

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 3.3
Page 1 of 3

Effective Date: July 1, 2010
Supersedes: Procedure 3.4 dated July 15, 2006
Applies To: Colleges
Procedure Responsibility: Accounting

Journal Vouchers

- Section 3.3.1 – Procedures for Preparing Journal Vouchers
- Section 3.3.2 – Reconciliation of Accounting Records and Reports
- Section 3.3.3 – Charging Other Business Units
- Section 3.3.4 – Charging Other Fund Groups
- Section 3.3.5 – Making Corrections

Section 3.3.1 - Procedures for Preparing Journal Vouchers

- A. College Responsibilities - Journals will be prepared and keyed into the PeopleSoft financial module for entries in the same business unit and in the same fund group. Journal entries can be keyed into PeopleSoft financial module using the *Journal Entry* panel or using the *Journal Entry Upload* (this is a better format for multiple lines). All entries must be checked to ensure that debits and credits balance, accounts are valid, and the budget is checked for available balance before the entry will post. Prior to keying the entry, the journal entry should be reviewed and initialed by a supervisor, i.e., college business officer. After review and keying of the journal entry, a copy of the entry should be retained at the college with supporting documentation for audit purposes.
- B. All transfers between business units or transfers between fund groups will be prepared by the college on a journal entry form BA6 and sent to KCTCS Accounting with proper supporting documentation for entry into the PeopleSoft financial module. Prior to forwarding the entry to KCTCS Accounting, the journal entry should be reviewed and signed by the college business officer. All fund11 journals must have the college advancement officer's signature as well.

Section 3.3.2 - Reconciliation of Accounting Records and Reports

During the month, a college can view any journal entry that has posted to a specific business unit by using the *Journal Inquiry panel* or the *Ledger Inquiry panel*. The college can run a budget transaction detail report to view its transactions. It is the college's responsibility to ensure that every entry that posts is valid and belongs to that particular business unit.

Section 3.3.3 - Charging Other Business Units

- A. To charge another business unit within KCTCS, a journal entry form (BA6) will be completed with the appropriate chartfields filled in on the credit and debit side.
1. A recharge account must be used when a service or commodity is being provided by one unit to another unit. The unit receiving the service or commodity must code the activity to an “expense” code with the provider of the service or commodity coding the receipt of resources as a “recharge”. The recharge account code is used to reflect the exchange of resources among units as a net transaction rather than true revenue which must come from an external source. Example recharge codes to use are: 54000 current expense and 55100 current expense - grants.

Note: Use of a “revenue account” between KCTCS business units may only be used when true revenue generated from activity with an external unit is being reclassified from one business unit to another.
 2. Redistribution of expense (a debit and credit to the same expense code) can occur between business units when there is no exchange of services or commodities involved, i.e., payroll; within the same business unit examples include: copies, paper, postage, and telephone.
- B. After completed, the form along with documentation and back-up should be sent to the business unit being charged.
- C. The charged business unit should approve the journal entry and forward the approved form to KCTCS Accounting for entry into the financial system.

Section 3.3.4 - Charging Other Fund Groups

- A. To charge another fund group within the business unit, a journal entry form (BA6) will be completed with the appropriate chartfields filled in on the credit and debit side.
- B. The business unit is to forward the completed journal entry form to KCTCS Accounting for entry.

Section 3.3.5 - Making Corrections

Journal entries are to be completed in a timely basis so as to have college and KCTCS financials reported accurately. Preferably, journal entries are to be made within one month of the occurrence of the need for the journal. If an entry has been posted in

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 3.3
Page 3 of 3

error, a correcting journal entry is to be prepared by the business unit/college. If the entry is within the same business unit and within the same fund group, the entry is to be keyed at the college. Detail for the correction should be typed into the description line of the journal entry and supporting documentation is to be retained by the college for audit purposes. If the entry is posted to the incorrect business unit or fund group, a completed journal entry form, along with supporting documentation is to be forwarded to KCTCS Accounting for entry into the general ledger.

END OF PROCEDURE