# United Nations Development Programme

## General ledger Journal Entry Guidelines

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| Document Name | General Ledger Journal Entry Guidelines |
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| Responsible Unit | Office of Financial Management (OFM) |
| Creator (individual) | Accounts and Client Service Division |
| Subject (taxonomy) | Financial Procedures |
| Date created | October 2014 |
| Mandatory Review | |
| Audience | These procedures are to be used by all UNDP staff at Headquarters, in the Country Offices and at other offices worldwide. |
| Applicability | All holders of UNDP letters of appointment, regardless of assignment; staff seconded to UNDP. |
| Replaces | N/A |
| Is part of | N/A |
| Related documents | N/A |
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| Version | Date | Author(s) | Revision Notes |
|---|---|---|---|
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**Contents**

**I. Overview**

The purpose of these guidelines is as follows:

(i)      When to use General Ledger Journal Entry (GL JE)
(ii)     How to use GL JE
(iii)    Responsibilities of approving staff

A journal entry may be defined as an adjustment that does not directly involve the movement of cash.  It is typically used to reflect non-cash journal entries or corrections to previously made entries.

**2. When to use a GL JE?**

In general, a GL JE is used when making an adjustment in the General Ledger only.  Note that GL JEs do not affect sub-modules such as Accounts Payable (AP) or Accounts Receivable (AR). The major two exceptions are:

| _To make an adjustment to…_ | _Should use…_ |
|---|---|
| NEX – Financial Reports | APJV (not GL JE!) |
| Cash arrangement | APJV (not GL JE!) |

Also note that when making an adjustment related to a specific AP voucher or vendor, it is recommended to use an AP JV instead of a GL JE.

**3. Who does what?**

Finance staff create GL JEs based on accounting requirements. Any GL JEs created must be submitted in Atlas and sent for approval to the approving manager. GL JEs should not be approved by the same person who created or edited the GLJE. All supporting documentation should be maintained and securely filed for all GL JEs. (Internal Control Framework version 6 page 40 paragraph o).

Approving managers exercise the authority to approve GL JEs created by finance staff by reviewing, submitting and posting the GL JEs submitted to them for approval, within their authorized limits. The approving manager who approves GL JEs should possess sufficient knowledge on key accounting principles and concepts. Supporting documentation for GL JEs should be maintained and securely filed (Internal Control Framework version 6 page 32 paragraph d).

**The GL JE is a powerful tool and if not used with due care and diligence, has the potential to cause substantial loss to UNDP**. All approving staff should keep in mind Financial Regulations and Rules 102.02:

> *All personnel of UNDP are responsible to the Administrator for the regularity of actions taken by them in the course of their official duties. Any personnel who take any action contrary to these Financial Rules or to the instructions which may be issued in connection therewith may be held personally responsible and financially liable for the consequences of such action.*

Where offices are not able to manage this process, the approval rights will revert to Comptrollers. Comptrollers will regularly review GLJE postings to ensure proper use of the approval process.

### 4. Responsibilities of the approving officer

**The approving officer has the following responsibilities:**
- ensure the finance user creating the JE has secured the relevant budget manager(s)' written approval for all relevant entries;
- net adjustments to expense of more than $100,000 should be approved by Resident Representatives / HQ Directors only;
- where appropriate, the written consent of the donor must be obtained;
- supporting documentation must include a brief but clear explanation of the purpose of the GL JE entry. This must also appear in the Long Description on the GLJE Header;
- ensure all GL JE's pass budget checking and do not contain errors (this is explained in more detail below);
- keep full supporting documents of each GL JE for audit scrutiny;
- make sure GL JE has been edited/submitted by the GL JE preparer before attempting to approve/post. If this is not done, the system will record the approver's name as both initiator and approver in the approval tab.

*Note that the right to approve a GL JE gives the right to approve GL JEs across all budget departments. This is an inevitable consequence of the fact that such tools are commonly used to make high level entries that affect many budgets and programmes. Therefore approvers must take special care that they do not inadvertently charge other budget holders. Where a GL JE affects more than 1 budget, written approval must be obtained from each budget manager.*

### 5. How to create GL JEs

Navigation: General Ledger > Journals > Journal Entry > Create Journal Entries> Add a new value:

## Create/Update Journal Entries

| Find an Existing Value | **Add a New Value** |

Business Unit: UNDP1

Journal ID: NEXT

Journal Date: 23/07/2014

Add

| Business Unit | Enter the appropriate General Ledger Business Unit or select one from the drop-down list box. Which Atlas agency do you wish to make an entry for? Generally, this should be **UNDP1**. Note that this is not the same as the AP or AR BU named after your country office (e.g., AFG10 etc.). |
|---|---|
| Journal ID | The Journal ID will default to 'NEXT', and, when the information on the journal entry panel is saved, a journal ID will be automatically generated. Atlas automatically assigns the next available journal ID number. When adding a journal, **NEVER** type NEXT in the GL Journal ID field. NEXT appears automatically because Auto-Numbering has been turned on. Typing NEXT in the GL Journal ID field will cause the system to assign a number of "NEXT" and stop you from being able to enter any journal with auto numbers until fixed. <br><br> If 'NEXT' does not appear when you add a new journal, please contact |

| | UNAll. For IT support, please use the "Create Incident" service in the UNall service management portal. |
|---|---|
| Journal Date | Verify that Today's Date appears in the Journal Date field. Note: This field is automatically populated with the System Date. You can change this date if necessary, i.e. change to a date in an earlier open accounting month/year. |

Click on "OK" to go to the Header panel.  It is the combination of these fields that makes your journal unique.  The three keys (business unit, journal ID, and journal date) allow you to find, track, and organize your journals more easily.

### 6. Journal Entry Header



| Unit | Atlas GL populates the business unit based on the Business Unit entered on the 'Add' page. |
|---|---|
| Journal ID | Atlas populates the journal ID based on the GL Journal ID selected.  For a new journal, the Journal defaults to NEXT until the panel is saved. When the panel is saved, the system assigns a sequential number for the journal ID. |
| Date | This field is populated based on the Journal Date entered or selected on the 'Add' page. You can change this date if necessary, i.e. change to a date in an earlier open accounting month/year. |

| | |
|---|---|
| Long Description | Enter a brief but clear explanation of the purpose of the GL JE entry. This **MUST** always be completed. Any GL JE without a description or an inadequate description should be immediately rejected by the approving officer. The description should at the minimum reflect the nature of transactions which typically falls into one of the following categories:<br>• Corrections, reversals and reclassifications of expenses;<br>• ATLAS inter-agency transfers;<br>• Attribution of Direct Project Costing (DPC);<br>• Processing refund to donors, if applicable; |
| | • Cost recovery;<br>• Implementation Support Service (ISS) charges and service fees;<br>☐ Recording off-the-top GMS etc.<br><br>This is a long edit box. Press [Enter] to force the cursor to the next line. The scroll bar does not indicate multiple rows, but that multiple lines of text exist. You may enter maximum 254 characters in this field and the first 30 characters of this field appear in prompt lists for the journal. |
| Ledger Group | Default to ACTUALS. Do NOT change. |
| Ledger | This field should remain blank. |
| Source | Default to **ONL**.<br><br>Do NOT change unless otherwise instructed by OFM/HQ. |
| Reference Number | This is an optional field with maximum 8 characters.<br><br>It is recommended to enter the Operating Unit code of the CO or HQ unit who initiated the GL JE, e.g. AFG if the JE is created by AFG office or H35 if the JE is created by OFM. |
| SJE Type | Leave blank. |
| Journal Class | Leave blank. |
| Auto Generate Lines | Default to "unchecked". Do NOT change. |
| Adjusting Entry | Default to "Non-adjusting Entry". Do **NOT** change.<br><br>If the default option is manually changed to "adjusting entry", GL JE will be posted to an incorrect adjustment period, details please refer to email sent to MPN network. |
| Fiscal Year | This field is populated based on the Journal date entered, selected, or assigned. This indicates the fiscal year in which the journal is posted. |
| Period | This field is populated with the accounting period to which the journal is posted based on the Journal Date entered, selected, or assigned. |
| ADB date | This field is populated based on the Journal date entered, selected, or assigned. |
| Save journal incomplete status | Default to "clicked". This allows user to save journal with incomplete status. Do NOT change. |

NOTE: If any of the defaults do not appear as indicated above, please contact UNAll to set up your user preferences. For IT support, please use the "Create Incident" service in the UNall service management portal.

**7. Hyperlinks: "Currency defaults" and "Reversal: do not generate reversal"**

Do NOT change the default setting on these 2 hyperlinks that appear at the bottom of the Header page. In addition, the "Reversal: Do not generate reversal" option is not to be used for creating reversals once the GL JE is posted.

**8. Hyperlink: "Commitment Control"**

This hyperlink appears at the bottom of the Header page (see screenshot above).

- Commitment Control Amount Type: Default to "Actuals, Recognize and Collect".  Do NOT use any other setting unless instructed by OFM/HQ.
- Bypass Budget checking: Default to "unchecked". Do NOT change unless instructed by OFM/HQ.
- Override: Default to "unchecked". Do NOT change unless authorized under the office's budget override policy as defined in Internal Control Framework.

Commitment Control
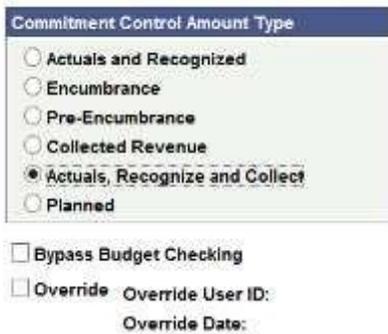
| Commitment Control Amount Type |
| --- |
| ○ Actuals and Recognized |
| ○ Encumbrance |
| ○ Pre-Encumbrance |
| ○ Collected Revenue |
| ● Actuals, Recognize and Collect |
| ○ Planned |

☐ Bypass Budget Checking

☐ Override   Override User ID:
                     Override Date:

**9.  Lines Panel**

Here the actual entries are created, complete the chartfields as necessary.

Debit entries are positive amounts.  Credit entries are negative amounts.

Some features on this page:

| Template List | Do NOT use. |
|---|---|
| Change Values | Do NOT use. |
| Inter/IntraUnit | Do NOT use.<br><br>If this icon is clicked by mistake, the system will generate incorrect interfund transactions, details please refer to email sent to MPN network. |
| Lines | The lines are updated automatically with the number of lines in the journal. Press [F7] or click '+' to insert an additional journal line. This copies down all of the Chartfields except for the Account Chartfield and the Amount field. User must ensure that the copied charfiled elements are valid. Press [F8] or click '-' to delete an existing journal line.<br><br>NOTE: if you delete a line, numbering could get out of sequence but once posted, the lines will be renumbered. |
| Unit | This field is populated with the GL Business Unit from the Header panel.<br><br>Change if the line should be to another GL Business Unit, i.e. change to UNCDF if the line adjustment/chartfield is related to UNCDF. |
| SpeedType | Click this button to access the GL Journal Entry Processing SpeedType dialog box to select a SpeedType option to automatically enter frequently used Chartfield combinations. |

_____

| Chart fields | Account, Operating Units, Fund, Dept ID, PC BU, Project, Activity, An Type, Impl Agent, Donor and Open Item Key |
|---|---|
| | When Project IDs are used the PCBU, Activity ID and Analysis type are required and must be populated: Adjustment to expense, select "GLE" Adjustment to revenue, select "GLR" |
| Currency | The default currency is USD. Only change the currency code when it is necessary, by selecting one from the drop-down list box. |
| Amount | Enter the amount of the transaction. Debits are denoted with a positive sign (+) Credits are denoted with a negative sign (-) |
| Rate Type | Do not change. Defaults to "UNORE". |
| Calculate | Do not change. Defaults to "System Rule". |
| Budget Date | This field is populated based on the Journal date entered, selected, or assigned. Do NOT change, otherwise it will cause a discrepancy between KK and GL reports. |
| Open Item Key | Enter required open item key or select from the drop down list. For certain staff-related balance sheet accounts (e.g. 14020) and petty cash accounts (e.g. 16105), the open item key field is mandatory. |
| Journal Line Description | The system populates the journal line description from the Accounts Table with maximum 30 characters. Click on this field to override and record additional information if necessary, such as voucher/vendor/third party document reference number etc. e.g. AFG10V12345 or a short description of the adjustment such as "transfer bal to P53321 phase2" etc. |
| Jrnl Ln Ref | This is an optional field into which additional information can be entered with maximum 10 characters, such as voucher/vendor/third party document reference number etc., e.g. AFG10V12345. |
| Lines to add: 1 + − | Click the buttons to add or delete lines. When adding you may add multiple lines by designating a number. |

Across the bottom, the Journal Entry Lines panel shows a running total of the number of Lines, the total debit (DR) amount, the total credit (CR) amount, and the Status of the Journal.

Journal Status - this field displays the journal status. In case of an error, it navigates to the error page.

Budget Status - this field displays the budget check status. In case of error, it navigates to the budget checking error page.

Once you have created all lines and you can see that total debits equal total credits, press SAVE. At this point Atlas may detect errors and not allow you to save. Make your corrections and press SAVE again. Repeat as necessary.

**10. Editing Journals**

Although the "save" process will have checked for some errors, "Edit Journal" must now be run to ensure all errors are detected.

Select the Edit Journal option in the Process box. See the blue-highlighted box in the above screenshot of the Lines page. Press the "Process" button.

The Status field changes to V when the process is successfully completed. If you receive a Status of E, you can check the errors by clicking on the Errors tab, which brings you to the Errors panel. Return to the appropriate panel(s) to correct them, and rerun Edit Journals as necessary until there are no more errors.

A journal will receive a status of "errors" if one or more of the following conditions are true:
- Journal Balance Errors: A Journal Balance error occurs when a journal is unbalanced, that is the debits do not equal the credits.
- Journal Edit Errors: As you enter journal lines, ATLAS checks to see that all chartfield values are valid as of the journal entry date. A Journal Edit error occurs if you entered an invalid chartfield value or chartfield combination on the journal lines (e.g. in cases where the project/activity ID is "inactive").

Once the Edit process is complete, the system balances each Fund or Operating Unit by generating additional lines, typically balancing entries posted to intra-fund account 15100 within UNDP1 GL BU or inter-fund account 150xx with other GL BUs.

**11.  Totals page**

This panel shows the total debit and credit amounts in USD. These amounts are displayed after the edit process has been run.

**12. Errors page**

This page shows lines marked in error as described above. If there are no errors, this page tab is grayed out.

**13. Submitting journals for approval**

The GL JE must now be submitted to the appropriate approving officer. Select Submit from the Process box on the Lines page and press the Process button:
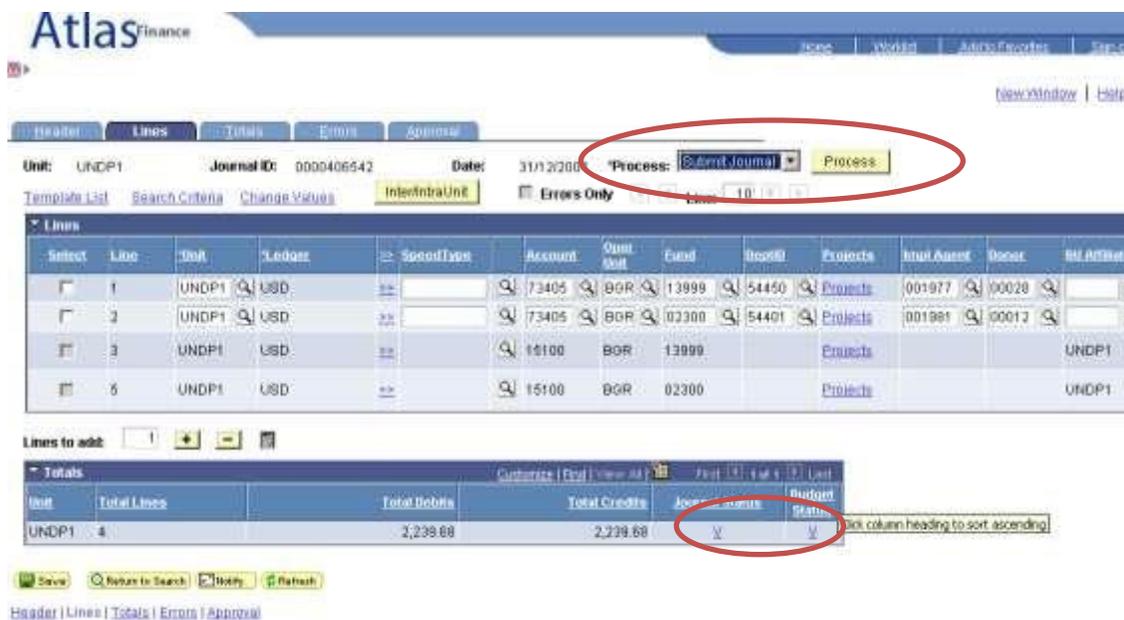
Note that Journal Status and Budget both show "V" for valid.

Use the notify function to forward GL JE's to approver for their action. **Ensure that you send to your approving officer all supporting documents for her/his review in order to approve the GL JE**.

**14. Approving journals**

The approving officer will select Submit Journal in the Process dialogue box as shown in the screenshot above. Press the Process button. This changes the status of the journal to "approved". For Approvals of Inter-Agency Journals, approval is required from all Agencies involved. The journal must now be posted.

**15. Posting Journals**

After approval, posting is done by the **Approving Officer**, using the Process dialogue box on the Line page. Select Post Journal. Press the Process button. This posts the journal into the GL and changes the Journal Status indicator to "P" for posted.

**16. Copying Journals**

If you would like to use an existing journal entry as the basis for a new journal entry, use this feature to make a copy of or reverse an existing journal. You can copy any journal and then change the header or detail lines, as desired.

Locate the journal entry to copy, select "Copy Journal" option from the process drop down list and click on process.

On the next Journal Entry Copy page:

- Journal Date: This field is automatically populated with the System Date. You can change this date if necessary, i.e. change to a date in an earlier open accounting month/year;
- Check the "Reverse Signs" box, if you intend to reverse the journal you are copying from;
- Check the "Recalculate Budget Date" box if you want the budget date to be the same as the new journal accounting date;
- **Do not change other default options/set ups on this page.**

Click on OK to complete the copy process.



Once the copy is complete, the new journal will be marked with a status of "No Status - Edit Required".

If the "Recalculate Budget Date" box is not checked, the "Budget Date" field in the newly copied journal will be the same as the original JE that was copied.



If the original journal is from a previous fiscal year and period, please make sure to change the budget date to the current fiscal year and period, i.e. same as the accounting date. This is very important for user to check before proceeding any further because a different budget date and accounting date in a JE will lead to a discrepancy between KK and the GL.



**Change to current accounting date**

### 17. Deleting Journals

You can only delete GL JEs that have not been posted.  If an error was identified for a GL JE already posted, a new GL JE will have to be created with opposite amount to reverse the posted journal.

### 18. Inquiring on Journals

Navigation: General Ledger -> Review Financial Information -> Journals

Enter a Run Control ID [e.g. JRNL_COPY].  Click OK.

Enter the necessary parameters using the following search page.  As a minimum, you should enter the Business Unit (UNDP1); Ledger (e.g. USD); Year (e.g. 2014) and From and To Period (01 – 12).

You can use this functionality to search previously entered journals by using "Journal ID", "Status", "Source" or "User". Enter the selection criteria in these fields or use the drop-down arrow to display a list of valid values. Next, click on the Search button to list journals that meet the search criteria.  You can drill down by clicking on the Journal ID link.

Journal Inquiry

### 19. Status of Journals

From the time you enter a journal until it is posted, the journal maintains a status. This status changes at each stage of the journal's processing and you will see a status code on the Journal Lines page. It is important for you to be familiar with the different status code so that you know what actions you need to take to make sure that all of your journals are processed successfully. You can check the status of your journals at any time during journal processing.

The available status options include:

| Status Code | Explanation |
|---|---|
| N | No Status – Edit Required. The journal entry has been entered into the system, but has not been edited or posted. |
| E | Errors. The journal has been edited and cannot be posted due to Errors. |
| V | Valid. The journal has passed editing and is ready to be posted. |
| P | Posted. The journal has been posted. |
| T | Incomplete – Journal Entry Incomplete. |
| U | Unposted. A journal has been created and posted by the system to reverse the effects of a posted journal. Therefore, the original journal is unposted. |
| D | Deleted. |
| I | Posting Incomplete – Repost as soon as possible. |
| M | Valid SJE Model – Do not post. Not applicable. |

### 20. Accounts that should never be used in GLJEs

Never make an entry directly to any of the accounts below. If you think you do need to make any entry to one of these accounts, clear this with OFM before raising your GL JE.

Note that Atlas automatically creates self-balancing entries to accounts in the range 15005 to 15100. These automatically generated entries are correct but you should never make a direct manual entry to these accounts.

**Account    Description**
15005    Due To/From UNDP
15010    Due To/From UNCDF
15015    Due To/From UNIFEM
15020    Due To/From UNOPS
15025    Due To/From UNFPA
15100    Intra-Fund/OU Due To/From

| 16005 | OFA / NEX advances |
| 16105 | Petty Cash Fund _ PCF |
| 16106 | Project Petty Cash _ PPCF |
| 16107 | Project Cash on Hand _PCH |
| 16108 | Project Cash Advance (PCA) |
| 31005 | Unexpended Resources |
| 31010 | Endowment Fund |
| 31015 | Special Capital Resources |
| 31020 | Other Special Resources |
| 31025 | Savings on Other Biennium Enc. |
| 32005 | Operational Reserve |
| 34005 | Transfer To/From Reserves |
| 34010 | Transfer To/From Other Funds |
| 34015 | Refunds to Donors |
| 39999 | CONVERSION |

## 21. Common errors

As a useful summary, please avoid the following common errors:

- On the Header page, the Commitment Control type selected is "Actuals and Recognized" (the 1st line) instead of **"Actuals, Recognize and Collect" (the 5th line)**;
- On the Approval page, the name of the initiator is often missing because whoever prepared the JE did not **"Submit and Process"** the JE before sending the GL JE for approval. It is therefore recommended that the preparer of GL JE should ensure that the GL JE is submitted in order for her/his name to appear as initiator on the approval page;
- On the Lines page, project links, the Resource Analysis type is often incorrect. **It should be GLR (revenue) or GLE (expense);**
- Unlike in the Account Payable module, once a GL JE is created with a given date, it can NOT be changed. It is therefore recommended that journals be processed as soon as possible after creation;
- The GL JE is approved but not posted. The approving officer should make sure to **POST** the JE immediately after approving it. The GLJE preparer should monitor the status of the journals and bring to the attention of approvers if the GL JE is approved but not posted;
- The donor field is often left blank for revenue related entries;
- The wrong budget period is manually entered causing a discrepancy between GL and budget dates, for example, journal accounting date is 2014 but budget date is 2013.

## 22. Other useful guidance and links

- On Demand GL Chapter and Training Material
- FAQ from Management Support Centre site related to GL JEs
- General information from Management Support Centre site related to AP JVs