

SECTION 4.06 - JOURNAL ENTRIES

Contact: Accounting @ Extension 4177

A. **Overview**

The Accounting Office oversees the Journal Entry function of the District. Journal Entries are a method of recording financial transactions in the appropriate accounts of the District's financial statements. Transactions that are posted through the Journal Entry module of IFAS include postings of Account Code Corrections, Debit/Credit Forms, Work-Orders (used only by departments providing services to schools), and Stores Inventory postings (used by Food & Nutrition Services Department only). All Journal Entries are assigned a unique sequential journal entry number or work-order number. Appropriate supporting documentation is maintained in monthly journal entry books in the Accounting Office, or on file with the department providing service in the case of work-orders. At times, sites may receive a copy of a journal entry when the Finance Department has initiated or processed something impacting a site's financial transactions. This section discusses types of journal entry methods and specific forms that sites may use to initiate corrections or transfers via the IFAS Journal Entry module.

B. **Account Code Corrections**

Account Code Change Voucher forms are used to correct or change the code an expenditure or revenue transaction has been charged to after it has already been posted and is showing on the site's Transaction Recap reports in IFAS. This form is used to change organization keys or object codes for those transactions that have already been posted. Examples may include, but are not limited to, employee reimbursements, invoice payments, payroll timesheet costs (See also Payroll section 5.07), receipts of revenue, or other expenditure transactions.

Directions for making an account code correction are as follows:

- Use the Account Code Change Voucher form located at page 4.06a. An electronic version of this form can also be found on the District's website under Departments, Finance, Business Manual, Section 4.06.
- When preparing an Account Code Change Voucher, be sure to complete the *description of items* section. If there are several corrections, attach a copy of a Transaction Recap report highlighting the corrections and write "see attached" in the *description of items* section.
- All vouchers must have the signature authorization of the budget authority.

Cautions:

- When dealing with invoices against an established purchase order or contractual services agreement, if payment has not yet been made, see Business Manual Section 2.03, paragraph F – Purchase Order Revisions, for guidance. If the coding can be corrected on the Purchase Order side before payment goes through Accounts Payable, it is much less paperwork and creates the cleanest record in the system of accounts.

- If the transaction involves budgeted funds (not actual transaction dollars), see Section 3.11 – Budget Change Process or contact the budget office for assistance.
- If the transaction needs to be transferred or charged to another fund (such as the ASB Fund, Capital Projects Fund, or the Private Purpose Trust Fund), see Section 4.07 – Accounts Receivable & Other Claims or Billings paragraph on Interfund Billings.

C. Work-Orders

Food and Nutrition Services, Information Systems and Technology, Maintenance, and Transportation Departments provide numerous services to other departments and schools within the District (For example: catering for an activity, printing and publishing jobs, maintenance work, and buses for field trips). These departments utilize an automated Work-Order Module process within the District's IFAS financial software system to charge the costs of their services to the site who receives the benefit of the service. Work-Orders are given a unique work-order number and are posted weekly. The transactions posted via the work-order module utilize the 6XXX series of object codes and show on Transaction Recap reports in the transfers in/transfers out section. Sites need to contact the department from whom they need service in order to initiate requests in the format the specific department requires. The department providing and charging the service is required to maintain appropriate written authorization and documentation on file as back up.

D. Debit/Credit Transfers

The Debit/Credit Transfer process is a non-automated, paper driven method for unique types of transactions that don't fit within the current set-up for Work-Order posting. A blank copy of the Debit/Credit Transfer Voucher Form is located at 4.07b and can also be found in electronic format on the District's website under Departments, Finance, Business Manual.

- The District accounting system is set up to allow debit/credit transfers within the **General Fund** only. See the section on Interfund Billings for assistance on transactions that need to be billed across funds. (i.e. from General to Capital, from ASB to General, etc.)
- The Debit/Credit Transfer Vouchers are a means to charge the cost of a service or in some unique situations to transfer the cost of a good, to another department/school who receives the benefit of the service or good.
- Transfers are prepared by the department performing the service(s).
- Written authorization for the charges are retained on-site as backup or may be attached to the form sent in for processing.
- Some examples where a Debit/Credit Form might be allowed (in place of an Account Code Change Voucher) include: 1) Copier usage costs where one department is billing other departments for their part in the usage of the copier. 2) Special office supplies one department purchases in bulk, but parcels out to other departments on an as requested basis. When this occurs, the 6XXX series object codes are not used and it is similar to an Account Code Change Voucher in that the budget authority being charged needs to sign and authorize the Debit/Credit Form before it can be processed.

E. Deadlines

All Account Code Change Vouchers and Debit/Credit Transfer Vouchers must be received in the Accounting Office no later than the 25th of the month for the corrections to be reflected in the current month. Corrections will be reflected on your monthly reports with a Journal Entry Number in the reference column. All Journal Entries are posted to the last calendar day of each month.

Work-Orders are on a Friday weekly posting format. However, each department has their own processing and posting timeline. This means the lag between the time the service is provided and the time the charge is reflected in IFAS, may vary by department. Most sites will find that posting via the Work-Order module results in a quicker turn-around time for posting the charge. Sites may contact the servicing department to inquire about charges if discrepancies arise.

EVERETT PUBLIC SCHOOLS

ACCOUNT CODE CHANGE VOUCHER

INSTRUCTIONS: This voucher is used to approve and process a change in the account code to which an expenditure or revenue was charged.

Voucher prepared by _____

For Accounting Office Use

Journal Entry No. _____

Month _____

Approved by _____

ACCOUNTS TO BE DEBITED

AMOUNT

TOTAL DEBITS

Charges listed above are hereby authorized:

Signature of Budget Authority

Date

ACCOUNTS TO BE CREDITED

AMOUNT

TOTAL CREDITS

DESCRIPTION OF ITEMS (Attach transaction recap, as needed)

WARR. DATE	VENDOR/PAYEE	WARRANT NO.	P.O. NUMBER	TOTAL AMOUNT

REASON FOR CHANGE:

____ Clerical Error

____ Other: _____

____ Change in Spending Plan

Everett Public Schools, District No. 2

DEBIT - CREDIT TRANSFER VOUCHER

General Fund

FOR ACCOUNTING OFFICE USE	
Journal Entry No.	_____
Month Entered	_____
Approval	_____

Service Performed for:
(Debit)

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Service Performed by:
(Credit)

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Description:

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Prepare by:

Approved by:

Journal
Entry:

	ORG KEY	OBJECT	DEBIT	CREDIT
Total Debit				
Total Credit				

Distribution: Original - Accounting Office
Copy to - Department being Debited