Chapter 4 Journal Processing

Chapter Overview

Once Business Units have been created and the chart of accounts has been set up, guidelines are established for journal processing. The organization of the financial data has been determined; now it is necesary to determine how to efficiently enter and track actual financial transactions. To maximize efficiency and minimize error, PeopleSoft General Ledger provides a journal entry format that enables the entry of any type of transaction quickly and easily without losing the control needed to ensure accuracy. In this chapter, the Journal Generator process will also be reviewed to visualize how accounting entries from other modules are converted to PeopleSoft journals.

Chapter Objectives

By the end of this chapter, you will be able to:

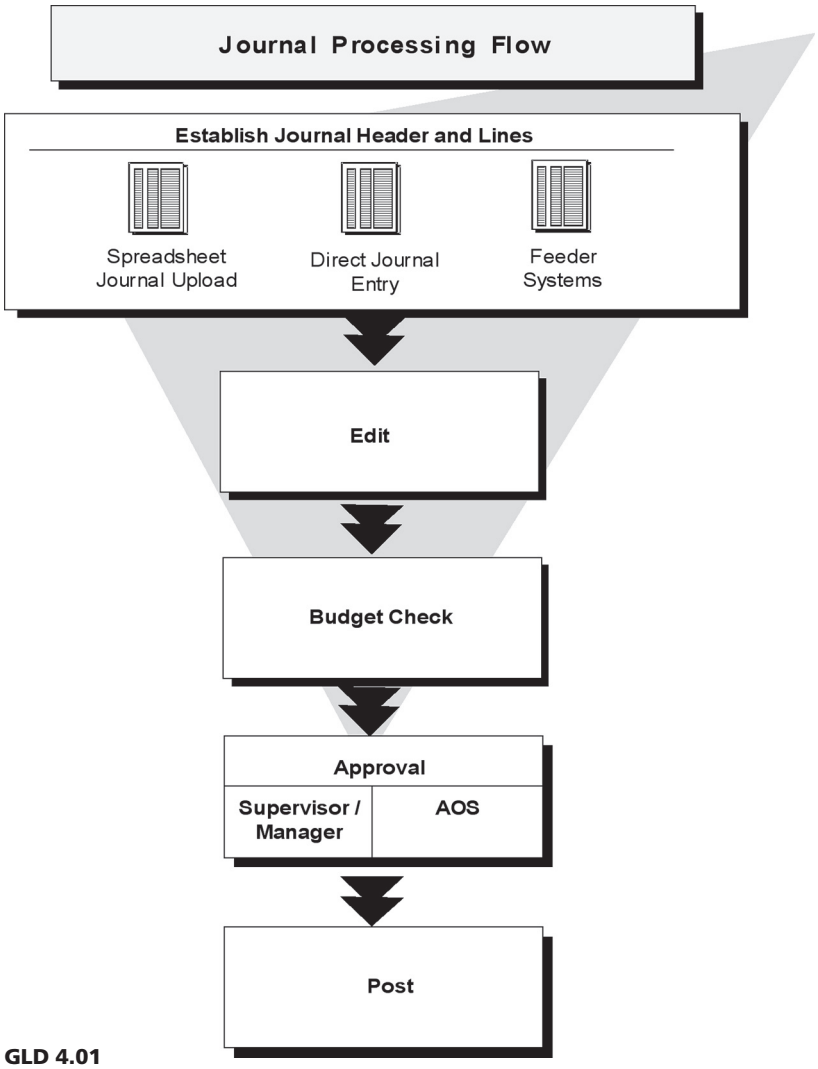
- Identify the journal processing flow.
- Enter journals.
- Edit journals.
- Post journals.
- Review the status of journals.

4.2

Journal Entry Processing Flow

Journal Entry Processing accepts journal entry input transactions, edits them for accuracy and completeness, budget checks transactions to verify adequate budget authority, submits the journals to the workflow process for approval and posts the journals to a ledger. After posting, the original journal entries are retained by PeopleSoft General Ledger for analysis and audit trail purposes. Journal status can be verified at any point in the journal processing flow.

The diagram below illustrates the General Ledger journal processing flow:

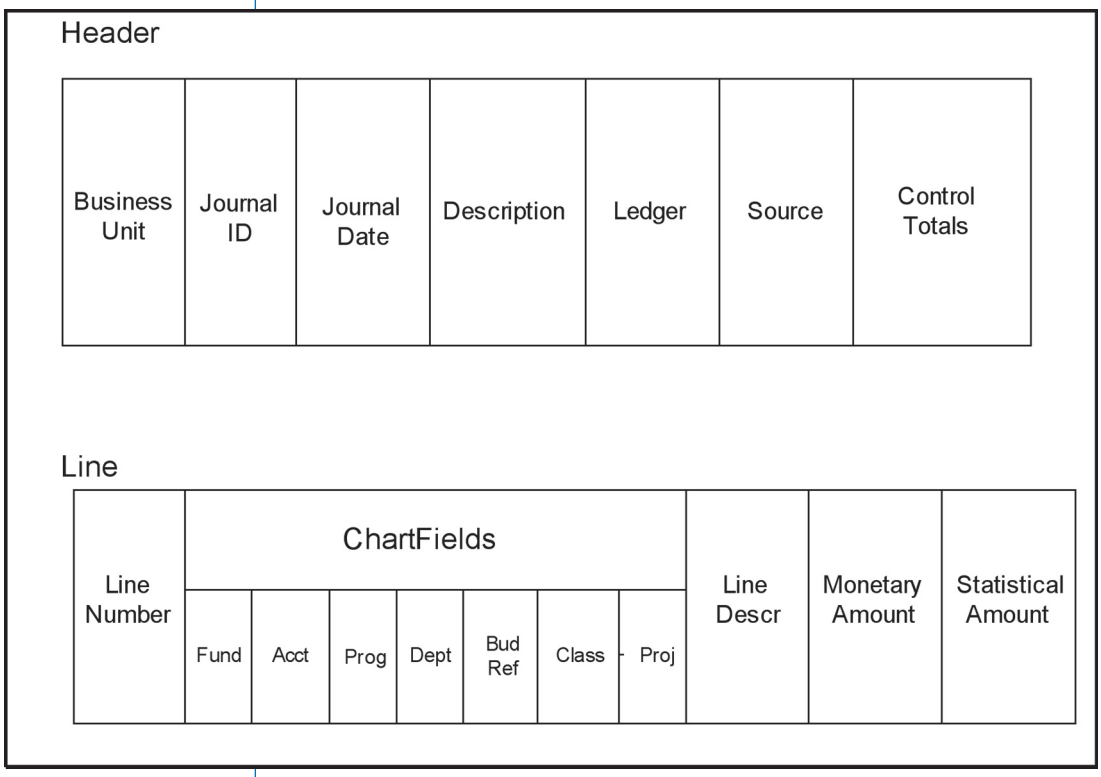


GLD 4.01

Exclusively for use by the State of Indiana
Issue Date: 10/30/2007

Journal Header and Detail Lines

In PeopleSoft General Ledger, a journal is identified by Business Unit, Journal ID and Journal Date. A journal contains a header and one or more detail lines, some of which are shown below.



GLD 4.02

The detail lines represent individual transactions. As the detail lines of a journal are entered, the page displays a running total of the number of lines, the total debits and total credits that have been input.

Understanding Journal Generator

The Journal Generator is a process that takes accounting entries from the feeder systems, both PeopleSoft and non-PeopleSoft, and formats them into journal entries. The journal entries may then be edited and posted to the appropriate ledger accounts in PeopleSoft General Ledger. Journals can be generated for multiple general ledger Business Units as well as multiple ledgers

Accounting entries are created in other PeopleSoft modules. Journal entries are generated from accounting entries by running the Journal Generator process. Accounting entries for an application Business Unit can be posted to the same or to a different General Ledger Business Unit.

The Journal Generator can create journals from any table in the database as long as the table contains the required fields.

Entering Journals

In the General Ledger, Business Unit, Journal ID and Journal Date identify a journal.

A journal contains a header and one or more detail lines. The Journal Entry Lines represent individual transactions. As each line is entered, the Journal Entry Totals page displays a running total of the number of lines and the total debits and total credits.

In this class, the Journal Entry component will be used, which consists of five pages. They are:

- Journal Entry Header
- Journal Entry Lines
- Journal Entry Totals
- Journal Entry Errors
- Journal Entry Approval

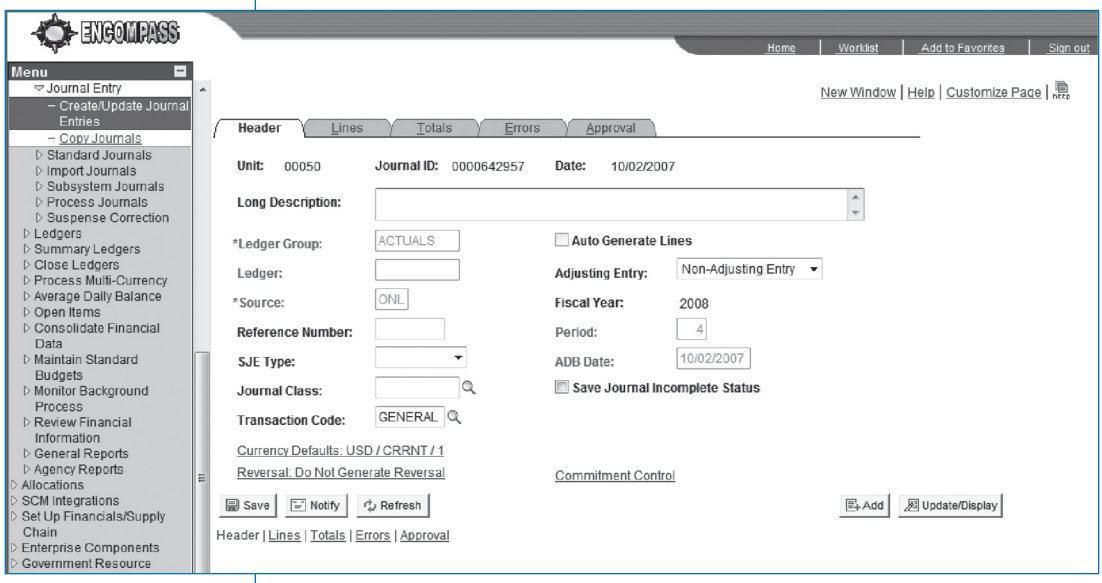
Exclusively for use by the State of Indiana
Issue Date: 10/30/2007

Journal Entry Header

The header page contains the information that uniquely identifies the journal — Business Unit, Journal ID, and Journal Date. The page also contains options that will enable the quick set up of adjusting and reversing entries.

Navigation

General Ledger >> Journals >> Journal Entry >> Create Journal Entries



GLSC 4.01

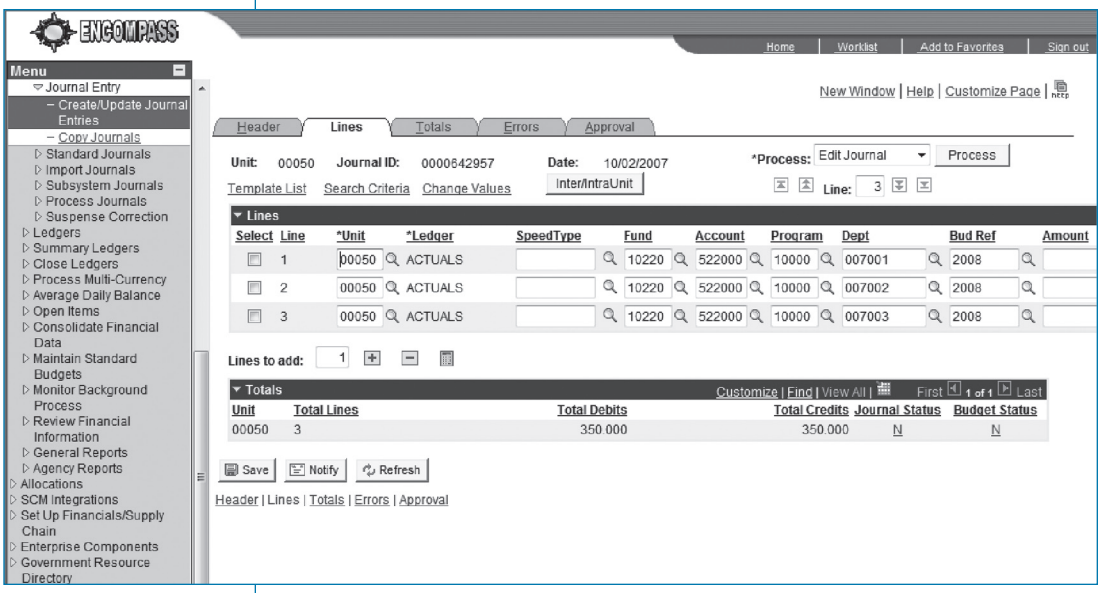
Long Description	The first 30 characters of your description will appear in prompt lists for this journal. This field is required to be completed by the user for Approval purposes.
Ledger Group	This field should default to the default of Actuals, to which the journal will post.
Ledger	This field will be blank if there is only one ledger linked to a ledger group.
Auto Generate Lines	This check box will be grayed if there is only one ledger linked to a ledger group.
Source	This field determines the options for entering and editing journals i.e., ONL, IDB, ALO.
Save Journal Incomplete Status	Select this option while entering a journal and unable to complete the journal but anticipate finishing the entries at a later time. Journal status will be covered later in the chapter.
Transaction Code	Specify the code to indicate the appropriate Inter/IntraUnit Payable or Receivable account (normally GENERAL).
Reference Number	This optional field allows each journal to be referred back to a document, person, invoice or any other piece of information that will be helpful in tracking the source of the transaction.

GLT 4.01

4.6

Journal Entry Lines

Use the Journal Entry Lines page to record the transactions making up the journal—the debit and credit entries. The Journal Entry Template discussed later in this guide enables the control of the fields to be displayed on this page.



GLSC 4.02

Template List	Apply a previously created template that defines which columns will appear in the Lines scroll area. Fields are visible on journal lines unless a specific journal entry template is created to make them unavailable.
Search Criteria	Access the GL Journal Entry Processing Selection Criteria page to specify search values for any or all fields listed.
Change Values	Access the Change ChartField Values page to make global changes to the following ChartFields in the journal. Enter the existing field value and the desired value to be changed. The change will be applied to the journal lines currently displayed on the Line scroll area.
Errors Only	Select this check box to refresh the Line scroll area with only journal lines that contain errors.
Inter/IntraUnit	Click to display Inter/IntraUnit groups box with row counts.

GLT 4.02

Process Options on the Journal Lines Page

Typically, journals are entered and saved—editing and posting are done later in groups because it is more efficient. However, you have the option to run your journal processes for an individual journal directly from the Journal Lines page.

Using the Process List and pushbutton, you can request the processes as pictured. When you select the 'Post Journal' process and click the Process button, your journal is edited and posted in the same process.

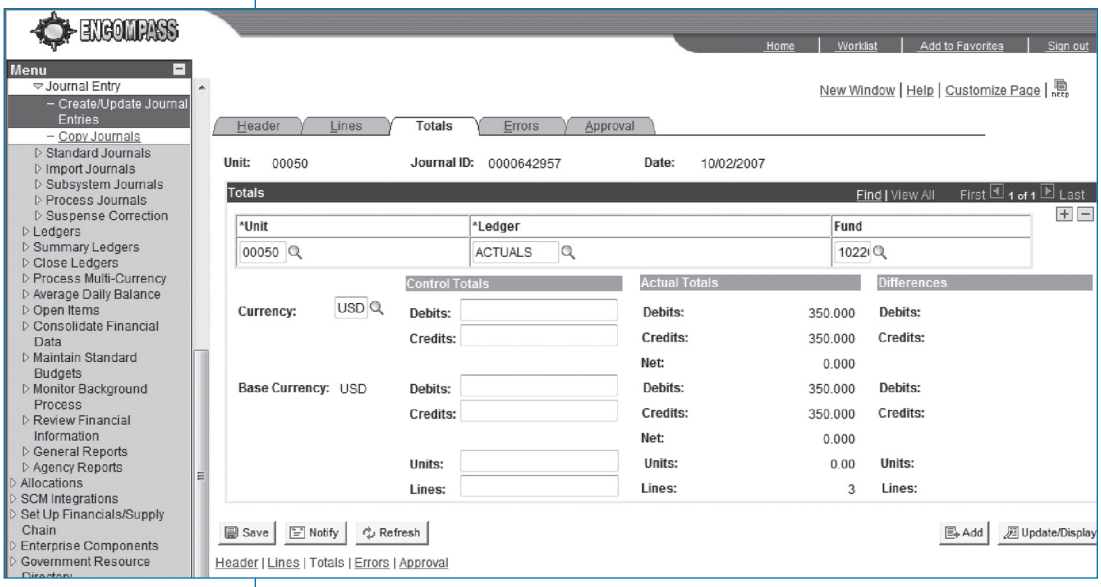
Budget Check Journal	Select to run the Commitment Control Budget Processor (FSPKBDP1) process to check the journal lines for the control budget. The journal edit process must validate the journal before it can be budget checked. ONLY CERTAIN USERS WILL HAVE THIS FUNCTIONALITY. – please get the role name from Internal Control group to help clarify
Copy Journal	Copies your journal to a new journal.
Delete Journal	Deletes the current journal. You cannot delete the journal if it is an interunit journal and part of it has been posted.
Edit ChartField	Initiates the journal ChartField edit process (GL_JEDIT_CF) to check if the journal has any ChartField related errors, including ChartField edit, combo ChartField edit, and alternate account edit. ONLY CERTAIN USERS WILL HAVE THIS FUNCTIONALITY.
Edit Journal	IInitiates the journal edit process (GLRJEDIT) and budget checking process immediately. ONLY CERTAIN USERS WILL HAVE THIS FUNCTIONALITY.
Post Journal	Initiates the Journal post process (GLPPPOST) immediately. If the journal requires validation, the Journal Edit process automatically initiates prior to posting. ONLY CERTAIN USERS WILL HAVE THIS FUNCTIONALITY.
Print Journal	When you choose this option and click Process, the system creates the Journal Entry Detail report (GLC7501) which is a printed copy of the journal.
Refresh Journal	Retrieves this journal from the database to the page again. Do this if you think others may have changed the journal after you originally retrieved it.
Submit Journal	Initiates journal approval through workflow processing.

GLT 4.03

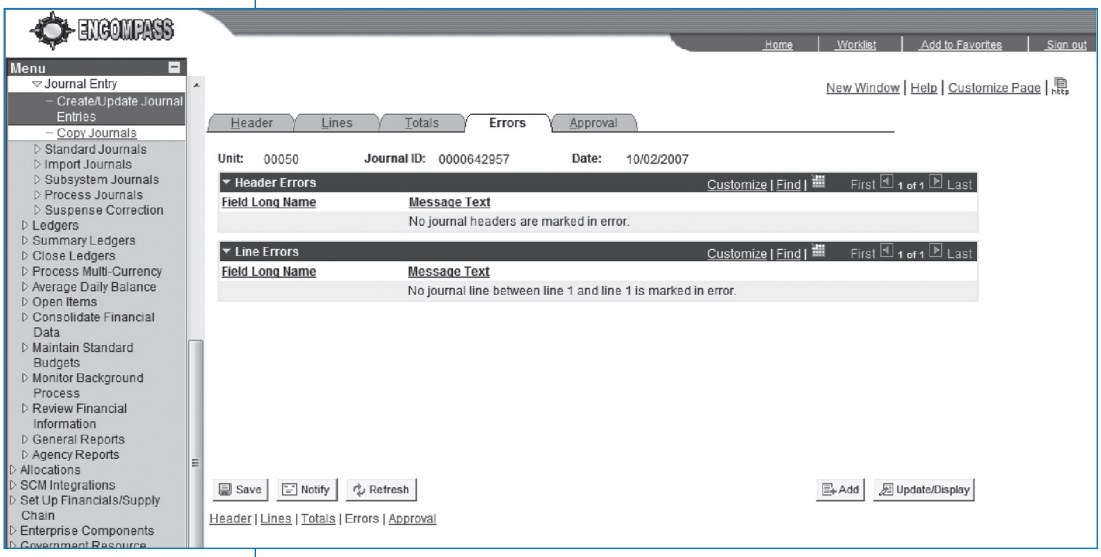
Users who do not have access to the Journal Edit and/or Journal Post Request pages will also not be able to use the edit and post process on the Journal Entry Lines page.

Journal Entry Totals

To enforce a greater degree of control over the journal entry process, the use of control totals is available to balance actual against anticipated debit and credit amounts, unit value of statistical entries, and the number of lines.



Journal Entry Errors



GLSC 4.04

Journal Entry Approval

This page is used by superviors or managers to approve or deny journal entries created by staff. The approval process will send predetermined journal entries through the workflow process to be approved by the Financial Controller of the agency, and then, as appropriate, the journal entry will also be sent to AOS for approval. Please be aware that the type of journal and the chartfield combinations that are used in the journal determines whether the journal will go to AOS for approval.

Following are examples of rules that will drive workflow processing:

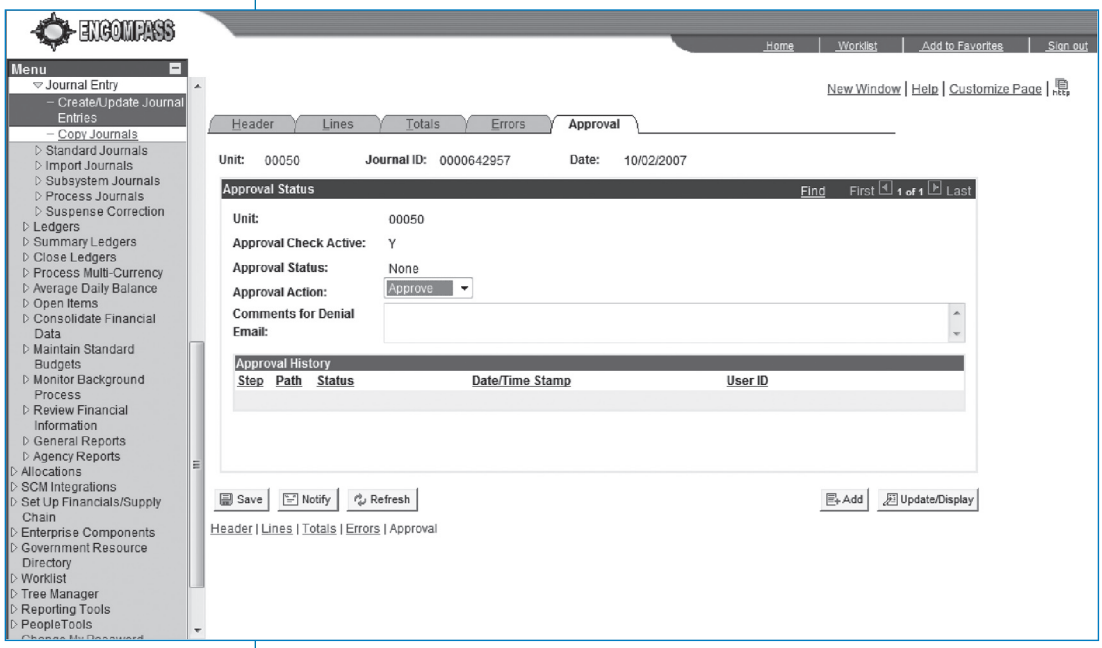
- Interunit entries – send the journal entries to the financial controllers of the Business Units lines that are being processed and then to AoS Accounting as defined. This will be covered later in the guide.
- Transfer entries – send the journal entries that are determined to be transfers (accounts beginning with 7) to AOS accounting.
- ID Bills (accounts beginning with 6) will go through a one step approval process from AOS. Refer to the State Accounting Manual for the dispute process for ID Bills.
- Any change in the Business Unit, Fund, Program or Account will drive an Approval to AOS.

Following are example of entries that might not go through AOS approval:

- AP journal entries that have been generated in Accounts Payable. (These journals have already been through the approval process in AP and are just being sent to GL for update to the ledger).
- Journal entries that are allocating costs among departments, locality, etc, (but within the same Fund). It is possible that as additional rules are defined that some transactions may still be sent to AOS for approval.

When the journal entry passes final approval, the entry is “marked” for posting by the system. Until the journal entry is marked for post, it cannot be processed through the posting process either online or in batch.

Certain journal entries will not need to go through the approval process such as payroll entries. At the creation of these journals, which will generally be done centrally, their status will already be pre-approved and will not require approval. They can be posted as soon as they pass the edit and budget check processes.



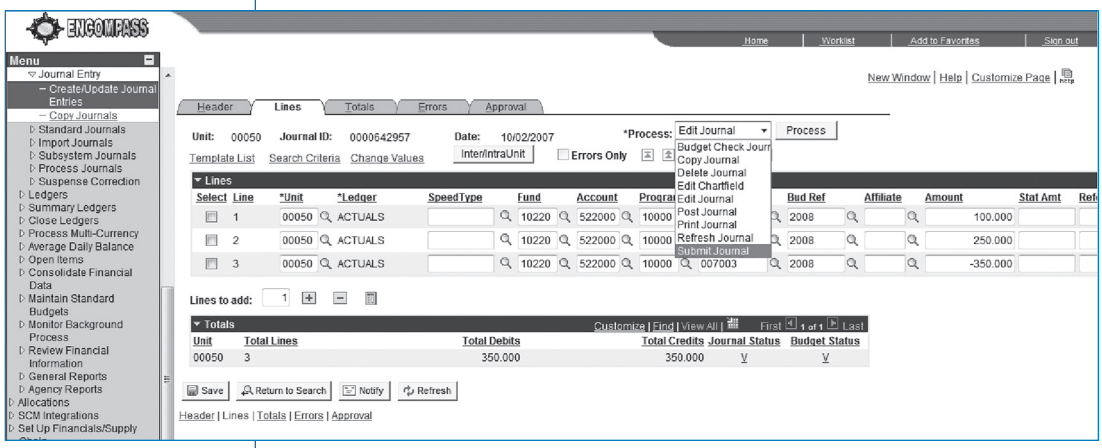
GLSC 4.05

4.10

This page is used to approve journals for posting submitted to PeopleSoft Workflow. For security, anyone who uses or accesses the General Ledger must have a user ID. User IDs are defined in PeopleTools, Security, User Profiles.

Submitting a Journal for Approval

The next step after a journal has been entered and has a Valid Edit and Budget Check is to submit the Journal for Approval. To accomplish this, the user needs to navigate to the Journal Entry Lines page and select the Process Drop Down box and select a process of Submit and press the Process button.



GLSC 4.05a

Once a Journal has been submitted for Approval, it is easy to review who and when the transaction was approved, by using the Approval Page.

Independent Activity

Provided by the Instructor

Editing Journal Entries

Once journals are entered into PeopleSoft General Ledger (either directly online or via feeder systems,) they must be edited. Journal editing is run as a background process in PeopleSoft General Ledger to improve performance and allow more control over who and when journals are processed.

Because Recycle has been set as the default Journal Option; a journal will receive a status of Error if one or more of the following conditions are true:

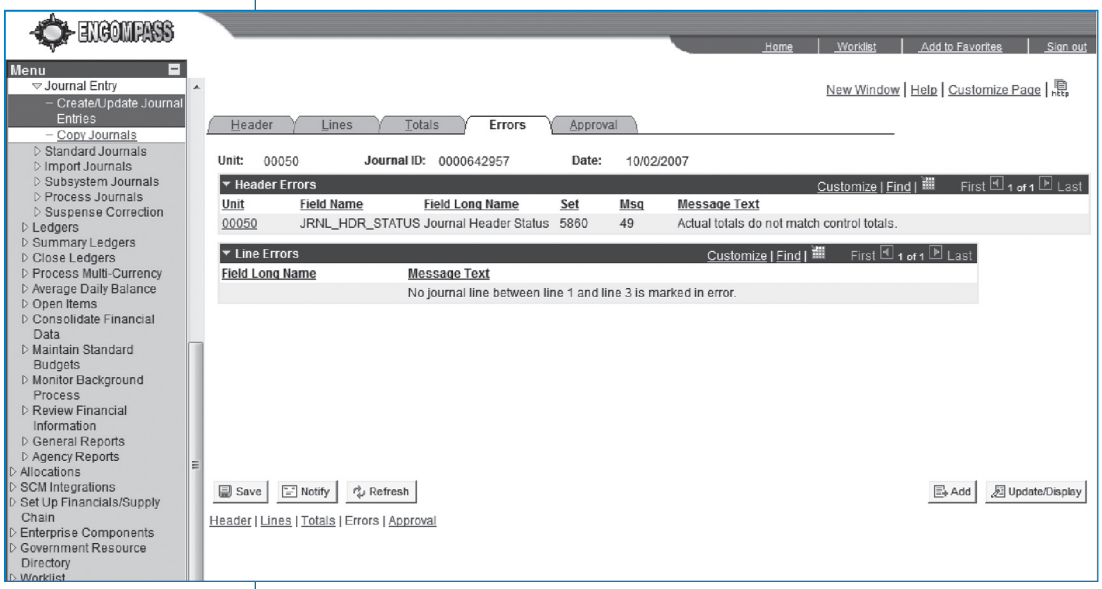
- The accounting period (determined by the Journal Date) is not currently open.
- Total debits do not equal total credits, and the ledger is defined as a balanced ledger.
- The actual totals for the journal (debits, credits, number of lines or units) do not equal the control totals entered with the journal header.
- One or more journal lines use invalid ChartField combinations as of the Journal Date.
- One or more journal lines use invalid ChartField values as of the Journal Date.

If total debits do not equal total credits, PeopleSoft General Ledger responds according to the options specified for journal error processing (Recycle). Recycled journals will not post until the errors are corrected.

The next step to occur is the Budget Checking Process; this is a separate process and can be run independently. However, when the Batch Journal Edit process is setup it is possible to set the Budget Checking process up as a second bundled step to the Journal Edit Process.

Correcting Journal Edit Errors

Journal entry errors can be viewed by clicking the X in the Error column on the Journal Entry Lines page to display the Journal Entry Errors page.



GLSC 4.06

The Journal Entry Errors page provides a message describing the reason for the error. When ready to make a correction to journal, click the Line number in error. This returns the user back to the Journal Lines page with the cursor positioned on the line and field in error so corrections can be made and the journal re-saved.

Posting Journals

After journals have been entered and edited, they are ready to be posted. Journal posting is run as a background process in PeopleSoft General Ledger to improve performance and allow more control over who processes journals and when. The posting process performs the following steps:

- Selects all journals meeting the criteria specified on the posting request that have been marked for posting or approved using workflow.
- Posts the lines of each journal selected to the ledger.
- Creates a reversal journal if so requested on the journal header.
- Changes the Status indicator for each of the journal lines from Valid to Posted.

Posting Individual Journals

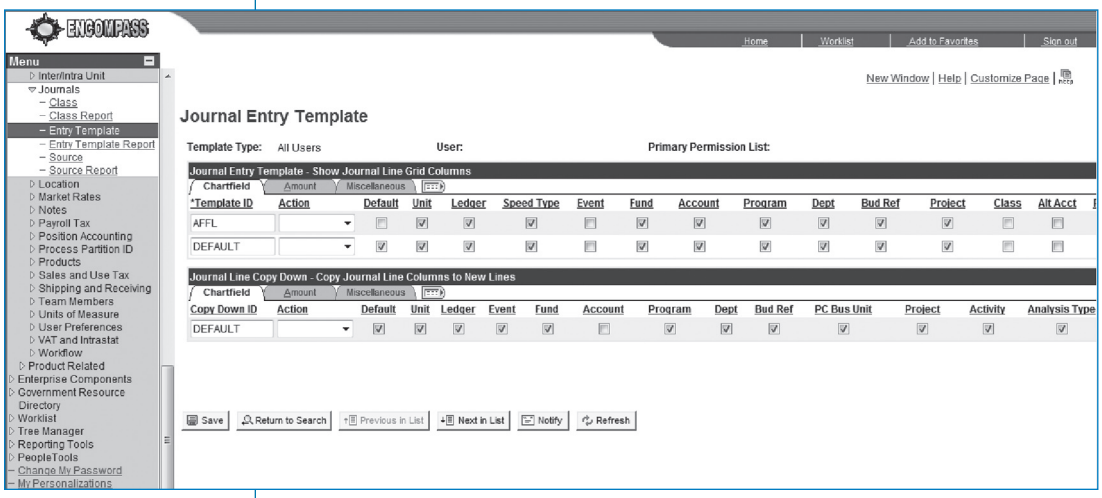
It is also possible (for authorized users) to post individual journals directly from the Journal Entry Lines page by selecting Post from the process list and clicking the Process pushbutton. The system will first edit the journals (if not previously edited) and if the journal has a status and budget check of Valid and has been approved it will be posted.

Defining Journal Entry Template

Journal Entry Template is used to specify the template that defines which columns appear in the journal entry lines, allowing the user maximum flexibility in determining required fields. With a few easy steps you can customize the ChartFields which appear in your journal entry transactions. The Journal Line CopyDown section allows you to define which fields will carry the entered values upon copying down lines.

Navigation

Select Setup Financials Supply Chain >> Select Common Definitions >> Select Journals >> Select Entry Template



GLSC 4.07