Approval date: March 13, 2019

Updated: April 8, 2021

Journal Correction/Transfer Guidelines

Responsibility:	Financial Reporting
Approver:	Associate Vice-President Finance
Scope:	Compliance with these University guidelines extends to all academic, MaPS and support staff and consultants.
Enquiries/assistance:	finance@ucalgary.ca ; phone U Service (403)210-9300
Responsibility for updating guideline:	frglje@ucalgary.ca

Overview

The journal correction/transfer is used for processing accounting entries directly to the PeopleSoft General Ledger (GL).   A correction is a redistribution or change of a posted transaction that originated from a prior regular Journal Entry (JE) or a PeopleSoft posting.   A transfer is a transaction to move funds that are not associated with a specific journal entry or a PeopleSoft submodule posting transaction. Journal correction/transfer entries are a component of the University's financial records and processing them accurately and in a timely manner is essential to ensuring the financial reports prepared for internal and external users are correct and reflect the most current financial position of the University.

Journal correction/transfer entries require appropriate controls and are therefore processed through finance instead of individual faculty/units.   The consolidated journal submission process through finance@ucalgary.ca enables a single point of request for front-end users.

Purpose

To outline requirements for journal correction/transfer entries.

Journal Correction/Transfer: Correction of a posted expense or revenue transaction that originated from a prior regular Journal Entry or posting into PeopleSoft

➢ Chart field corrections
➢ Salary and Benefit Adjustment (SBA) Salary corrections must not include personal, identifying notes (i.e.) employee names, etc. (FOIP).
➢ Over-expenditure/expense re-allocations
➢ Salary Recoveries – Finance Partners/Analysts will process
➢ Revenue Corrections (external revenue that start with 4xxxx) - Accounts Receivable will process where possible
➢ Transfers***** (i.e.) overhead and residual balance, internally restricted net asset (IRNA) transfers with account range 70xxx

Note - Journal lines/entries must NOT be split into multiple entries to avoid approval at the appropriate monetary level

*Transfer: a transaction to move funds to an alternate department and/or project. There are strict guidelines that must be followed for all transfers.

Documentation

Journal Correction/Transfer Request Form: The journal correction/transfer request form must be completed and submitted in one email with all approvals and related backup to: finance@ucalgary.ca (General Ledger Journal Entry template is not required)

1) **Explanation for the request**: All questions regarding why the event occurred, how it was detected, and steps to prevent future events must be answered with sufficient detail to support a decision. There are drop down lists for questions 1 and 2 or a free form text area under "other". Question 3 is for project related correction/transfer only.
2) **Move From and Move To:** All applicable fields must be completed
   o all transaction details must be provided including the related period of time
3) **Detail:** Complete the information boxes identifying the entries to be moved. Must have adequate information to identify the line or lines to be moved. Please use the Supporting Correction spreadsheet when more lines are required.
4) **Approvals**: Department ID Owner/Project Holder/Delegate (when appropriate)
5) **Additional authorization for prior year corrections required (Not to be completed by the end user – FYI only)**
   i. Research Accounting
   ii. Financial Reporting
   iii. VP (authorization to be facilitated by Financial Reporting)

General Notes:

For audit purposes, documentation must provide adequate details that support each journal line.

All documentation must be provided in an electronic format attached to the completed journal correction/transfer form and:

➢ Demonstrate the original transaction was posted to the incorrect chart field string (using eFIN screenshots/PeopleSoft or Cognos queries downloaded to Excel, etc)
➢ Evidence of the time period when the original transaction was incurred
      o **if incurred in a prior fiscal year, additional approvals are required**
➢ Include approval from budget owner where the transaction was originally processed to
➢ Include approval from budget owner where the transaction will be moved to
➢ Must clearly show the complete chart field string and the amount

Financial records and supporting documentation must be retained for a period of 7 years (6 previous years plus the current year) for audit verification and review per federal and provincial retention legislation.

Authorization/Approval

➢ All transactions in the journal correction/transfer form (both the debit & credit side of the journal entry) must be approved by a budget owner or delegate (when appropriate) with the exception of journal lines < $250 for non-projects.
➢ Journal correction/transfers are used by the University to create transactions to correct financial information. Given the impacts to the accuracy of financial reports issued by the University, internal controls for journal correction/transfer entries must be correctly designed, implemented and operate effectively to mitigate risk of error. Therefore, effective October 1, 2018, approval from Vice-President is required for the following journal correction/transfer entry transactions related to the prior fiscal year, which impacts the financial statements (i.e. fund code, department, project and account).

Type of Transaction	Prior Fiscal Period (April 1 to March 31)	Current Fiscal Year (April 1 to March 31)
Transfer to IRNA Funds from operating	NA	Budget Owner/Delegate Vice President

Expense or Revenue Correction	Budget Owner/Delegate Financial Reporting Research Accounting (fund 50-70 only) Vice President	Budget Owner/Delegate

Roles and Responsibilities:

1. Requestor (prepared by):

➢ Any person who is responsible for preparing and submitting correction/transfer journal entries. They are confirming that the journal is correct, complete, valid, appropriate, etc. This applies even if someone else has asked the requestor to complete the request process on their behalf. Therefore, the Requestor must fully understand the transactions and is responsible to prepare and submit all supporting documentation.

➢ Journal Entry Correction/Transfer - completes Correction/Transfer Form, and compiles all relevant supporting documentation

➢ Ensure that appropriate Dept ID or Project Approvers/delegates have provided their approval
   o Approvals may be in the form of an email or signed documents (approving the accounting chartfields and amounts of the journal entry).

➢ Forwards signed Journal Correction/Transfer Request form along with all supporting documentation and approvals to finance@ucalgary.ca where a ticket # is assigned and emailed back to the requestor.

2. Initiator (Finance):

➢ The initiator receives the completed/approved journal correction/transfer entry request form from the requestor through finance@ucalgary.ca and has a PeopleSoft security role permitting them to create, edit and submit journal entries for approval & posting.

➢ The initiator will review the journal correction/transfer request and supporting documentation for appropriate accounting, back-up documentation, validation that the entry is balanced, transaction eligibility per agreements (if required) and that appropriate authorizations have been provided.

➢ Updates Master List for requests requiring VP Approval

➢ Once the initiator is satisfied that the journal correction/transfer request is complete with all the appropriate approvals and should be processed, the entry should be submitted in PeopleSoft for combo edit and budget checks. If successful, the journal will be submitted for review and

posting. Journal entries which do not pass either the combo edit or the budget check will be sent back to the requestor to identify the correct solution

3. Financial Reporting: Review and Posting:

➤ Reviews, approves and posts all journal correction/transfer entry requests in accordance with University policies, procedures and guidelines
➤ Updates master list for requests requiring VP approval and forwards approval requests to appropriate VP (i.e.: fund transfers from operating to IRNA & prior period corrections)
  ▪ **The requester and reviewer/poster cannot be the same individual.**

4. Budget owner (Dept ID owner/Project holder):

➤ An employee identified as a budget owner due to holding an operating or ancillary (fund 10/15) department (Dept ID) or a project (fund 5/11-19/50/60/70) in the financial system and therefore has signing authority to approve expenditures within the amounts and scope of his/her budget and within maximum limits.

5. Delegate:

➤ An employee/contingent worker who has been assigned to act on the budget owner's behalf/acting capacity.

Processing timelines:

Processing Period	Timelines
Monthly – Journal Request	See month end timelines on the Finance website
Year-end – Journal Request	See year end deadlines on the Finance website

Contact

Name	Email	Phone
U Service	finance@ucalgary.ca	(403)210-9300

Fund Definitions and Transfer Rules

https://www.ucalgary.ca/finance/files/finance/fr-fund-definitions-and-transfer-rules-new-2019-02-21.docx