

University of North Carolina at Asheville

Journal Entry Guidelines

The following guidelines have been developed to assist the Finance Office users in understanding how journal entries are used in Banner and the requirements required.

Table of Contents

Journal Entry Rule Codes	2
Interdepartmental Sales Journal Entries	3
Transfers	3
Year End Journals	4
General Rules for Journal Entries	4

Journal Entry Rule Codes

Journal entries are identified in the system by rule codes and document number.

JES	General Journal Entry	Used for most journal entries.
DIS	Non Cash Disbursement	Used for any non cash disbursements, like bank charges. This is a one sided entry. The offset side is always cash.
REC	Non Cash Receipt	Used for any non cash receipt, like bank interest. This is a one sided entry. The offset side is always cash.
GLD	GL Beginning Balance	Used for any adjustments to beginning balances.
J60	Adjust/non accrual	Used only in Chart Y, accruals. This is for an accrual adjustment.
J67	Accrual entries current year	Used only in Chart Y, accruals. This is for an accrual entry for the current year.
J68	Reversal entries prior year	Used only in Chart Y, accruals. This is for an accrual entry for reversing prior year entries.
WTD	Wire Transfer Disbursement	Used for the disbursement side of a wire transfer.
WTR	Wire Transfer Receipt	Used for the receipt side of a wire transfer.

Interdepartmental Sales Journal Entries

Interdepartmental sales journal entries are used to record transactions between departments for internal sales.

It is important that you use account 404410 on the revenue side of the interdepartmental sales journal entry. We are required to eliminate these entries for our financial statements and use this account code for identification.

Interdepartmental Transfer Journal Entries

Interdepartmental transfer journal entries are used to record transactions between departments for transfers of funds.

It is important to use transfer accounts when transferring funds between departments with a few exceptions.

Transfer accounts begin with an 8 and must be used on both the debit side as well as the credit side of the transactions. If this account is only used on one side of the transaction, it will cause transfers to be out of balance.

Transfers in from other state agencies should be deposited into an account beginning with 408xxx. Transfers out to other state agencies should be charged to an account beginning with 78xxxx.

When transferring between state funds and agency funds, use account 402750 on the credit side and account 769120 on the debit side of the transfer.

Year End Journals

Accrual year end journals should only be entered in chart Y, period 14. The only rule codes used in chart Y should be J60, J67, or J68. There are only certain users approved to use these journal entries.

All document numbers for year end journal entries are copied from last years entry, or assigned by the University Controller.

General Rules for Journal Entries

- ALL journal entries, without exception, must be approved in writing by the University Controller prior to entry into the Banner system.
- Journal entries are not allowed between bank accounts. Wire transfers must be used between banks held at the NC State Treasurer's Office. Transfers to other banks must be done by check in Accounts Payable and receipt in the Cashiers Office.
- Journal entries are not allowed between funds that begin with 1xxxxx and 2xxxxx. These must be done on a wire transfer.
- When correcting an error on a journal entry, use the same rule code as the original transaction.
- Do not use the claim on cash account on a journal entry (181100).
- Do not use control accounts on a journal entry (791100, 791200, 791300, 792200, 792300, 792600, 793000, 795000, 795200, 796100, 797100).
- Do not use the bank fund on a journal entry (9900).
- Do not mix receipts and disbursements on a journal entry for state funds. You should not use a fund that begins with 2xxxxx with an account that begins with 4xxxxx or 80xxxx. You should not use a fund that begins with 1xxxxx with an account that begins with 6xxxxx, 7xxxxx, or 88xxxx.
- It is important that the line description provides a clear explanation of the purpose of the entry for both the credit and debit side of the entry. The line description is what the departments will see in Banner and on their monthly reports.
- Document, Document, Document. It is important to clearly explain in writing all transactions on a journal entry. This may be picked up later by an auditor and it should be clear to the reader the reason for the transaction. Also, attach copies of any documents that are needed to further explain and clarify the transactions. There should be enough documentation to support each dollar amount on the entry.

- All journal entries are filed by month and number. These files can be found downstairs in the file room. It is important to file these in the correct month and numerical order, so they can be referenced later.
- All sensitive journal entries for state funds should be approved by the University Budget Office, before they are reviewed and approved by the Controller.