

Journal Entry Policy

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Approval Authority Vice-President (Finance) and Chief Financial Officer	
Implementation Authority Associate Vice-President (Finance)	
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- 1 Purpose** The purpose of this policy is to define the role of the Journal Creator and Approver at the University of Calgary and to clarify the responsibilities and accountabilities associated with each role. Each Journal Creator and Approver must have a clear understanding of their responsibilities and the expectations of their performance in this role.
- 2 Scope** This policy applies to Employees who create or approve Journal entries in PeopleSoft. This includes the creation and approval of:
- manually entered journals
 - spreadsheet upload journals
 - non-automated system generated upload journals
- This policy does not include Automated System Generated GL interfaces.
- 3 Definitions** In this policy:
- “Accountable” means committed to accept responsibility.
 - “Automated System Generated GL Interfaces” means any transaction posted to the GL from another system module that performs automatically without manual work or intervention from staff. If manual steps are required such as manually uploading system generated tables or data files, the upload is considered non-automated.
 - “Employee” means a person employed by the University of Calgary for wages or salary. For clarity, this term includes support staff, management and professional staff, the senior administrative group, and faculty.
 - “GL” refers to the General Ledger.

- e) “Journal” means an entry made in the PeopleSoft General Ledger system that moves revenues, expenses, assets and/or liabilities between two or more accounts, departments, programs, internals, projects and/or activities which results in the entry being recorded within the University of Calgary’s books of record (PeopleSoft general ledger).
- f) “Journal Approver” means any person who has a PeopleSoft security role permitting them to approve journals that have been created for posting.
- g) “Journal Creator” means any person who has a PeopleSoft security role permitting them to create and enter journals.

4 Policy Statement

Appointments

- 4.1** The Controller will appoint Journal Creators and Journal Approvers.

Separation of Duties

- 4.2** Journal Approvers will not approve any Journals they have created.
- 4.3** Journal Approvers will not prepare the supporting documentation for a journal entry they approve. Supporting documentation for a journal entry will be prepared by the Journal Creator.

Certification

- 4.4** Journal Creators and Journal Approvers will certify in writing that they understand their responsibilities as outlined in this policy when requested by the Controller. They will also certify in writing that they have performed these responsibilities professionally and with due care.

Approval Workflow

- 4.5** The Controller will define the workflow and specified dollar threshold rules. Any attempt to circumvent any aspect of the rules, including breaking transactions down into smaller dollar amounts, will be considered a breach of this policy.

Supporting Documentation

- 4.6** The Journal Creator will create the supporting documentation for each Journal and assist the Journal Approver in confirming that entries are valid, complete, and reasonable.
- 4.7** The Journal Approver may not approve an entry until validity, completeness, and reasonableness are confirmed.
- 4.8** The Journal Creator will provide supporting documentation to the Journal Approver upon request.
- 4.9** The Journal Creator will retain supporting documentation in a form that can be retrieved at a future date for a period of 7 years in compliance with University retention rules.

Violations of the Policy

- 4.10 The Controller will respond to evidence of non-compliance with this policy.
- 4.11 Violators of this policy may be subject to penalties under University policy, collective agreements, and under provincial and federal law.

5 Responsibilities

- 5.1 Approval Authority – Vice-President (Finance) and Chief Financial Officer
 - a) ensure appropriate rigour and due diligence in the development or revision of this policy.
- 5.2 Controller
 - a) appoint a sufficient number of Journal Creators and Journal Approvers;
 - b) create approval workflow rules;
 - c) establish and maintain a training program for Journal Creators and Journal Approvers;
 - d) follow up on policy non-compliance and take remedial action, as appropriate; and
 - e) review the policy on an annual basis.
- 5.3 Implementation Authority – Associate Vice-President (Finance)
 - a) ensure that University staff are aware of and understand the implications of this policy and related procedures;
 - b) monitor compliance with the policy and related procedures;
 - c) regularly review the policy and related procedures to ensure consistency in practice; and
 - d) sponsor the revision of this policy and related procedures when necessary.
- 5.4 Journal Approvers will ensure the journals they approve:
 - a) are valid (necessary, appropriate, not fraudulent, etc.);
 - b) are complete (no missing lines or amounts, not broken into multiple entries);
 - c) achieve the intended financial reporting impacts (including a review of chart string and amount fields to ensure information contained in the journal entry is reasonable).
- 5.5 Journal Approvers will also:
 - a) provide feedback to Journal Creators when a Journal is rejected.
- 5.6 Journal Creators will ensure their Journals:
 - a) are valid (necessary, appropriate, not fraudulent, etc.);
 - b) are compliant and eligible (represent expenses and/or revenue that are compliant with applicable granting agency restrictions);
 - c) are complete (no missing lines or amounts, not broken into multiple entries);
 - d) have correct dollar amounts in each journal line;
 - e) are for the correct accounting period;
 - f) have the correct chart string codes on each journal;
 - g) have a complete and accurate journal descriptions;
 - h) have complete and self explanatory supporting source documents that provide an accurate and thorough explanation of the transaction recorded in the journal;
 - i) comply with University of Calgary financial management policies and procedures.

6 History

March 15, 2010	Approved.
March 22, 2010	Effective.
January 1, 2020	Editorial Revision. Updated format.
September 19, 2022	Editorial Revision. Updated titles.