

A presentation by
Queen's University
Financial Services

Alternative formats for this presentation can be found on the Financial Services website.

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Financial Services

Journal Entries – PART 1 Basics

What is a Journal Entry?



A journal entry is the recording of a financial **transaction** in the general ledger (GL).

Transactions are events that change the balance in your assets, liabilities, revenue, and expense accounts.

Journal entries are one way to record changes in these balances.

Other events that take place through the Accounts Payable or Student subsystems are other examples of **transactions** that will change these balances.

Processes or Types of transactions that would require a Journal Entry



Examples of transactions that would require a journal entry include:

- Accounts Receivable
- Coding Error Corrections
- Internal and External Cost Recoveries
- Internal Sales Revenue
- University Revenue Transfers

Ask yourself

“**What** is the **purpose** of the my journal entry?”

“**How** will the journal entry **impact** the GL?”

Understanding the Accounting Procedure/Process
before creating the journal entry is essential.

Visit the Financial Services [Learning Catalogue](#) and [learn how to record](#):

- Accounts Receivable – *Accounts Receivable tutorial*
- Coding Error Corrections – *Accounting 101 tutorial*
- Internal & External Cost Recoveries – *Revenue & Cost Recoveries tutorial*
- Internal Sales Revenue – *Revenue & Cost Recoveries tutorial*
- University Revenue Transfers – *Revenue & Cost Recoveries tutorial*

Guidelines and Rules



Here are a few basic guidelines and rules to keep in mind when preparing and/or processing a journal entry via the online journal entry system:

- Total debits must equal total credits
- Every journal line requires a Fund, Department, and Account
- Research journal lines require the Research Fund, Department, Account, Project
- CFI research lines require the Research Fund, Department, Account, Program, Project
- Journal entries must be approved by someone other than the person processing the entry

GL Workflow and Approvals



All journal entries must be approved by someone other than the person who is preparing the entry and/or processing the entry via the online **PeopleSoft Journal Entry** system.

The approver might be a supervisor, department manager, administrative assistant or faculty/school business officer.

It is the approver's responsibility to ensure the expenses charged and recovered between funds and projects have been incurred for legitimate university business activity, and are in accordance with university policy, with applicable granting agency guidelines, or with the terms of the specific award, whichever imposes greater restrictions.

GL Workflow and Approvals (Cont'd)



The PeopleSoft Journal Entry workflow functionality is not operational. For this reason, compensating manual controls are required to facilitate the approval process and must take place prior to posting an entry to the GL.

To facilitate the manual approval process, the user will:

1. Perform the 'edit' process, followed by the 'incomplete status' process
2. Print the hard copy and have approver sign and date hard copy (or save the entry and approval as a PDF and file it electronically).
3. Remove the 'incomplete status' and repeat the 'edit' process
4. Ensure the edit passes final journal and budget check

Evidence of approval, i.e. records demonstrating the approval process was followed must be retained on file and available for auditing purposes.

Timelines and Cut-offs



Approximately 5 business days prior to when the General Ledger (GL) month-end is scheduled to close, Financial Services will send a notice to the Finance PeopleSoft community advising users of the date the current fiscal period will close.

System users are reminded to review journals not yet posted, uncheck the **Save Journal in Incomplete Status** box, perform the final **edit** and ensure the entry is a **valid** entry in preparation for PeopleSoft to post the entry to the GL.

To view the month-end schedule, visit the Financial Services website, [Faculty / Staff](#) page, **Timelines & Cut-offs** link.

Access to the PeopleSoft Journal Entry system

To request access, complete the **Financial Systems Security Access Request** form located on the Financial Services website [Forms](#) page and scan the form to finance.security@queensu.ca. This 2-part form includes the **Undertaking Regarding Confidential Information** form that must be completed by first time system users.

Department ChartField Security is applied to the user's access which means the user can process entries applicable to the Department IDs for which they have been approved (e.g. user's department).

Journal Exception Override role if approved for a user will allow the user to post an entry to any department. Example: when a user is frequently required to process shared costs or cost recoveries impacting units outside of the user's home Department ID.

How may we help you today?



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