

# FINANCIAL JOURNAL PROCEDURES 2015

**Issued by:** Chief Financial Officer  
**Date:** 1 June 2015  
**Amended:** 16 May 2017 (administrative amendment only)  
**Signature:**  
**Name:** Mark Easson

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## 1 Purpose and application

- (1) These procedures apply to:
- (a) the creation, processing and authorisation of journals in the finance system general ledger; and
  - (b) all University staff and affiliates.

## 2 Commencement

These procedures commence on 3 June 2015.

## 3 Interpretation

- account code** means a finance system code with three mandatory elements:
- a classification code;
  - a responsibility centre code; and
  - a project or grant code.
- ad hoc approver** means a journal approver selected by the first approver.
- affiliate** has the meaning provided in the [Code of Conduct – Staff and Affiliates](#). At the date of this policy, that is:
- clinical title holders; adjunct, conjoint and honorary appointees; consultants and contractors to the University; holders of offices in University entities, members of Boards of University Foundations, members of University Committees; and any other persons appointed or engaged by the University to perform duties or functions on its behalf
- automated journal** means journals that are generated from other financial applications or interfaces, including but not limited to accounts payable, accounts receivable, procurement, payroll. The processing of these journals

	are scheduled and controlled by ICT.
<b>BOA</b>	means business operations area.
<b>first approver</b>	means a journal approver listed as first BOA journal approver in PeopleSoft.
<b>general ledger</b>	means the master ledger in the finance system.
<b>GST indicator</b>	means the VAT transaction types and codes specified in the <a href="#">Tax GST Guide</a> under Accounting for the GST in the University's Finance System: General Ledger System.
<b>ICT</b>	means the University's Information and Communications Technology professional services unit.
<b>journal</b>	means an internal financial transaction used to make a transfer or adjustment in the general ledger.
<b>manual journal</b>	means a journal that is requested by a department or unit and entered manually into the finance system general ledger.
<b>reviewer</b>	means a journal reviewer selected by the journal approver to receive information about the journal. The reviewer does not approve the journal.
<b>second approver</b>	means a journal approver listed as a BOA approver in PeopleSoft, other than a first approver.
<b>spread sheet journal</b>	means a journal that is requested by a department or unit and uploaded by spread sheet application to the finance system general ledger.

#### 4 General information

- (1) There are three types of journals:
  - (a) manual journals;
  - (b) spread sheet journals; and
  - (c) automated journals.
- (2) BOA's in the general ledger are used to identify the source of journal entries. Manual journals use journal source T01, T02, T03 or T04.

**Note:** Further information is available on the [finance staff intranet](#).

#### 5 Manual and spread sheet journals – responsibilities of journal preparers

- (1) The person preparing the journal should enter the journal directly into PeopleSoft general ledger either manually or through the spread sheet application.

**Note:** Instructions for data entry into journals of the general ledger are available at [PeopleSoft eLearning modules](#). The spread sheet application is available at [PeopleSoft journal entry spread sheet](#).

- (2) Each online journal entry must contain the following information.
- (a) Description: the generic description of the journal entry.
  - (b) Business unit: 'UNSYD' (by default).
  - (c) Journal source: a three-character code used to identify workflow approval of the journal.  
**Note:** Refer to [Journal Source Code Usage](#).
  - (d) Journal class: the reason for the journal.  
**Note:** Refer to [Journal Class Codes Guidelines and Usage](#).
  - (e) Journal ID: a system-generated, ten-character number displayed after the journal is entered.
  - (f) Journal date: the system-generated date of the journal, which determines the accounting period.
  - (g) Accounting period: the period or month of the year that the journal will be posted, which is system-generated based on the journal date.
  - (h) Ledger group: 'ACTUALS' for transaction journals and 'COMM' for commitment journals.
  - (i) Attachment(s): all documents supporting the journal which must clearly explain the reason for the journal and the basis of the journal entry.  
**Note:** To take advantage of all functionalities of PeopleSoft, use Google Chrome browser. Attachments can be pdf, jpg, word, excel, or email.
  - (j) Journal entry page: transaction details of the journal including the account code and financial details. When completing this page:
    - (i) amounts must be in dollars and cents;
    - (ii) there must be an indication that the line amount is debit or credit;
    - (iii) the journal must balance (i.e. debits must equal credits);
    - (iv) there must be a line item description (up to 30 characters including spaces); and
    - (v) there must be a GST indicator.**Note:** Account code details must be active and combinations must be valid. PeopleSoft Query SUGLQ112 can be used to check combinations. Internal transfer transactions must use the correct matching classifications. Please refer to the University's [Chart of Accounts web page](#).
- (3) Where relevant, a journal entry must also contain the following:
- (a) Adjusting entry: a field to be ticked if the journal relates to a year-end adjustment. Financial Control and Treasury unit must approve all year-end adjustments.
  - (b) Journal reference number (optional): an eight-character code entered by the journal preparer.
  - (c) Reversal: an option to be ticked for accrual journals that needs to be reversed in a future period.
- (4) Before submitting a journal entry for approval, the journal preparer must be satisfied that:
- (a) all supporting documents are attached;

- (b) correct journal source code and journal source description are selected;
  - (c) the journal entries and journal line descriptions are correct;
  - (d) the journal is edit checked;
  - (e) the journal status and budget status indicators show “V” (valid); and
  - (f) the correct BOA is selected on the approver page.
- (5) The journal preparer should submit the journal for approval when all conditions specified in clause 5(4) are met.
- (6) The journal preparer is also responsible for reviewing and amending the journal transactions if the approver does not approve the journal.
- (7) The journal preparer must follow up the approver if a journal has not been approved within 3 working days.

## **6 Manual and spread sheet journals – responsibilities of journal approvers**

- (1) All journal transactions are automatically routed to the relevant approver(s) for authorisation, based on the BOA of the journal preparer and the journal source.
- (2) The first approver is responsible for:
- (a) reviewing the journal entry and supporting documentation to ensure the appropriateness of the transaction;
  - (b) approving or rejecting the journal within 3 working days;
  - (c) adding a second approver if the journal source is T03 or T04; and
  - (d) adding an ad-hoc approver or reviewer if required, irrespective of the journal source.
- (3) A second or ad-hoc approver is responsible for:
- (a) reviewing the journal entry and supporting documentation to ensure the appropriateness of the transactions;
  - (b) approving or rejecting the journal within 5 working days of receiving the notification; and
  - (c) adding another ad-hoc approver or reviewer if required, irrespective of the journal source.
- (4) Before approving a journal, an approver must be satisfied that:
- (a) the supporting documentation is appropriate and sufficient; and
  - (b) the journal has the correct:
    - (i) accounting period;
    - (ii) journal source code;
    - (iii) journal class; and
    - (iv) BOA.
- (5) Where a first approver has referred a journal to a second or ad-hoc approver, it is the responsibility of the first approver to inform the second or ad hoc approver that the journal must be approved within 5 working days, and follow up if it is not approved.

## 7 Automated journals - responsibilities

- (1) ICT is responsible for:
  - (a) scheduling the processing of the automated journals including:
    - (i) loading the data;
    - (ii) generating the journals; and
    - (iii) editing and posting transactions into PeopleSoft.
  - (b) monitoring and notifying Financial Control and Treasury of any processing errors.
- (2) Financial Control and Treasury is responsible for:
  - (a) taking action on processing errors notified by ICT;
  - (b) investigating any exceptions; and
  - (c) working with ICT to improve journal posting processes.

## 8 Month-end responsibilities

- (1) Journal preparers in each BOA are responsible for running the following PeopleSoft queries and taking action to resolve issues prior to the month end close:
  - (a) SUGL Q165 Journals not posted
  - (b) SUGL Q135 Reversal journals not posted.
- (2) Financial Control and Treasury are responsible for:
  - (a) reviewing unapproved journals and following up first and second approvers;
  - (b) running the following PeopleSoft queries and taking action taken to resolve issues prior to the month end close:
    - (i) SUGL Q165 Journals not posted; and
    - (ii) SUGL Q135 Reversal journals not posted;
  - (c) deleting unapproved journals in consultation with the journal preparers;
  - (d) ensuring approved journals are posted in the finance system in a timely manner;and
  - (e) providing assistance to staff in the preparation and approval of journals.

## 9 Rescissions and replacements

This document replaces the Journal Procedures which commenced on 13 December 2011, which are rescinded as from the date of commencement of this document.

## NOTES

Financial Journal Procedures 2015

Date adopted: 1 June 2015

Date registered: 3 June 2015

Date commenced: 3 June 2015

Date amended: 16 May 2017 (administrative amendments)

Administrator: Director, Financial Control and Treasury

Contact: Group Controller, FCT

Review date: 1 June 2020

Related documents:

[Tax GST Guide](#)

[PeopleSoft eLearning modules](#)

[PeopleSoft journal entry spreadsheet](#)

[Journal Source Code - Types, Criteria and Usage Guide](#)

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## AMENDMENT HISTORY

Provision	Amendment	Commencing
6; related documents	Amended internal hyperlinks	16 May 2017