charge MFPP, Admin fee deduction, Professional Liability Insurance, Runs last day of calendar month	% to be charged supplied by P&A Department
T6	Provide annual transfer or monthly for select accts	DR and CR accounts reversed in RDF
T7	Creates budget equal to current revenue, line by line for revenue only	
T8	Move revenue to deferred income & amusement tax	Athletics department only
T9	Surgery admin fee, AHEC benefit expense, auxiliary svcs, UNC P&A assessments	Value supplied by dept

Other Automated Transactions

Other automated journal entries represent monthly recurring and predictable transactions generated through billing or distribution systems used by larger administrative departments that provide services to most departments on campus. For example: ITS, Facility Services or Utility Services. These entries are posted directly to the financial system via electronic feed from their originating system, without review of the individual transactions by the customer department being charged or by Accounting Services. The originating department may send the customer copies of back up documentation as necessary. The feed is submitted monthly in standardized format.

The customer department supplies the originating department with the account to be utilized for the transaction. The customer department must initiate corrective action if the postings to their accounts are incorrect. Corrective action may include communication with the originator to adjust the posting or may include the recording of a reclassification entry if the wrong account was posted. Customer departments should communicate with the originating departments to ensure subsequent correction of account codes.

On the next page is a sample list of these automated entries:

Monthly Automated Transactions from Electronic Feed		
Responsible Billing Department	**Responsible Person**	**Service Provided**
Campus Services	Director, Food & Vending	Food Service Catering
Design Services	AVC University Relations	Design Services
Energy Services	Assoc. Finance Director	Chilled Water Systems
		Co-Generation systems
		Electric Distribution
		Water, Waste water, Storm water
Facilities Services	Accountant	Warehouses
		Waste & Recycling
		Housekeeping
		Motor Pool
		Buildings
		Grounds
		Mail Services
		Maintenance Services
Graduate School	Admin Dir	Student Aid
		Graduate Student Insurance Plan
Information Technology Services	Finance & Administration	Telecommunications Services
		Computer Services
		AFS Space
Payroll	Director	Bi-weekly payroll
		Monthly payroll
Procurement Services	Director	Material Management Distribution
		Central Airfare Billing
		Carolina Computer initiative
		ITP 1&2
		P-Card
		A/P Checks RC & NC
		EFT RE & NE
Student Accounts & University Receivables (SAUR)	Director	Disbursement of student aid
		Collection of student receivables
		BRS Student refunds
		Tuition carry forward

YEAR END TRANSACTIONS

The year end closing process is coordinated by Accounting Services and the University Controller's Office. This is a collaborative effort that includes teams from each department in the Finance Division, as well as members of the ITS support teams.

A Year End Cash Basis Closing Schedule has been developed to streamline this process. Each line on the schedule represents a task, with a specific deadline. The responsible person/department for each task maintains the procedure for that task and notifies the other collaborators when complete.

A sample of this schedule is shown on the next page.

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CASH BASIS CLOSING SCHEDULE			
THURSDAY JUNE 25TH – CONT'D	P.M.	ACCOUNTING SERVICES	Post Monthly Payroll M12 to FRS
FRIDAY – JUNE 26th	A.M.	ITS (FRS/HR)	Run M12 encumbrance adjustment process including ONLY PROJECT accounts (where project end date exists) for EPA.
FRIDAY – JUNE 26th	P.M.	ITS (FRS)	Post M12 encumbrance adjustments in FRS (EPA). **Do not run 457/458.**
MONDAY JUNE 29TH	AM	ACCOUNTING	Run WebFocus to create liquidations for payroll encumbrances against fiscal accounts for EPA permanent (includes benefits). Include 11xx, 13xx, 6578 and 6479 for EPA. Include 18xx for Fiscal accounts.
MONDAY JUNE 29TH	PM	ITS (frs)	Post WebFocus EPA liquidations in FRS. Run 457/458 (include encumbrance for Project accounts only – no programming change required).
TUESDAY JUNE 30TH	A.M.	CASHIER'S OFFICE	Last day for deposits to be submitted to Cashiers Office **Cut off time Noon**
TUESDAY JUNE 30TH	A.M.	ACCOUNTING SERVICES	Faculty Benefit Distribution – UNC P&A/SOM
TUESDAY JUNE 30TH	A.M.	ITS	ITS MAKES DUAL YEAR AVAILABLE TO USERS LIST PROVIDED BY FINANCE DEPARTMENTS.
TUESDAY JUNE 30TH		ITS(HR) (SPA ONLY)	Run HRIS year end reports for employee records (LSI) and Budget Office (BP03)
TUESDAY JUNE 30TH	AM	ITS (HR) – EPA	Load BMS (M12)
TUESDAY JUNE 30TH	A.M.	DISBURSEMENT SERVICES	Final check run fiscal 2009
TUESDAY JUNE 30TH	P.M.	DISBURSEMENT SERVICES	Run AP month-end.
TUESDAY JUNE 30TH	P.M.	DISBURSEMENT SERVICES	(AP Year-End Closing. Project Accounts rolled into new year. Run FBY001 to carry forward accounts and attributes for GL & SL (if delete flag = 2, drop account; if delete flag = 1, set 2; if year - end = C, set 2).

13th MONTH TRANSACTIONS

The 13th month process is designed to update the June 30 cash basis file with transactions to reflect the accrued statement. All 13th month entries are processed via automated and paper journal entry internal to the Finance Departments. These entries are posted to a separate FRS file, which is not co-mingled with the cash basis file. The 13th month process is co-ordinated by Financial Reporting and Management Services and the University Controller's Office. This is a collaborative effort that includes teams from each department in the Finance Division, as well as members of the ITS support teams.

A 13th month Processing Schedule has been developed to streamline this process.
Each line on the schedule represents a task, with a specific deadline. The responsible person/department for each task maintains the procedure for that task and notifies the other collaborators when complete.

A sample of this schedule is shown on the next page.

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13TH MONTH PROCESSING SCHEDULE

	Date	Dept.	Person	Activity	2005 Completion Date / Notes	2006 Completion Date / Notes
1	Mon, May 1	**FIN RPTG**		Email requests to Law School, Social Work, Business School, and School of Education foundations for blending information.	E-mails sent 5/9/05	5/2
2	Mon, May 15	**FIN RPTG**		Send Medical Foundation, Educational Foundation, and A&S Foundation letters regarding GASB 39 requirements.	Letters sent 5/16/05	5/5
3	Fri, May 26	**CNTRLLR**		Dennis sends memo to Deans, Directors, and Department Chairs regarding Compiling Vacation Leave Information for Fiscal Year ending June 30, 2006.	Letter sent 4/29/05	4/28
4	Mon, May 1	**ITS**		Provide GF13M100/FBM001 report of 13th Month Batches	Early May	5/9
5	Fri, May 26	**FIN RPTG**		Send memos requesting historic property, artworks and literary collections.	Memos sent 5-16-05	5/18
6	Fri, Jun 9	**FIN RPTG**		Develop batch assignment log for accruals and other entries	Completed 6-16-05	6/15
7	Fri, Jun 9	**FIN RPTG**		Send memos requesting receivables data and allowance for doubtful accounts for UNC P&A, DFPP, and Student Loans. Send memo to Athletic Department regarding accruals and appropriate cut-off dates and to the Development Office regarding annuities payable and pledges receivable. Send memo to ITS and Payroll for University payroll and leave accruals and to ITS and Health Care System for payroll and annual leave accruals. Send memo to Rodney regarding SYS X access.	Memos sent 5-16-05	Access 6/2, Annuities 6/2, DFPP 6/2, Pledges 6/7, Payroll 6/7, Retainage 6/7, Stdnt AR 6/7, Athletics 6/8, P&A Rec 6/8. Health Care System Payroll & Leave 6/15
N	Fri, Jun 9	**FIN RPTG**		Send memo to OSR requesting schedules and 13th Month entries.		Completed
8				Letter to Student Stores (SS) requesting financial statements on accrual basis. SS must use University payroll and leave accrual and other liabilities. SS internal systems must reconcile to FRS and variance explained with supporting documentation. Deadline for SS to provide this info is August 8.	Sent 6/20/05.	6/16
9	Fri, Jun 9	**FIN RPTG**		Contact arbitrage rebate calculation provider and update arbitrage calculation schedule	Keith has contacted the provider and updated the schedule 6-17-05	6/22 Bingham Arbitrage reviewing bond issues for potential liability
10	Thu, Jun 15	**FIN RPTG**		FIN RPTG will identify specific batches (manual & automated) of prior year accruals (TC 067's) and request that ITS create automated reversal entries (FLY204 & FLY205) to be posted in the current 13th month	Memo sent to Elaine on 5-20-05	5/18
11		**ITS**		These automated entries should exclude Athletic and Unexpended Plant-Trust accounts from the reversals; **exception: include Athletic accounts for the leave reversal**. Ranges are: Athletic G/L 0-18800, S/L 3-18800 to 3-18999; G/L 0-19000 to 0-19999, S/L 3-19000 to 3-19999, Unexpended Plant-Trust G/L 0-80xxx & S/L 8-80xxx **(ITS should verify these account ranges in their reversal programs)**	Done and verified last week of June.	Done and verified last week of June 2006.

QUESTIONS AND ANSWERS

Q1. Why are miscellaneous income and expenditure object codes prohibited in online journal entries?

A1. Miscellaneous revenue/expenditure object codes should only be used when other more appropriate object codes are not available. Much time is spent analyzing and reclassifying transactions posted to "miscellaneous" object codes in order to properly reflect activity for financial reporting purposes. This restriction helps ensure transactions are properly coded when recorded, and reviewed by appropriate staff.

Q2. Why do we still have the paper AJ process? Can they be eliminated and just use the online journal entries?

Q2. The online journal entry process provides (1) a system to identify particular types of journal entry transactions, (2) electronic backup documentation for each department to agree to before the transaction is posted, (3) a pre determined approval route for each transaction. There are some transactions that could not be modified easily for online processing. These are typically journal entry types with low volume of transactions, or special circumstances that may need additional review or approval.

Q3. Where do I go when I have a question about a journal transaction that is not addressed by the guidelines?

A3.   If it is an access question, call the FRS Coordinator at 919-962-5153. If it is a system question, contact the Finance Training Coordinator at 919-843-3069. If the question relates to accounting or use of object codes, contact Accounting Services at 919-962-5606.

Q4. Why does the approver of a journal entry need to be knowledgeable of the Journal Entry Guidelines, the University spending guidelines, and the University Trust Fund, State Fund, and OSR Guidelines?

A4. The approver of a journal entry ensures that: (1) the proper journal entry procedure is used to record the transaction, (2) the entry has appropriate supporting documentation and is being used in an appropriate account, (3) the entry made is within the University spending guidelines, and (4) the accounts used are within the operations and use as provided by the Trust, State, OSR Fund Guidelines. Knowledge of these University-wide documents provides the approver with the necessary knowledge and understanding to make informed decisions.

Q5. How do you begin using an automated transaction?

A5. To begin using a Data Collect Batch, contact Accounting Services at 919-962-5606. They will determine eligibility for using the batch process, and assist you and your ITS staff in preparing and implementing the batch process in your department.

To begin using pro-rates, contact Accounting Services at 919-962-5606. Accounting Services applies pro rates to accounts based o the type of account, the transactions in the account, and budget factors. They will explain the pro rates that apply to your accounts, and the budget options available for your particular account.

To begin using the other automated transactions, contact Accounting Services at 919-962-5606. They will determine if you are eligible for automated billing, and assist with implementing the billing process.

Q6. Where do I find information more information about journal entry transactions, and information about other finance topics?

A6. The Finance Division web page is located at www.finance.unc.edu. This web page has tabs to the Finance Departments, Forms, and Training, as well as others. There are contact numbers and emails listed for each department if you have questions. There are also links to the Financial Policy and Procedure Manual, Finance Division announcements, and budget guidelines for State and Trust Funds.

Quiz

1. True or False - The transaction's "object code" identifies the type of journal entry used by the accounting system?

2. True or False – Cash receipts, cash disbursements and general journal entries use different transaction codes?

3. True or False – A cash receipt is recorded through the "060" transaction code?

4. True or False – A transfer may be made using an expenditure object code?

5. True or False – It is appropriate to use salary line items for routine expenditures?

6. True or False – You should use miscellaneous income when processing a receipt for registration fees?

7. True or False – Departments may initiate a correcting entry only if approved by the Controller's Office?

8. True or False – The Online Journal Entry system identifies what department is posting a transaction?

9. True or False – Online Journal entries are used to record employee wage transactions?

10. True or False – While transfers of funds are different from reimbursements, they use the same object codes when recording?

11. True or False –All departments involved in an online transaction must approve the transaction?

12. True or False – It is necessary to obtain approval from Accounting Services for the transfer of funds?

13. True or False – A department can use another department's account online without their approval as long as it is a correcting entry?

Answers to Quiz

1. F
2. T
3. F
4. F
5. F
6. F
7. F
8. T
9. F
10. F
11. T
12. F
13. F