Purpose: It is the goal of this document to develop an understanding of the journal entry process and provide users direction in determining the proper completion.

Journal Entry (JE) Definition: A journal entry is used to document a transaction that increases funds in one account and decreases funds in another account without cash being received or a check being written.

A journal entry is used in the following situations:

1. **Chargebacks:** Journal entries are used by internal service departments such as Physical Plant, Department of Residence, GBPAC, Car Pool, Mail Services, Telecommunications, and ITS to record the sale of goods and services between departments.

2. **Adjustments:** Journal entries are used to correct an error made in recording a cash receipt or disbursement transaction.

3. **Accruals or Year End Adjustments:** Journal entries are used by Business Operations to record certain transactions on the accrual basis of accounting at year-end. For financial reporting, revenue and expenses need to be reported in the correct year. These entries are normally reversed between July-September of the following fiscal year.

**Should I use a Budget Transfer or Journal Entry?**

<table>
<thead>
<tr>
<th>Situation</th>
<th>JE</th>
<th>BT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct the recording of a receipt or disbursement transaction</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Charge (debit) the recipient of goods or services and credit the provider</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Move lump sums of funds between GEF accounts</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>To establish a budget in a non GEF account or change.</td>
<td></td>
<td>X</td>
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</tbody>
</table>
**Journal Entry Standards**

Requirements: All journal entries should adhere to the following standards:

**ADJUSTMENT Journal Entries:**

1. Journal Entries must be prepared using the Excel JE Template located on the forms repository.
2. The preparer’s department will retain supporting documentation (contracts, agreements between departments) for a period which is in accordance with [UNI Policy 1.07](#).
3. The journal entry should be uploaded using the directions found on the OBO web site. ***Note that sending the completed Excel template and supporting documentation to journal-entry@uni.edu is no longer the standard procedure. Additionally, it is no longer necessary to send hard copies of the journal entry or support documentation to the OBO office.***
4. Should it become necessary to reverse an uploaded entry, contact OBO as soon as possible. When contacting OBO regarding a reversal, please have the journal entry name, amount and date of the journal entry available.
5. All journal entries involving Grants and Contracts or UNI Foundation need to be sent to grants-contracts@uni.edu or Sharon.Hannasch@uni.edu respectively. These offices will review, approve and upload the journal entry for you. Additionally, these offices will be responsible for the approvals, documentation, and records retention of records.

**CHARGEBACK Journal Entries:**

Journal entries submitted by departments providing goods and services to other departments on campus will not require approval by the individual department/unit as long as:

1. The charging department required an interdepartmental requisition requesting the goods and services signed by the department head. The charging department provides an itemized receipt/invoice to the other department showing the amount charged.
2. The charging department/unit supplies and adequate Journal Description and Line Description so the charged department/unit understands what it is being charged.
Procedures or completing the Journal Entry Form

The following is a screenshot of the journal entry form and its fields in which you will use.

Accounting Date: You will enter the date into this field. This will determine the period in which the journal entry will post. For example, if today’s date is May 1st and you want the journal entry to post in April, enter an April date.

Journal Name: This field must contain the following information – Preparer’s Organization, Preparer’s Initials, and the Date in a six-digit format. If a person prepares more than one journal entry in a day, a letter may be appended to the end. Following this a brief description may be added. Note that this field has a maximum character limit of 25 characters.

Here are samples of possible journal entry names.

42001mld052917
42001mld052917A
42001mld052917 Rent

Journal Description: This section must describe the purpose of the journal entry and include the preparer’s first and last names. Please be as descriptive as possible in this section. The preparer’s complete first and last name at the end of the entry.

Example: Corr acct charged in Apr 17 for DOR Inv #71717 – Martin Doe

Note: Journal Descriptions may be up to 256 characters long.

Line Description: This must describe the entry being made. The explanation may be the same as the Journal Description or it may be different.
Examples of Line Descriptions:

Line 1 – Corr acct charged in Apr 17 for DOR Inv#71717
Line 2 – Partial Reimb. For Martin Bros Inv # 1234

Retention of Journal Entries:

The document containing specific information on records retention can be found at this link: https://policies.uni.edu/sites/default/files/u13/Records%20Retention%20Schedule%20.pdf

Retention of Journal Entries:

- Retention of Journal Entries and supporting documentation will be retained by the preparer’s department in accordance with UNI Policy 1.07 (Contract, agreements between departments)
- Chargeback journal entries and supporting documentation will be retained by the preparer’s department in accordance with UNI Policy 1.07.
- Journal entries and supporting documentation that include Grant accounts will be retained in Grants and Contracts.
- Journal entries and supporting documentation that include Foundation accounts will be retained in Foundation.