



Policy Hierarchy link	Manual General Ledger Journal Entry		
Responsible Officer	Director of Corporate Finance and Advisory Services and Shared Services		
Contact Officer	Senior Group Statutory Reporting Manager, Corporate Finance and Advisory Services		
Superseded Documents	Version 1.0		
Associated Documents	https://www.fin.unsw.edu.au/NSF_KnowledgeBase/FKB_GL.html		
Version	Authorised by	Approval Date	Effective Date
2.0	Director of Finance		

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1. Policy Statement

The University recognises that manual general ledger journal entries are an essential part of the work of a University Finance personnel.

The aim of this document is to ensure a consistent best practice methodology across UNSW Faculties and Divisions for manual general ledger journal entries.

All UNSW staff that are responsible for preparing, entering, or approving journal entries must be knowledgeable of journal entry procedures, the University's [Chart of Accounts](#), and [guidelines](#) in relation to the expenditure of UNSW funds.

2. Objective

The purpose of this document is to outline the process which ensures that all manual journal entries to UNSW's general ledger are properly prepared, reviewed, approved, and recorded in accordance with audit requirements.

3. Scope

This procedure applies to all UNSW staff involved in the creation, processing and authorisation of manual journal entries. Journal entries that are system generated and automatically posted to the general ledger are not covered.

This document does not cover the specific procedures involved in the uploading and posting of journals to the General Ledger in NS Financials as this is covered in the Finance training portal.

System related information and procedures are contained in the Online Training Tool on the UNSW Finance website:

https://www.fin.unsw.edu.au/NSF_KnowledgeBase/FKB_GL.html

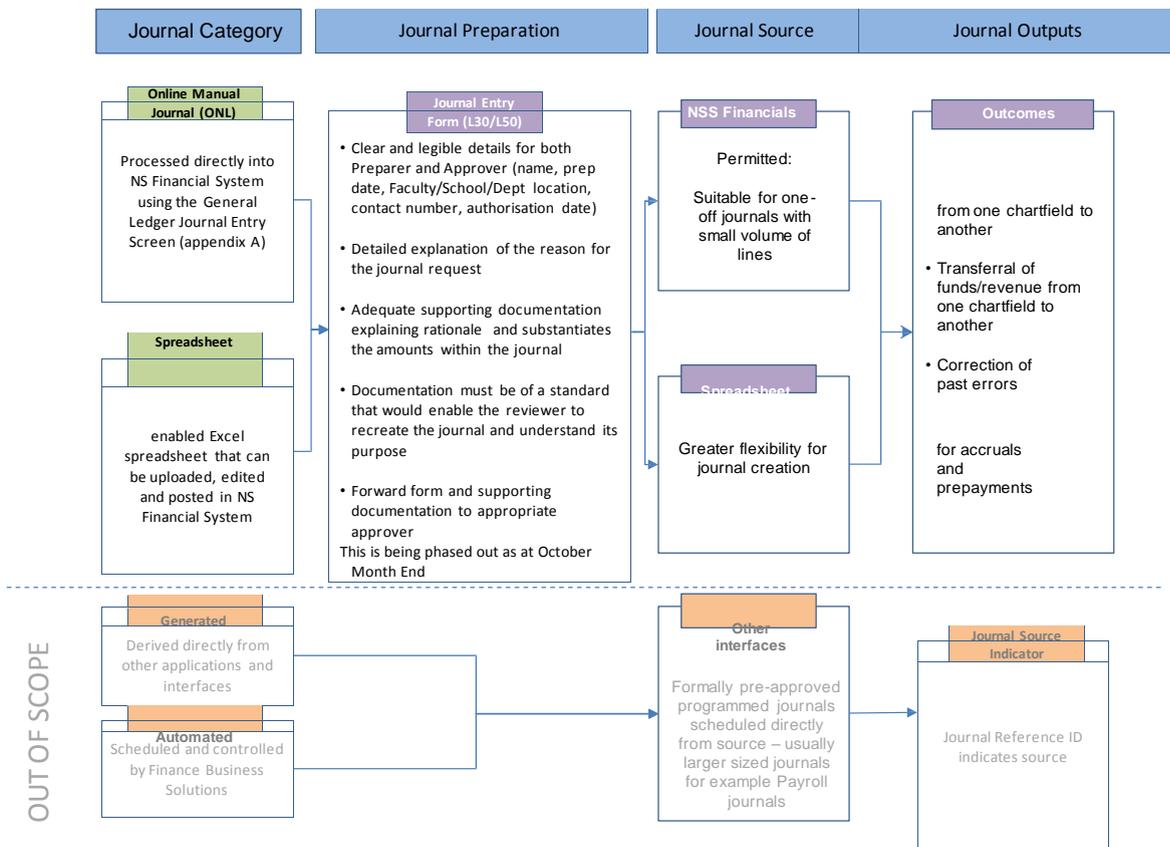
4. Definitions

General Ledger	The General Ledger contains all UNSW financial transactions. Information from the General Ledger is used by UNSW to analyse, report and monitor the results of our business. The General Ledger, Chart of Accounts and ChartFields are interdependent.
Journal	In accounting terms a journal records transactions. At UNSW we use the double entry accounting system so there is always a (or several) debit and a credit journal entry and the total on each side balances.
Manual Journal Entry	A method to record an accounting transaction in the general ledger. There are 3 main types of manual journals : Online Journal (ONL), Spreadsheet Journal (SSJ) and End of Month Journal (EOM).
Automated/System Generated Journal Entry	These are journals that are generated from other financial applications (for example Human Resources, etc) or from other UNSW interfaces (for example Accounts Payable, Payroll, Treasury, etc). These journals are scheduled and controlled by Finance Business Solutions.
Preparer	The person who has the responsibility to complete the journal entry form.
Enterer	The person who is responsible for uploading the journal into the Financial system.
Preparer/Enterer	The person who has the responsibility to prepare the journal and inputting the data into the Financial System.
Appropriate Delegate	The person who is responsible and accountable for managing the financial position of the department, project, etc.
Document of original entry	Includes Invoices for payment, cash receipts and casual salary claims, etc.
Chart Of Accounts	The Chart of Accounts (COA) is the way UNSW captures, authorises and reports on data in NS Financials general ledger.
Accrual	Accrual accounting refers to the accounting basis whereby transactions are brought to account as they are earned or incurred (not necessarily when cash is received or paid) and included in the financial statements for the accounting periods to which they relate.
Prepayment	Prepayment is when cash is paid or received in advance for goods or services that have not yet been delivered or performed.

5. Manual Journal Overview

There are two ways to process Manual Journals;

1. Online Journal (ONL) – which is entered and processed directly in NS Financials (appendix A)
2. Spreadsheet Journal (SSJ) – which is processed via an Excel spreadsheet that is uploaded and then posted to NS Financials (appendix B)



6. Procedure

6.1 When to request/use a Manual Journal Entry

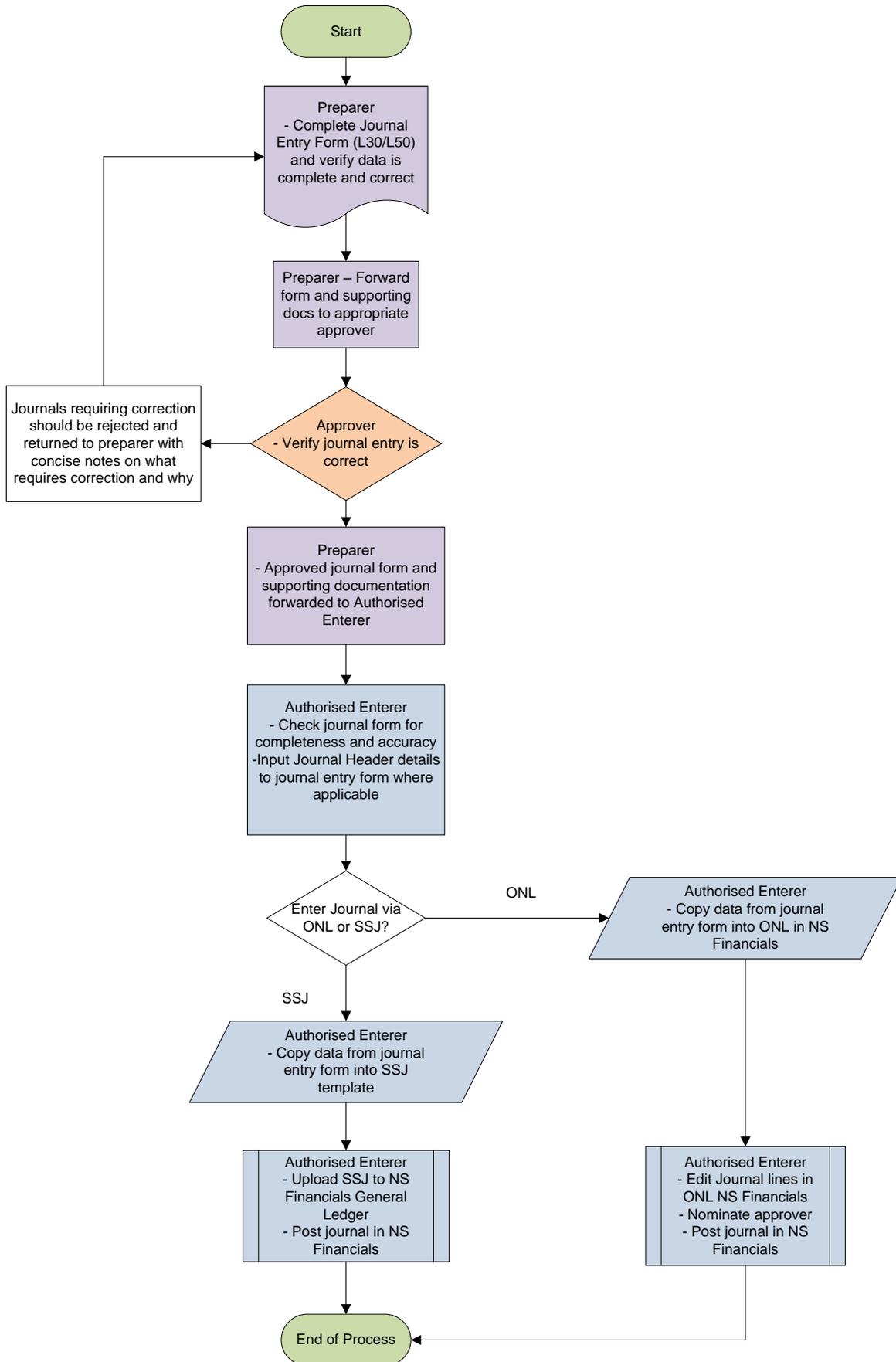
Manual journal entries are used for the following purposes:

- To transfer costs from one chartfield to another
- To transfer funds from one chartfield to another
- To correct errors made this year
- To adjust accounts for accruals and prepayments
- To record transactions that are not captured in any of the sub ledgers

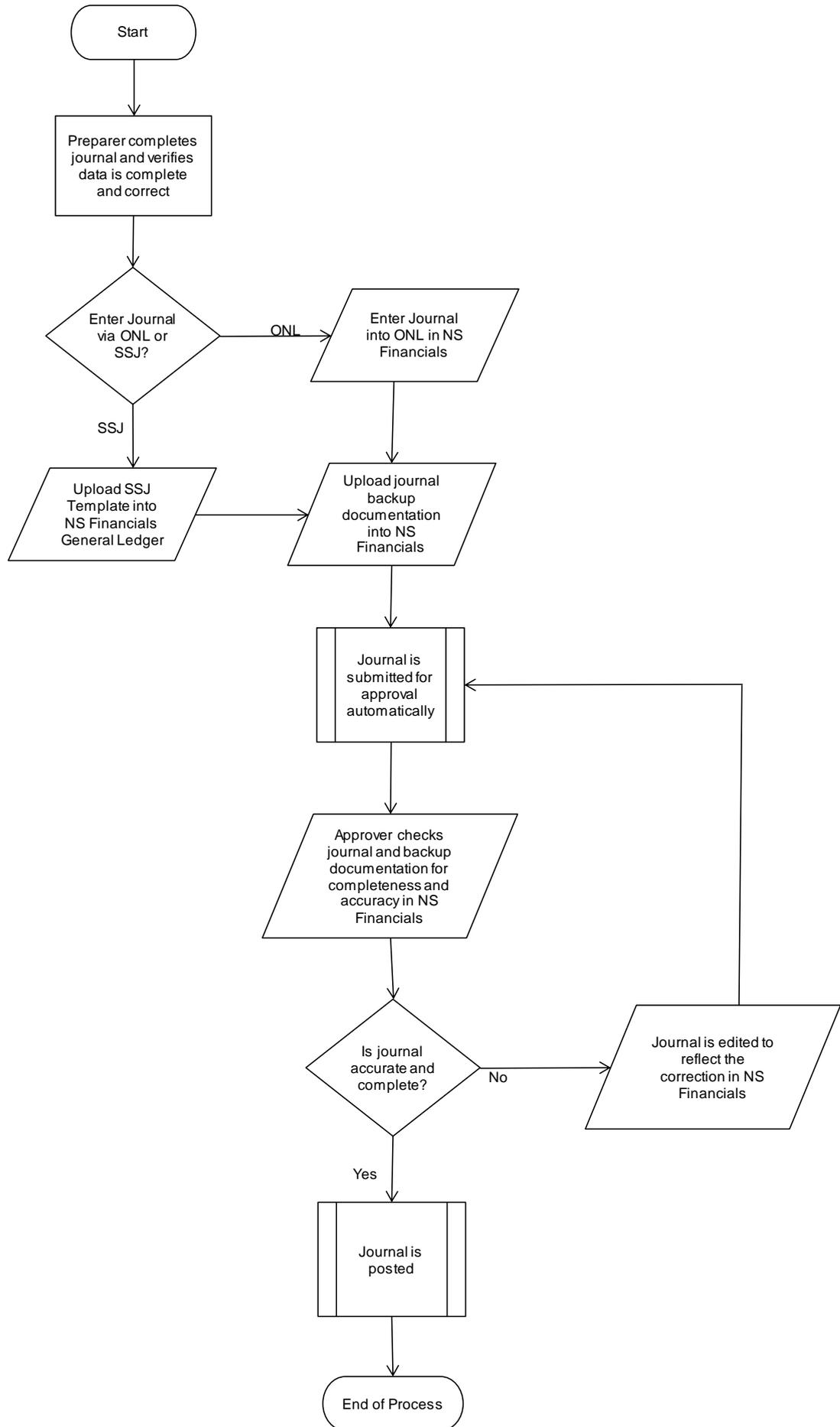
Manual journals that are raised to correct errors that are a result of automated/system failures should be followed up to ensure the error is corrected at the source.

6.2 Manual Journal Procedure Flowchart

6.2.1 Manual Journal Procedure using L30/50 Forms



6.2.2 Manual Journal Procedure without L30/50 Forms



6.3 How to request a Manual Journal Entry

Requestors prepare their journals by completing a standard UNSW Journal Entry Form (L30/L50). While the new process is not yet mandated, this process is being phased out progressively as at 28th October, 2013.

<https://www.fin.unsw.edu.au/InformationCentre/FormsDirectory.html>

The following checklist should be adhered to when completing an L30/L50;

- Detailed explanation of the reason for the request including what the entry accomplishes and why it is necessary. References to supporting documentation including emails, drill-down reports, invoices, etc can also be detailed here
- Clear and legible details of the person who prepared the journal including date of preparation, Faculty/School/Department location and a contact number
- Clear and legible details of the person who authorised the journal including date of authorisation and a contact number
- Accurately document Chart of Accounts details (Appendix C)
- Line amounts in dollars and cents (2 decimal places)
- Indication as to whether the line amount is a debit or a credit
- Ensure totals debits and credits match (An unbalanced journal cannot be posted to the GL ie balance to 0)
- Line item description (up to 30 characters) which should clearly explain each journal line item (see 6.4).

Client Spreadsheet Journal Template										
NB: 1 Enter Journal Header Information.										
2 Enter data within the highlighted border.										
3 Description journal line 30 Characters.										
4 Maximum lines 150.										
5 Ensure that the Journal does balance, refer cell L8, must contain 0.000000 otherwise journal will not balance in PeopleSoft.										0.000000
6 Information relating to Date, Requested By, Telephone No, Approved By & Faculty/School/ Dept. must be entered.										
Journal Header										
Journal Id		<input type="text"/>								
Max. 10 characters										
Journal Date		<input type="text"/>								
Max. 10 characters										
Description										<input type="text"/>
Max. 50 characters										
Ledger:		ACTUALS:			ACCRUE_ADD:					
Date	Requested By	Telephone No	Approved by	Faculty /School/Dept	CLIENT SERVICES Date	Checked By	Date Processed	Journal No		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Reason for Request										
<input type="text"/>										
Line No	Unit	Ledger	Account	Fund	Dept ID	Program	Class	Project	Amount	Description
1	UNSWA	ACTUALS								
2	UNSWA	ACTUALS								
3	UNSWA	ACTUALS								
4	UNSWA	ACTUALS								
5	UNSWA	ACTUALS								
6	UNSWA	ACTUALS								
7	UNSWA	ACTUALS								
8	UNSWA	ACTUALS								
9	UNSWA	ACTUALS								
10	UNSWA	ACTUALS								
11	UNSWA	ACTUALS								
	UNSWA	ACTUALS								

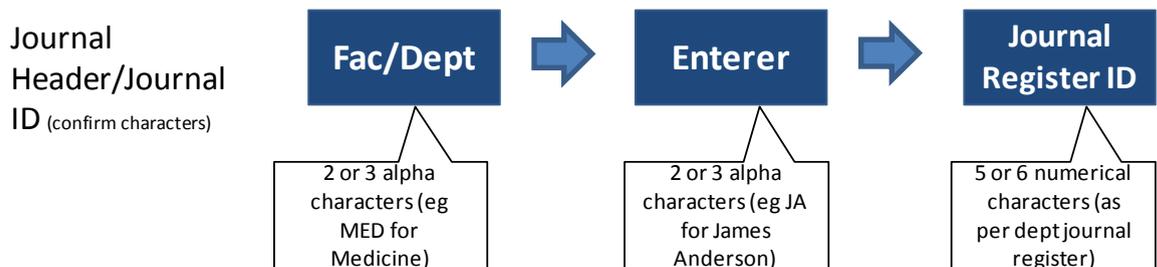
6.4 How to complete a Manual Journal Entry

Finance recommends that manual journal preparers adopt the following character conventions to ensure a best practice uniform approach.

6.4.1 Journal Header/Journal ID (max 10 Characters)

Journal Header/Journal ID's should enable stakeholders to immediately ascertain:

- Which Faculty/Dept/Division owns the journal
- The employee responsible for posting the journal
- A journal reference ID that can be traced back to a journal register (locally stored and managed)



6.4.2 Journal Description (max 50 Characters)

The journal description should offer a full explanation of the transaction(s) being processed and should indicate why the journal is necessary by including the following:

What - is being transferred/ corrected

Where - it is being transferred to/from

Why - the original transaction was incorrect

Who - is requesting and who is approving the journal

When - what timeframes are the journal in relation to

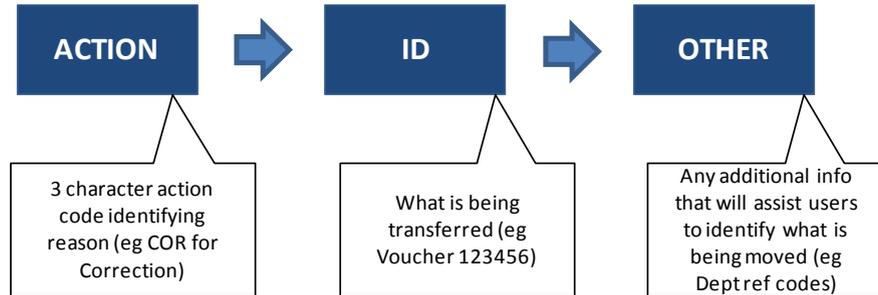
How - what supporting documentation there is to substantiate the reason for a manual journal eg reference to emails, reports, invoices, drill-downs

6.4.3 Line Item description (max 30 characters)

The line description should clearly explain each journal line item and should contain enough relevant information for stakeholders to identify what the line item relates to.

It is up to the discretion of the relevant Finance teams within each Faculty/Division as to the application of naming conventions in the Line Item Description, however Finance recommends the following naming convention;

Line Item
Description (up to
30 characters)



Examples of common action codes may include:

Action Code	Purpose
COR	When correcting an error in the original transaction's chart-field
PCO	When correcting payroll expenditure which has been posted to an incorrect chart-field
ICH	When processing internal charges between Faculty's/Division's following the supply of a product or service
INT	To be used for interest distribution
REV	To reverse an incorrectly posted journal
RAC	To reverse an incorrectly posted accrual
TRF	To transfer expenditure from one chart field to another
CAP	When correcting capital expenditure
PRE	When expensing the 'used' portion of a payment made in advance
ACC	When accruing for the cost of goods or services which have been incurred in one accounting period but not paid in that period

6.4.4 Supporting Documentation

Manual journal entries should have supporting documentation that explains the rationale and substantiates the amount of the journal to a standard that would enable a reviewer to recreate the journal and understand its purpose. The following should be adhered to when providing supporting documentation;

- If a journal relates to a specific invoice then a copy of that invoice must be included
- For journals raised to make a correction to an earlier entry, the supporting documentation must show where the original entry was posted (eg Nvision transaction drilldowns)
- Journals relating to cost recoveries must have documentation to substantiate the reason for the transfer, time period that the costs relate to, and amounts
- Any journals that involve the transfer of a group of expenses must have drilldowns as backup which will enable reviewer to get a breakdown of expenses if required

All supporting documentation must be uploaded into NS Financials if not attached to the L30/L50.

It is the responsibility of the Management Accountant (or equivalent) within the Division/Faculty to ensure that all journal details are accurate, and the General Ledger coding conventions used are current and correct.

Journals are not permitted if no supporting documentation can be provided (ie accruing to budget)

6.4.5 Approval and Filing

- All journals require approval by an authorised delegate prior to posting to the general ledger.
- All journal entries must include the contact details of the;
 - Preparer
 - Approver
- Faculties/Divisions should implement protocol to ensure all journals are processed in the correct period
- It is the responsibility of the Faculty/Division to maintain a journal register

7. Internal Control

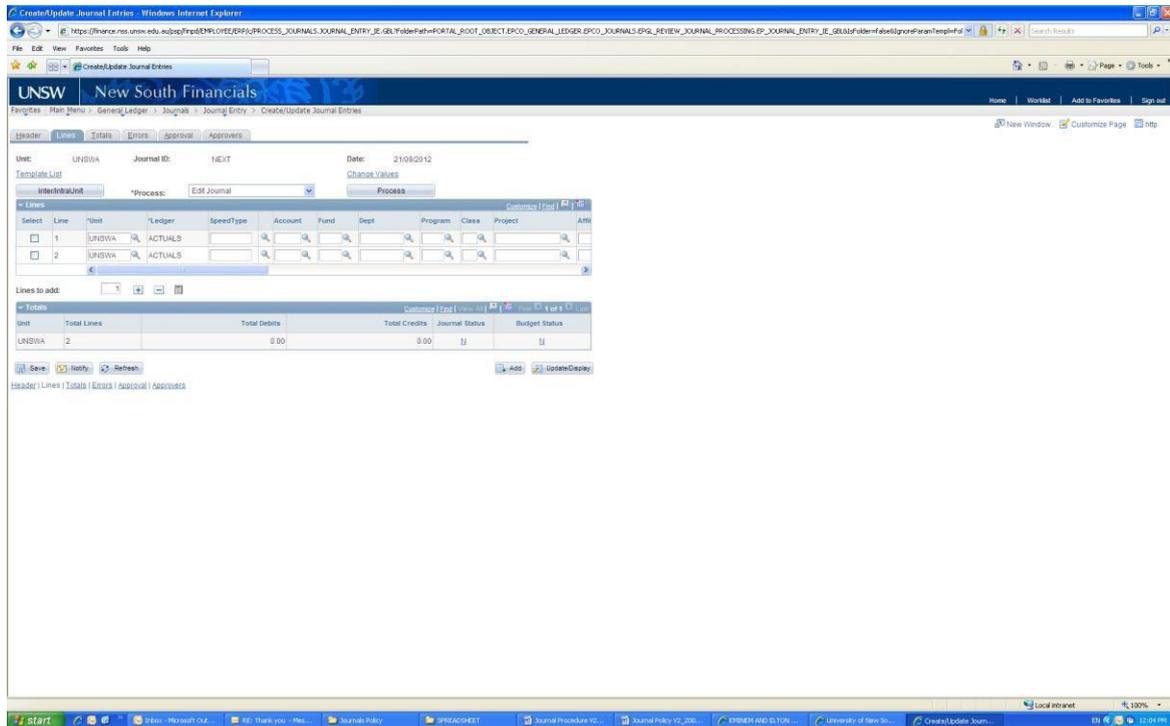
- **The adjustment of prior year numbers is not permitted** – It is the responsibility of the Finance Manager of the relevant Faculty/Division to ensure all income, salary, and non-salary expenditure is appropriately allocated by the end of the financial year
 - Therefore journals impacting Retained Earnings (9101) must have prior approval from Director of Shared Services and Corporate Finance & Advisory Services
 - Any journals impacting projects whose figures/balances have previously been externally reported are not permitted
- **Coding classifications must be adhered to**
 - If the journal is a correcting entry to move an item to a different chartfield, the natural account should not change unless it was classified incorrectly in the original entry (eg an item coded to travel expense should not be moved to a non-travel line in the general ledger unless it was actually a non-travel expense ie **correcting to budget is not permitted**)
 - If the journal is to correct items from external sources, internal revenue/expense codes are not to be used (and vice-versa)

- Journals relating to the reclassification of a transaction to/from an income account from/to an expense account must seek approval from Director of Shared Services and Corporate Finance & Advisory Services
- **There must be segregation of duties**
 - The client (requestor) cannot **also** be the enterer **and** approver of his/her own entry. In other words an individual may be permitted to perform any 2 of the 3 duties, however is not permitted to perform all 3.
 - When entering journals straight into NS Financials, the requestor/enterer cannot also be the approver of his/her own entry.
- **Internal Account journals must balance**
 - When using internal account codes when posting journals, both sides of the journal **must use an internal account code.**
 - The system will automatically 'suspend' the journal if internal account codes are not used for both sides of the journal, and will send out a reminder to the journal creator to amend every 48hrs
 - It is expected that suspended journals are resolved in a timely manner.
- **Incomplete Journals must be addressed**
 - If there are incomplete journals in the system, the journal creator will receive an email reminder every 48hrs until the journal has been amended.
 - It is expected that incomplete journals are resolved in a timely manner.

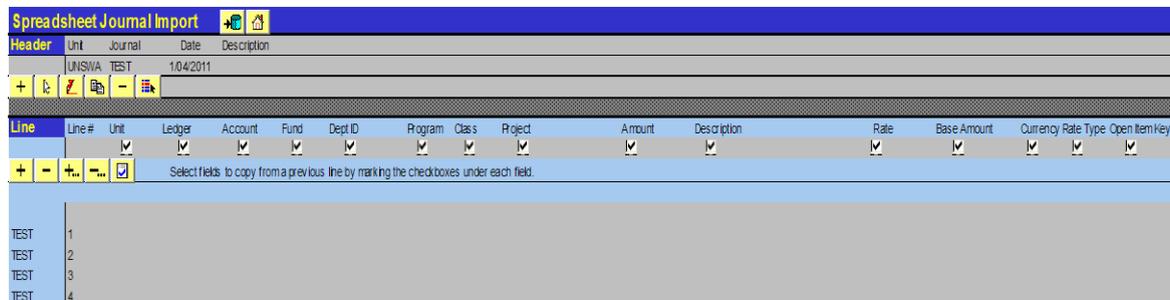
8. Review & History

This procedure document supersedes Version 1.0.

Appendix A: Online Journal Entry Template (ONL)



Appendix B: Spreadsheet Journal Entry Template (SSJ)



Appendix C: Chart of Accounts Journal Requirements

ChartField	Format (Characters)	Mandatory
Business Unit	5 (Alpha)	Yes
Account	4 (Numeric)	Yes
Department	10 (Alpha/Numeric)	Yes
Fund	5 (Alpha/Numeric)	Yes
Project	6 (Alpha/Numeric)	No
Program	0000	Yes - Default
Class	00	Yes - Default

The authorisation and amendment history for this document must be listed in the following table. Refer to information about [Version Control](#) on the Policy website.

Version	Authorised by	Approval Date	Effective Date	Sections modified
1.0	Director of Finance	10/12/2012	10/12/2012	Original
2.0	Director of Finance	18/12/2013	01/01/2014	4.0 Definitions 6.2 Manual Procedure Flowchart 6.3 How to request a Manual journal entry 6.4.4 Supporting Documentation 7. Internal Control