

Journal Entry Submission to Office of Financial Affairs Policy

Purpose

To document the policy and procedures relating to the submission of journal entries to the Office of Financial Affairs.

Introduction and Background

It is important that journal entries (JEs) accurately reflect the business transactions of the university as they comprise the foundation of its internal and external financial reports. To utilize the journal entries for financial reporting, they are first entered into the general ledger (GL). The GL accumulates and categorizes the dollar amounts via account and center number as it is listed on the journal entry document

At Vanderbilt, JEs are entered into the GL from two sources: directly from external applications (e.g., payroll and accounts payable applications) and those prepared by individuals. In the later case, individuals submit their JEs to one of three central accounting offices to be entered into the GL: the Department of Finance, the Office of Contract and Grant Accounting, and the Office of Financial Affairs (OFA). This document applies only to the JEs submitted to OFA from University Central whose costs centers are in divisions 20 through 99. (If these divisions have cost centers that begin with 4, then the journal entries are submitted to the Office of Contracts and Grants. Medical Center departments whose cost centers are in divisions 01 through 19 submit journal entries to the Department of Finance.)

OFA created a JE shell (i.e. template) in Excel for University Central users to enter their JE information and then to submit the file electronically to OFA, at which point OFA will then upload the file into the GL. OFA enters (or uploads) approximately 800 JEs per month and twice this amount during year end close (6-30-XX).

Policy

Journal Entry Shell

All JEs submitted to OFA must be prepared using the journal entry shell located on the OFA website under the printable forms link ([OFA Printable Forms](#)). Detailed instructions for inputting information onto the shell are located on the tabs of the journal entry shell file.

Supporting Documentation

All JEs submitted to OFA must be adequately supported by the source documentation that necessitated the need for the journal entry. A copy of the JE should be attached to the source documentation and maintained in the originating department. Unless specifically requested by

OFA, it is not necessary to send the supporting documentation to OFA provided that the JE has been reviewed and approved as noted in the paragraphs below.

Journal Entry Review Process

OFA relies on University Central departmental review of journal entries and their supporting documents. Accordingly, it is incumbent on the department personnel to follow the review process as noted below in order to ensure accurate and timely journal entries.

Prior to submitting the JE electronically via email to OFA for processing, the entry must be reviewed by a knowledgeable person with appropriate authorization within the University Central department. Relative to the preparer, the reviewer must be a peer level or above, **and** have knowledge and understanding of the entry. A peer level review requires appropriate departmental authorization to approve JEs and the peer must have knowledge and understanding of the JE information being reviewed. The reviewer **cannot** be a direct report of the preparer.

The person who reviewed and authorized the JE must be identified and documented in the JE process. The reviewer must be documented by being identified in the header section of the JE shell in the cell provided for this use, using last name followed by first initial. When identified as a reviewer of the JE, it signifies that the reviewer:

- has knowledge and understanding of the entry;
- has reviewed, as necessary, the supporting document that is the source information necessitating the entry being made;
- concurs with the preparer that the information being submitted is accurate; and
- approves the journal for submittal to the Office of Financial Affairs for uploading into the general ledger.

Journal Entry Submission to Office of Financial Affairs

Once approved, the completed JE must be emailed to OFA's inbox ofa-upload@vanderbilt.edu for uploading into the GL. After the OFA uploads the journal entry to the GL, the submitter will receive an email confirming that the JE has been uploaded for processing that night. The JE reviewer will be copied on the confirmation email.

Journal Entry Upload to GL Schedule

JEs submitted to OFA prior to 4:00 p.m. will be uploaded to the general ledger for posting that evening; entries submitted after 4:00 p.m. will be uploaded and posted on the following business day. Exceptions to daily JE uploading occur on the fourth, fifth and sixth business day of each month as noted below.

The fourth business day of each month is the final day for closing the general ledger for the prior month. As such, the fourth business day each month is generally reserved for OFA entries and those departments who have received prior permission from OFA to submit entries on this day. JE submission cutoff is 5:00 p.m. on the day of close.

On the fifth and sixth business days of each month, no JEs are uploaded or posted, though they may still be submitted to the OFA email inbox for uploading and posting on the seventh business day. For year-end closing, the JE processing schedule varies significantly from normal monthly procedures. Please refer to the OFA [Policies and Procedures webpage](#) for more information on both the month-end and year-end close schedules and procedures.

Updates to the Journal Entry Shell

Among the many features built into the JE shell is the automatic pop-up of the account name once the account number is entered. During the year, new accounts may be added to the university's chart of accounts. In order for the JE shell to remain current with the chart of accounts, the JE shell will be updated with the new accounts twice a year, May 1 and October 1. Users may download the most current JE upload shell from the OFA website as noted below.

Location of File

JE Upload Shell link on [OFA Printable Forms](#) webpage.

Trustee and Effective Dates

This policy and procedure has been reviewed by Matthew McGlasson, Linda Neenan, Kevin Walker, Rita Majors and Richard Lefoldt. Relative to ongoing review for continued applicability and/or updating, the trustee for this policy is Matthew McGlasson.

Effective: April 2008

Last Revised: April 2008

Appendix A – Questions & Answers

- 1. Do the procedures for review and approval of journal entries apply to entries that I submit to the Office of Grants and Contract and the Department of Finance?**

No, they only apply to the journal entries submitted to the Office of Financial Affairs (OFA).

- 2. Can the reviewer/approver of the journal entry be my direct report?**

No, the reviewer who approves the journal entry must be a peer level or above, relative to the preparer. A peer level review requires appropriate authorization within your department to approve journal entries **and** the peer must have knowledge and understanding of the journal entry information being reviewed. See number 3, below, which outlines the responsibilities of **all** journal entry reviewers /approvers.

- 3. If I am a reviewer and approver of the journal entry what does that mean?**

As the reviewer and approver of the journal entry, it signifies that you;

- have knowledge and understanding of the entry;
- concur with the preparer that the information being submitted is accurate;
- have reviewed, as necessary, the supporting document that is the source information necessitating the entry being made; and
- approve the journal for submittal to the Office of Financial Affairs for uploading into the general ledger.

- 4. Why do I need to have my journal entries reviewed and approved before processing?**

Journal entries comprise the foundation of internal and external financial reporting. Accordingly, it is important that the journal entries are accurate and adequately reflect the business transactions of the university.

- 5. How do I determine who should review and approve my journal entries?**

Ask your Supervisor or Administrative Officer of your department.

- 6. What happens if I submit a journal entry without documenting who has reviewed and approved it?**

You will be contacted by the Office of Financial Affairs requesting the reviewer/approver's name.

7. Do I email my approved journal entry to the Office of Financial Affairs upload box (ofa-upload@vanderbilt.edu)?

Yes

8. Can I get approval and authorization after I send my journal entry to the Office of Financial Affairs upload box?

The policy requires that journal entries be reviewed prior to processing. Although there are times due to extenuating circumstances when this may occur, review after processing should be a rare exception.

9. What do I do if it is month end and I need to submit my journal entry, but the reviewer is not available?

When preparing journal entries, be sure to allow enough lead time for your reviewer to adequately review and approve your journal entry. If the timeline becomes tight, be sure to communicate with your reviewer to apprise him/her that you have journal entries that need to be reviewed before month end close.

10. I am a reviewer, but I may not be available when the journal entry needs to be reviewed?

As a reviewer, be sure that journal entry preparers are aware of who reviews journal entries in your absence.

11. Can I prepare and name myself as the reviewer/approver of the journal entry I need to submit?

No, the preparer and reviewer/approver cannot be the same person.

12. How do I obtain the journal entry shell for the journal entry that I need to prepare for submittal to the Office of Financial Affairs?

- Go to the Office of Financial Affairs website, <http://www.vanderbilt.edu/accounting>
- Click on the printable forms link.
- Right-click on the file named “Journal Entry Shell” and select “Save Target As”.
- Type in your VUnet ID and ePassword.
- Choose a destination on your hard drive to save the file (e.g. Desktop or My Documents).
- Click “Close”
- The JE Upload Shell is now saved on your computer at the location specified and can be easily accessed each time an entry needs to be completed.

* Please note that periodically this webpage will be updated with enhanced versions of the JE Upload Shell.