

**SECTION:** Financial Operations  
**SUBJECT:** Processing of Journal Entries – Documented Procedures  
**APPLIES TO:** All Direct General Ledger Entries

### Journal Entry Overview

Journal entries are processed to help ensure accurate financial reporting and appropriate allocation of charges to specific funds. Journal entries are therefore a means to correct errors or allocate charges that the system could not.

### Journal Entry Process

Activity	Responsibility	Reference/Comments
<b>KEY ROLES</b>		
The following positions are authorized to create journal entries for FBS and its supported departments.	Budget Analyst	<p>This is equivalent to the “Creator” role in M-Pathways.</p> <p>An OARS request should be submitted and approved to grant or cancel/revoke access to M-Pathways in order to process JEs and can be found at <a href="https://access.its.umich.edu">https://access.its.umich.edu</a>.</p>
Review Approver Table Roles report, adjust if necessary, and ensure only appropriate approvers have access.	FBS Director	Report can be found under the Mgmt Reports tab of MReports.
Review Access Validation report located in MReports to validate that individuals with access to process JEs directly in M-Pathways are appropriate.	FBS Director	Select “Financial” for subject area and search “GL” for the following from the list of FIN GL security roles: Finops Journal User, Online Journal Entry User, Journal Entry Approver and WF Sponsored Prgms Approver.
The following positions are authorized to <i>approve</i> journal entries for FBS and its supported departments.	FBS Director	<p>Choose “JE Approver” option in OARS “GL JOURNAL ENTRY APPROVER”.</p> <p>Individuals should not be approving their own JEs.</p> <p>The approver should be a person in a higher level of authority who is able to determine that the JE is appropriate, accurate, complies with policies, and is properly documented and explained. If person in the higher level position of authority cannot serve as the Approver, s/he should delegate the role in writing.</p> <ul style="list-style-type: none"> <li>• The approval for JEs with an individual line item greater than \$10k will be documented via workflow.</li> <li>• For journals with lines less than \$10k, units should document the process for review and approval which can vary by type of JE</li> </ul>

		<p>and may include back-end review.</p> <p>Note: For workflowed JEs greater than \$10k, email notification is sent to requestor once JE posts to the ledger.</p>
<b>TRAINING</b>		
<p>Training must be completed before access is given to enter JEs in M-Pathways.</p>	Budget Analyst	<p>Approvers are also encouraged to take appropriate training.</p> <p>A link to the online training class can be found at: <a href="http://www.finops.umich.edu/training">http://www.finops.umich.edu/training</a>.</p> <p>The MyLINC course numbers are GLE102, Working with Journal Entries, and CFE101, Introduction to Chartfields: The Basics.</p>
<p>Monitor activity to ensure all JEs were processed by only properly trained individuals.</p>	FBS Director	
<b>JUSTIFICATION AND APPROPRIATENESS</b>		
<p>Determine justification and appropriateness of processing a JE by deciding if the dollar amount of the JE is worth the time and effort involved (is it cost effective?), or if a JE is in fact required (has it already been corrected?).</p>	FBS Director, Budget Analyst	<p>A department/unit may make the determination that JEs less than a specified dollar amount are not necessary.</p> <p>EXCEPTION: JEs with Sponsored Program activity must be done regardless of dollar amount.</p> <p>For more detail, refer to: <b>Error! Hyperlink reference not valid..</b></p>
<p>Validate that the type of charge under consideration is consistent with the nature of the funding source.</p>	FBS Director, Budget Analyst	<p>See <a href="http://www.finops.umich.edu/accounting/c_hartfields/fund">http://www.finops.umich.edu/accounting/c_hartfields/fund</a> for a summary of allowable and unallowable funds.</p>
<p>Validate the JE complies with University Valid Account Guidelines for revenues and expenses and fund type.</p>	FBS Director, Budget Analyst	<p>See the “Transfer Account Instructions and Matrix” file under Quick Links on the <a href="#">Financial Operations homepage</a> for listing of valid transfer account values and instructions.</p> <p><a href="http://www.finance.umich.edu/finops/accounting/journals">http://www.finance.umich.edu/finops/accounting/journals</a> which provides various information regarding JEs.</p> <p>See the “Valid Account List” file under Quick Links on the <a href="#">Financial Operations homepage</a> for listing of valid accounts charges and allowability by fund.</p> <p>See the <a href="#">Journal Entry Training Guide</a> (Page 17-20, Appendix B) attachment on the Financial Operations page for expenditure transfer information.</p> <p>See <a href="http://spg.umich.edu/pdf/500.01.pdf">http://spg.umich.edu/pdf/500.01.pdf</a> for</p>

		<p>Fiscal Responsibilities SPG.</p> <p>See <a href="http://www.finance.umich.edu/programs/rules">http://www.finance.umich.edu/programs/rules</a> for federal Uniform Guidance (formerly known as A21) Procedures regarding restricted expenses on federal projects.</p>
<b>PROCESSING</b>		
<p>Process JE directly into M-Pathways via an upload attachment or direct online data entry.</p>	Budget Analyst	<p>See <a href="http://maislinc.umich.edu/mais/pdf/GL_JE_JETemplateUpload_SS.pdf">http://maislinc.umich.edu/mais/pdf/GL_JE_JETemplateUpload_SS.pdf</a> for detailed instructions on the upload process.</p> <p>See <a href="http://maislinc.umich.edu/mais/pdf/GL_FR_88_OnlineJECreat_SS.pdf">http://maislinc.umich.edu/mais/pdf/GL_FR_88_OnlineJECreat_SS.pdf</a> for detailed instructions on the online entry process.</p> <p>See <a href="http://www.finops.umich.edu/accounting/for_ms/uploadtemplate">http://www.finops.umich.edu/accounting/for_ms/uploadtemplate</a> for the latest Journal Upload Template.</p>
<p>Complete all required fields:</p> <ul style="list-style-type: none"> <li>• Header description</li> <li>• Line descriptions</li> <li>• JE number</li> <li>• Chartfield</li> <li>• Approver/Authorizer role</li> <li>• Balanced credits and debits.</li> </ul>	Budget Analyst	<p>Ensure clear, complete, self-explanatory descriptions are provided in the header and line description fields, and that other input has been correctly completed, including amount and chartfield allocation.</p> <p>Unique Journal ID numbers are highly recommended for internal controls and system audit trails.</p> <p>See <a href="http://www.finops.umich.edu/accounting/journals/support/descriptions">http://www.finops.umich.edu/accounting/journals/support/descriptions</a> for guidance on completing fields.</p>
<b>SUPPORTING DOCUMENTATION SUBMISSION</b>		
<p>Determine if supporting documentation is required. If required, submit one of following ways:</p> <p>Electronic Mail:  <a href="mailto:jesupport@umich.edu">jesupport@umich.edu</a>  <i>or</i>  <a href="mailto:accountingcustomerservice@umich.edu">accountingcustomerservice@umich.edu</a></p> <p>Campus Mail:            Journal Support            3003 South State Street            3028 Wolverine Tower            Ann Arbor, Michigan 48109-1287</p>	Budget Analyst	<p>Journal entries affecting a Sponsored Project/Grant (with an initial Fund Code of 20000 or 25000) <i>require</i> submission of hard-copy supporting documentation to Sponsored Programs by 8:00 AM on the first workday to be processed in the current month's business.</p> <p>Journal entries not affecting a Sponsored Project/Grant will not require hard-copy supporting documentation unless:</p> <ol style="list-style-type: none"> <li>a) Your department's internal controls require such support, <i>or</i></li> <li>b) The journal entry cannot stand on its own/is not self-explanatory.</li> </ol> <p>See <a href="#">Journal Authorizer Training Guide</a> (page 8-9) attachment on the Financial</p>

		<p>Operations page for additional guidance on JE support submission.</p> <p>Supporting documentation received by SSC, Accounting Customer Service, or Sponsored Programs is electronically imaged and retained in WebNow.</p>
<b>APPROVAL</b>		
<p>Fleming Business Services uses the following methodology to submit JEs for review/approval:</p> <ul style="list-style-type: none"> <li>• Electronic upload</li> </ul>	Budget Analyst	
<p>Review the JE to confirm that it:</p> <ul style="list-style-type: none"> <li>• is appropriate/necessary.</li> <li>• is accurate.</li> <li>• complies with policies.</li> <li>• is properly explained.</li> <li>• has proper supporting documentation (if applicable).</li> <li>• has proper chartfields.</li> </ul> <p>Any changes are noted on the JE and returned to JE Operator or Author for corrections and resubmission.</p>	FBS Director	<p>JE should be reviewed and approved by someone who is in a higher level position of authority to confirm that the JE is appropriate, accurate, complies with appropriate policies, and is properly explained and documented. If person in the higher level position of authority cannot serve as the Approver, s/he should delegate the role in writing.</p> <p>Individuals should not be approving their own JEs.</p> <p>Authorizer/Approver should also be monitoring activity to ensure all JEs were processed by the proper individuals.</p>
Route all JEs containing sponsored activity to Sponsored Programs for final approval.	FBS Director – however N/A	Sponsored Programs must approve all JEs affecting all sponsored activity, and only do so upon reviewing the appropriate back-up. Sponsored Programs will notify originating unit and provide comments for any changes they make to any JEs.
If processing JEs directly into M-Pathways, review JEs in “Pending” status to monitor if waiting for Sponsored Programs approval.	FBS Director – however N/A	
<b>JE SUBMISSION/POSTING</b>		
Select the “Post Journal” option in the process drop down menu in M-Pathways to post the journal.	Budget Analyst	
Perform Edit and Budget checks for chartfields.	Budget Analyst	Contact SSC Accounting Customer Service for assistance in resolving budget errors with non-Sponsored ChartField combinations and the Sponsored Programs Customer Service Coordinator for Sponsored ChartField combinations.

SOA RECONCILIATION		
Ensure JEs are appropriate, complete and accurate by reconciling JE activity on Statement of Activity. Maintain proper evidence of reconciliation.	Budget Analyst	Person performing reconciliation should not be the person who is approving JEs
MONITORING		
<p>On a periodic basis, use the standard JE reports provided in Business Objects to monitor the following:</p> <ul style="list-style-type: none"> <li>• Number of JEs being processed.</li> <li>• Individual(s) processing/approving JEs.</li> <li>• JEs by source/department ID.</li> <li>• Dollar amounts of JEs.</li> <li>• Accounts used.</li> </ul>	FBS Director, Budget Analyst	<p>Reports can be found in Business Objects at: User-Shared &gt; Financial Operations &gt; JE Review Resources</p> <p>The title of the reports are:</p> <ul style="list-style-type: none"> <li>• Count by Authorizer</li> <li>• Count by Department Group</li> <li>• Count by Department ID</li> <li>• Count by Operator</li> <li>• Count by Source</li> <li>• Journal Entry Data</li> </ul>

**Other related information:**

Key Contacts:

- Sponsored Programs Customer Service Staff: 734-647-1946
- SSC Contact Center: 734-615-2000 (Prompt #3 & Prompt #4)

Related Standard Practice Guides:

- [SPG 500.01 Fiscal Responsibilities](#)

**Record of Revisions:**

Date of Issue	Description of Change	Page(s) Affected	Approved By
10/30/2008	Original template created	All	Carmen Rodriguez
5/15/2009	Corrected links	All	
10/7/2009	Updates for FY2010 Certification (most changes were due to the elimination of paper JEs)	All	
1/27/2011	1 change due to relocation of BO reports	6	
11/9/2011	Updates for FY2012 including sponsored deadline, approval process for sponsored JEs, and corrected links	3-5	
11/5/2012	Minor updates for FY2013 (note about Access Validation report and corrected FinOps homepage links)	1 & 3	
12/19/13	Updates to Contact Information	6	
5/11/15	Updates for SSC implementation	All	
11/2016	Updated links, contact info, and various clarification language was added	1-5	
09/2017	Updated entire document to match FY18 template	All	



Document Owner: Fleming Business Services (FBS) supported departments and FBS  
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