UNIVERSITY OF MICHIGAN
Associate Vice President for Finance

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Introduction

With training and departmental approval, a department user will be able to enter a journal entry on-line or through an electronic upload directly into the General Ledger (GL). Users will have the option to post most journal entries into the system without sending them to Shared Services.

The purpose of this training is two-fold: First, we will explain the process and what needs to be considered when writing a journal entry. Second, we will teach you step by step how to accomplish getting the journal entry into the GL.

Life Cycle of a Journal Entry

Determine Appropriateness and Necessity

While most transactions can and should be handled through a subsidiary system (i.e. Payroll, Accounts Payable, Accounts Receivable, etc.) a journal entry into the GL can become necessary under specific circumstances. For example, a journal entry may be necessary to correct an error or to allocate charges that could not be allocated in the subsidiary system.

Gather Support

Once a journal entry is deemed necessary, appropriate support must be gathered and available for necessary approvals and reviews. When completing the journal description field, if the journal entry cannot stand alone, journal support must be provided. In the case of a journal to Sponsored Programs, support must always be provided. Anytime support is available in addition to the description, it is recommended that it be added to the Imaging system by attaching it to the journal entry before posting.

Obtain Department Approvals

Many departments have specific procedures and internal controls for preparing and approving journal activity. Internal department procedures should be followed in addition to the mandated procedures of Financial Operations and the University's Standard Practice Guide. To determine if your department has specific procedures related to journal processing please contact your financial Unit Liaison, Department Manager or higher financial administrative authority.

Determining Necessity and Appropriateness

Necessity

Before a journal entry is created, consider the following:

Is this journal entry cost effective to process? Small dollar amount transfers between non-sponsored sources of funds may cost more to process than the transaction is recording. Small dollar amount journal entries may be necessary to clear the balance on a chartfield before it can be inactivated. If you have specific questions about whether a journal entry is necessary, please contact Shared Services for assistance.

Has the journal entry already been corrected? If the originating department noticed the error, they may have already corrected it. If you are correcting another journal entry, work with the Journal Entry Requester listed in the journal header to ensure the correction is only processed once.
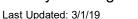
Appropriateness

The University receives funding from many sources: tuition, patient care, state appropriations, the federal government, private organizations, and gifts from donors to name a few.   Fund codes are used to group funding from similar sources that are used for a specific purpose. This structure allows Financial Operations to assist departments in ensuring that the activity is recorded in the appropriate manner. As we determine the appropriateness of transactions, it is important to recognize that we are always subject to external review.

Each Fund has specific rules regarding what type of charges are allowable. It is important to understand these rules before processing a journal entry into the GL. For example, money restricted for scholarship funds by a donor cannot be used to pay for a new computer.

Additionally, journal entries cannot be done on-line by departments for some Funds such as Endowments and Student Loans. More information on Funds and the type of charges which are allowable are located in Appendix A.

In the GL, the account value indicates the type of activity which is occurring. As a result, some accounts are appropriate in some Funds and not appropriate in others. For example, Gift account 405075 will cause a journal entry to fail in the General Fund 10000. Gift revenue is only allowable in Funds 30000, 40000 (rarely), 7XXXX and 8XXXX.

> **HELP** *If your journal is a funding transfer and you need more guidance on the appropriate use of transfer accounts, refer to Appendix B.*

Supporting a Journal Entry

Providing appropriate support for a financial transaction is an essential element of internal controls. There are two methods for supporting a journal entry:

- Supporting Documentation
- Journal Entry Descriptions

Supporting Documentation

Journal entries affecting a Sponsored Project/Grant (with an initial Fund Code of 20000 or 25000) **require** submission of supporting documentation to Sponsored Programs. Journal entries not affecting a Sponsored Project/Grant will not require supporting documentation **unless** your department's internal controls require such support. It is highly recommended (required for Sponsored Programs) that supporting documents are added to the University's Imaging system by attaching them to the journal before it is posted. Supporting documentation could consist of copies of a Statement of Activity (SOA) or SOA Voucher Detail Expense Report, and/or a memo requesting or explaining the transaction.

HELP *For journal entries transferring a charge that originally appeared on an SOA more than 120 days prior to the journal entry date, Sponsored Programs requires an additional explanation for the delay in correcting the error. It is also recommended to include an explanation for transfers of charges outside of the current fiscal year for non-Sponsored Programs journals.*

All Non-Sponsored Programs JE support can be sent via campus mail, email or attached when the journal entry is created. The procedures for submitting supporting documentation are available in the "Processing a Journal Entry" section of this guide.

Journal Entry Descriptions

All journal entries are required to be supported by a complete description. The descriptions should be complete enough for its review and approval. There are 2 types of descriptions:

- Journal Header Description (254 character maximum)
- Journal Line Descriptions (30 character maximum)

Journal Header Description

The journal description (or long description) should completely describe the transaction being processed and should indicate why the journal entry is necessary. The text of the description should contain:

- What is being transferred/corrected
- Where it is being transferred
- Why the original transaction(s) was incorrect
- A reference to applicable supporting documentation

Syntax: When creating a journal entry, it is recommended to use one of the following keywords to identify the type of journal entry:

- Transfer - used when moving revenues or expenses to a different Chartfield combination.
- Correct - used when correcting erroneous Chartfield values.
- Re-account - used when correcting erroneous Account values.
- Reverse - used when reversing a previous journal entry that was created in error.
- Partial – used when moving only part of an original SOA line item.

An example of an appropriate journal header description is illustrated below:

"Correct expenses to the appropriate Chartfields.

What   Where

Incorrect Project/Grant charged due to data entry error."

Why

> **HELP** *To view the Journal Header Description for a particular journal entry, open the Journal Entry in M-Pathways, or run the "FN03 JrnlDetail Journal Detail by Journal ID and Date" in Business Objects.*

Journal Line Descriptions

Line descriptions provide additional information related specifically to individual journal lines. In addition, each line description must relate to the journal header description.

The length of a journal line description cannot exceed 30 characters (including spaces). The following guidance is provided to assist with preparing journal line descriptions:

Action code + original transaction reference + date original charge appeared on Statement of Activity (SOA) + miscellaneous

An example of an appropriate journal line description is illustrated below:

"TSF AP00771152 03/07 42225066"

Action Code   Original Transaction   SOA Date   Miscellaneous

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Action Codes

Action codes identify the type of journal entry correction. The commonly used Action codes are:

Action Code	Purpose
TSF (Transfer)	Use to transfer an individual transaction between Chartfield combinations.
COR (Correction)	Use when correcting an error in the original transaction's Chartfield values.
R/A (Re-Account)	Use when correcting the Account value of the original transaction, where the other Chartfields remain the same.
REV (Reverse)	Use when correcting a previously posted journal entry that was created in error.
PRT (Partial)	Use when moving only part of an original SOA line item.

Original Transaction Reference

The original transaction reference should be the Journal ID.

SOA Date

The month and year the original journal entry appeared on the Statement of Activity (SOA).

Miscellaneous

The miscellaneous section of the journal line description is optional, but is very useful for your department's SOA reconcilers. It provides another level of detail for tracking transactions. Common examples of miscellaneous information include:

- Voucher ID
- Department reference codes
- Shortcodes
- Travel Identifiers

Restrictions

The following restrictions are systematically enforced by the M-Pathways financial system:

Journal Date

The journal date must be within the current month. For example, if today is October 1, any journal entry processed must be dated between October 1 and October 31.

Balanced Journal

The total debits must balance against the total credits to create a balanced journal entry.

Sponsored Activity

The journal entry process differs slightly depending on the Project/Grants used. For all journal entries that have Sponsored Project/Grants (generally beginning with an 'F', 'M' or 'N'; i.e. 'F001234') the journal entry description needs to be supplemented by additional support documentation. A journal entry involving sponsored funds can be input into the GL and edit checked, but a department user cannot budget check or post the journal entry. Upon the receipt of support and approval by Sponsored Programs, the journal entry will be budget checked and posted by Sponsored Programs.

Funds

Departments processing journal entries will have access to the following Funds:

- 10000: General
- 20000: ERF-Sponsored Federal
- 25000: ERF-Sponsored Non-Federal
- 30000: ERF-Gifts and Other
- 40000: Designated
- 50000 - 56500: Auxiliary
- 80000: Construction
- 80500: Construction - Hospital
- 81000: Construction - Info Tech
- 81500: Construction – Info Tech (Hospital)
- 82000: Departmental Equipment
- 82500: Departmental Equipment - Hospital
- 83000: Maintenance and Equipment Reserve
- 90000: Agency

> *If a journal entry requires the use of a Fund not listed above or you need assistance determining the appropriate Fund, contact Financial Operations with the request and appropriate support.*

Source Code

A Source Code is a 2-3 character reference required in every journal entry header that provides a reference to the origin of the journal. Journal Source Codes will be automatically set according to the journal processor's primary departmental appointment. The Source Code assigned to Financial Operations is FO and will appear as the default source code for all Financial Operations initiated journal entries.

Obtaining Approvals

Once it has been determined that the journal is appropriate for the Funds involved, it should be approved based on departmental and system procedures.

Departmental Approvals

All journals should go through an approval process. Departments should determine their approval process for journals taking into consideration that journals with any single line $10,000 or greater will be work flowed for approval to Department Managers or their designated approver in MPathways. Journals with lines under $10,000 do not go through the workflow process for approval, so approvals before being processed should be obtained and documented.

The Department Manager can designate an individual as an Authorized Approver, this individual should have the appropriate system role to approve JE's.

Central Approvals

All Sponsored JE's will require approval. The journals should include proper support to aid in the approval process.

> *Internal Controls: Every journal entry should be reviewed and approved by the appropriate individual to ensure it is accurate and appropriate.*

Department Contacts

Creator

The person who entered the journal entry into M-Pathways.

Requestor

The person who identifies the need for a journal to be processed and requested the journal entry.

The uniqnames of the creator and the requester are stored in the Journal Header for all posted, user-initiated journal entries. In addition to the uniqname, the telephone number of the requester, at the time the journal entry was created, is also stored with the journal entry.

> **HELP** *To view the creator's or requestor's uniqname for a particular journal entry, open the Journal Entry in M-Pathways, or run the "FN03 JrnlDetail Journal Detail by Journal ID and Date" in Business Objects. Contact Shared Services if you need additional assistance obtaining contact information on a journal entry.*

> *Internal Controls: The person who authorizes a journal entry should not be the same individual who requested the journal entry into M-Pathways.*

Processing a Journal Entry

Specific information and instructions on processing a journal entry are available in the Journal Operator Training Course. In addition, ITS job aids also provide step-by-step instructions on journal entry processing. These job aids can be found in My Linc.

Journal Entry Support Submission

Sensitive Information

When sending support for a journal entry, **do not submit confidential information**, such as social security numbers, credit card numbers, health information or other types of protected information. Obscure or remove sensitive information from the support prior to submission; departments should retain secured departmental records of sensitive information based on departmental procedures.

> **HELP** *For more information on sensitive information see the following SPGs, available online at http://spg.umich.edu/:*
> *SPG 601.12 - Institutional Data Resource Management Policy*
> *SPG 601.14 - Social Security Number Privacy Policy*

Sponsored Programs

All journal entries that impact a Sponsored Programs Project/Grant require supporting documentation. Complete and accurate JEs with all required support must be received by Sponsored Programs via Workflow by **midnight of the last day of the month** to ensure posting for that month's business.

Non-Sponsored Activity

If the Journal Header Description does not provide enough detail for the journal entry's activity, additional documentation must be provided to support the transaction. The Journal Header Description along with any imaged supporting documentation must meet the audit standards of a complete journal entry transaction. It is highly recommended that any additional supporting documentation be imaged in the University's Imaging system by attaching it to the journal before it is posted.

Electronic Submissions

E-Mail for Non-Sponsored JE support

Include the Journal ID and Journal Date to which the support applies in the body of the message. Support that is emailed must be submitted in a format which is set to print on
8 ½ x11 sheet of paper and sent to jesupport@umich.edu

JE Attachment

To attach support to a journal entry in M-Pathways **prior to it being posted**, go to the *Header* panel and click the **Add Support** link.

- Browse to where the support documentation is located
- Select the document you wish to add to the journal entry
- Click **Open**
- Click **Upload**

Once support has been uploaded, the journal can now be posted.

 HELP

1. *Support documents may not exceed 10MB. If supporting documentation exceeds 10MB, attach to an e-mail and send to:*
   jesupport@umich.edu.
2. *Only PDF (.pdf) and TIF (.tif) files can be added as supporting documentation.*
3. *After the journal entry posts, supporting documentation can no longer be added or deleted through the PeopleSoft panel.*

For more information, see *Create an Online Journal Entry (JE) in M-Pathways – Step- by-Step Procedure* in My Linc.

Campus Mail Submissions for Non-Sponsored JE support

Print the JE coversheet from M-Pathways and attach the supporting documents to the coversheet. Submit the combined documents through campus mail to the following address:

> Imaging Services
> 3082 Wolverine Tower 1287

Facsimile (FAX) Submissions

Due to the degradation of the image quality, Financial Operations requests that supporting documentation is not submitted via FAX machines.

Appendix A – Fund Overview

Fund Types Defined

The University of Michigan utilizes two groups of funds:

Operating Funds: funds that are used to record the utilization of economic resources that are expended for purposes supporting the primary missions of the University. The primary missions are:

- Instruction
- Research
- Public Service

Non-operating Funds: funds that are used for specialized activities that directly and indirectly support or enhance the operations of the University. They are used primarily for educational loans to students, investment purposes, and the renewal and replacement of equipment. The Non-operating Funds are:

- Student Loan Funds (60000 – 69999)
- Endowment Funds (7XXXX)(EXXXX, PXXXX, QXXXX, UXXXXX, TXXXX)
- Plant Funds (80000 – 86500)
- Management Funds (98000 to 99900)

<u>Operating Funds</u>

Operating funds can be unrestricted or restricted. Journal users will be allowed to process transactions in all of the operating funds.

Restricted Funds

The most restricted funding is from sponsors and donors. This funding is recorded in the following Expendable Restricted Funds:

- 20000 - Sponsored Federal
- 25000 - Sponsored Non-Federal
- 30000 - Gifts

The Federal (20000) and Non-Federal (25000) Sponsored Funds represent thousands of Project/Grants with primary revenue sources from:

- Grants from outside organizations
- Contracts with external corporations

These resources may only be used for expenditures relating to the specific purposes as stated by the original sponsor. Sponsored Programs performs the accounting and reporting functions needed throughout the life cycle of a Project/Grant.

Sponsored Federal (20000)

The 20000 Fund records funding provided by the federal government for research, instruction and public service. Activity for this Fund is governed by federal laws enacted by Congress as well as the rules prescribed by individual contract agreements.

All University spending of federal funding is subject to an annual audit under the guidelines set forth in 2 CFR 200 - Uniform Guidance. To ensure compliance all journal entries affecting a federally sponsored project/grant should meet the terms and conditions of the grant or contract. The journal preparer should contact their Sponsored Programs customer service coordinator with any questions concerning the appropriateness of a journal entry.

Sponsored Non-Federal (25000)

The 25000 Fund records funding provided by nonfederal sources for research, instruction and public service. The activity on this Fund is regulated by the individual contract agreements.

Sponsored Transfer Guidelines:

Transfers which are normally acceptable:

- Error in transaction such as keypunch or transposition mistakes.
- Transfer between sub-projects and parent project.
- Transfers when prior written approval has been received from the sponsor.
- Transfer to a continuation project within the same project period.
- Splitting expenditures, in an after the fact basis when an appropriate accounting technique is used to allocate cost in accordance with benefit. Such requests must be accomplished prior to the end of the project period, and within 120 days of the original charge.
- A transfer of expense when a recharge rate has been approved by the Cost Reimbursement Office (normally for service unit operations). This type of transfer can be accomplished by using the Journal Entry form or through a Service Unit Billing. These types of recharges are strictly limited to transfers involving approved recharge rates.

Transfers which may be allowable, but which raise serious questions:

- Transfer of expense to a Sponsored Project/Grant from another set of Chartfields which is overdraft.
- Transfers that bring the balance in a Sponsored project Chartfields to zero.
- Transfers which reduce an unexpended balance after project period ending date.
- Transfer or correction of salary which has previously been certified on time sheets or effort reports, such as blanket appointments through the timekeeping system, or for temporary hourly employees.
- Transfer of expense that has previously been transferred.
- When closely related work is supported by more than one funding source, a cost transfer may be made provided that the transfer meets all of the following conditions:
  - �«» The cost is proper and allowable charge to the newly charged project Chartfields.
  - �«» The transfer is supported by documentation which contains a full explanation and justification for the transfer and certification of the propriety of the transfer by the Project Director.

- ◻ The cost transfer is made within 120 days of the original charge, and prior to the ending date of either project.

Transfers which are generally unallowable:

- A transfer of revenue from Sponsored project Chartfields without authorization from the awarding agency.
- Transfer of an unidentified expense to Sponsored project Chartfields.
- Transfer of salary expense when only a dollar amount is given, and it is not related to a percent of effort or a specific number of hours or days work.
- Transfer of expense to Sponsored project Chartfields if the expense was incurred before or after the project period.
- Transfers which do not indicate how the expense is appropriate to the receiving Chartfields or do not explain why they were not correctly charged in the first place.
- Transfers where expenditures are split between Chartfields without a basis for determining whether the split is appropriate due to lack of documentation.
- Transfers of expense between award project periods.
- Transfers of expenditures which were recorded over 120 days previous to request date unless an extraordinary situation is adequately documented including justification for the delay.

Gifts (30000)

The 30000 Fund records gifts given to the University with specific stipulations on how the money is to be used. It is the responsibility of the unit receiving the gift to comply with the guidelines set forth by the donor in the governing gift agreement. Departments should reference applicable gift agreements to ensure that the activity is appropriate to the gift.

The primary revenue sources for the Gift Fund include:

- Gifts from outside donors
- Endowment distributions
- University Investment Pool (UIP) distributions

No other revenues should be placed in the Gift Fund without prior consultation with Shared Services.

These resources can only be used for expenditures relating to the specific purposes as stated by the original donor. Any expense not meeting the stipulations the donor placed upon the funds are unallowable. UIP distributions, however, can be used at the discretion of the unit.

Unrestricted Operating Funds

Unrestricted Operating Funds are used to record the utilizations of resources that do not have specific external stipulations regarding their use. These Funds include:

- General (10000)
- Designated (40000)
- Auxiliary (50000 – 56500)

- Agency (90000)

General Fund (10000)

The General Fund contains the economic resources that are expendable for operating purposes in the following activities:

- Primary instruction
- Research
- Public service
- Academic support
- Student services
- Institutional support
- Plant operations and maintenance
- Scholarships and fellowships

These activities are primarily fund by:

- State appropriations
- Student fees
- Indirect cost reimbursements from research contracts
- Departmental revenues related to student lab and course fees

Designated Fund (40000)

The Designated Fund consists of funds internally designated, but otherwise unrestricted. Revenue sources include:

- Departmental revenue from organized activities such as conferences and seminars
- Investment income from the University Investment Pool and other sources
- Royalty income
- Endowment distributions

Expenditures are limited to the special projects designated by the University Board of Regents or approved by University Administration.

Auxiliary Funds (50000 – 56500)

The Auxiliary Funds are used for activities that are maintained with revenue from their own operations. Auxiliary units include the Hospital and Health Centers, units providing other medical and dental services, and units providing special services to students, faculty, and staff. Internal service providers are also included Auxiliary units. These internal service departments include:

- Copy Centers
- Transportation & Parking
- Publications & Printing
- Utilities
- Plant Operations

Revenue in the Fund consists of:
- Internal recharge (i.e., Service Unit billing)
- External billing
- Investment income
- Endowment distributions

Examples of revenue sources are:
- Room and board charges for student housing
- Usage fees for student centers, such as the Campus Recreation buildings
- Sale of University Press publications and student publications
- Ticket sales for athletic events
- Charges for Hospital, other medical, and dental services to patients
- Parking permit fees

No other revenues should be placed in these Funds without prior consultation with Shared Services.

Agency Fund (90000)

The University acts as the custodian for the Agency Fund. The balance consists of amounts held for organizations affiliated with, but not legally part of, the University. Examples of Agencies at the University of Michigan include:

- University Musical Society
- William Davidson Institute
- Alumni Association
- Student Organizations

Non-operating Funds

The majority of these funds will not be directly available for use with journal entries by department users.

Student Loan Funds (6XXXX)

The student Loan fund tracks the various loan funds of the University. Loans issued from these funds, and payments made by students are recorded in these individual funds. The activity is primarily the result of activities made in the various Financial Aid departments. Journals affecting this fund must be processed through Financial Operations.

Endowment Funds (7XXXX) (EXXXX, PXXXX, QXXXX, UXXXXX, TXXXX)

Endowment Funds are long term invested funds established by either a donor or departmental funds where only the distributions earned on the investment may be spent.

Plant Funds (8XXXX)

Revenue in these Funds consists primarily of:
- Transfers from operating Funds
- State support
- Investment income from the University Investment Pool and other sources
- Gift Revenue

No other revenues should be placed in these Funds without prior consultation with Financial Operations.

Construction Funds (80000 & 80500)

The Construction Funds are used to track expenditures for construction and renovation projects.

- Projects with a budget of $1 million and over must have approval from the Regents
- A funding source for the project must be identified prior to authorization of the project
- Most construction projects are managed by the Architecture, Engineering and Construction Office (AEC)
- 80500 is to be used by the Hospital only

Information Technology Funds (81000 & 81500)

The Information Technology Fund is used to track the activity related to large capital IT projects and software development.

Departmental Equipment Funds (82000 & 82500)

Departmental Equipment Funds are used for current or future equipment purchases/replacements, minor renovation and other non-operating expenditures.

- Funds cannot be returned once committed
- No operating expenses are allowed
- Used mostly by General Fund units
- 82500 is to be used by the Hospital only

Maintenance Equipment & Reserve Fund (83000)

Maintenance Equipment & Reserve Fund is reserves which are funded by the Auxiliary Units. Amount transferred is equivalent to the depreciation on equipment used in an approved recharge rate.

- Used for repair and replacement of existing buildings and equipment
- No operating expenses are allowed
- Funds can be returned to the unit's operating Fund.

Departments will be able to process journal entries for their Plant Fund activity.

Debt Service Funds (84000 & 84500)

The debt service fund tracks the University's long and short term debt. Journal entries to this fund should only be completed by Financial Operations.

Capital Asset Funds (86000 & 86500)

The Capital Assets fund records the University's assets and associated depreciation. Journal entries to this fund should only be completed by Financial Operations.

Unallocated Receipts (98000)

The Unallocated Receipts Fund is a holding place for all unidentified checks and wires received by the University. These funds are held here until the correct chartfields are determined; at this point the payments are transferred via journal entry to the correct location. Journal entries to this fund should only be completed by Shared Services – Accounts Receivable.

University Investment Pool (98500)

The University Investment Pool Fund is a high level management fund used to record and reconcile investment pool activity between our custodial bank and the university. This fund is also used in the process surrounding the monthly UIP allocation which distributes income to units based on their cash balances. Department journals are not allowed in this fund.

Payroll (99000)

The Payroll Fund is a high level management fund that holds all the funding for the biweekly and monthly payroll, including taxes and benefits, until it is dispersed when the employees are paid. Department journals are not allowed in this fund.

Accounts Receivable (99500)

The Accounts Receivable Fund houses the University's receivables that are maintained by Shared Services – Accounts Receivable. The receivables consist of Sponsored Programs' billings, Payroll salary overpayments, loans receivables through the Treasurer's Office, and other departmental receivables for departments who choose to use the central receivables system. Department journals are not allowed in this fund.

Institutional (99900)

The Institutional Fund is a high level management fund used to record increases or decreases in cash within university funds to specific banks. The fund is a management tool used to reconcile bank balances in the university system to actual bank statement balances and overall bank balances must balance to all current and non-current funds which actually hold cash. Department journals are not allowed in this fund.

Appendix B – Transfers

Funding Transfers

Each Fund has specific rules regarding transfers both within a Fund and between Funds. While the word "transfer" is commonly used for all journal entries that move amounts from one Chartfield combination to another, a funding transfer to be one of funding, support, or appropriation.

Transfer Rules by Fund

Transfers use specific Account values, commonly referred to as "Transfer Accounts." General Fund transfer accounts and the respective transfer rules differ from the other Funds. The Online Journal Entry process allows both Intra- and Inter-Fund transfers. Intra-Fund transfers are those that occur within a Fund, while Inter-Fund transfers occur between Funds. Certain restrictions apply to Inter-Fund transfers depending on the Funds involved.

General Fund Transfers

Intra-Fund Transfers

General Fund "Transfer Account" values identify the type of revenue or "appropriation" that is being transferred. Use the same Account value for both the credit and debit side of the transaction.

Account	Account Description
450100	Trsf Approp Faculty Salaries
450200	Trsf Approp Staff Salaries
450400	Trsf Approp Fringe Benefits
450600	Trsf Approp Supplies and Other
450700	Trsf Approp Equipment
450750	GF Appropriation Defer/Rec
450800	General Fund Roll-up Adjust
451100	Trsf Approp Adjustment
451110	Trsf Approp Fin Aid UG
451200	Trsf Approp Fin Aid Grad
451300	Trsf Approp Plant Imp

Inter-Fund Transfers

Transfers from Fund 10000 to Fund 30000, Fund 40000 or Funds 50000 - 56500

Funding transfers from the General Fund directly to Gift (30000), Designated (40000) or Auxiliary Funds (50000 – 56500) are **not** permitted. Talk to the Accounting Customer Service team at the Shared Services Center regarding any possible exceptions.
Current fiscal year transfers of expenditures are allowable between these funds.

Transfer from Fund 10000 to Fund 90000

Use the following Account values to transfer funding from the General Fund to the Agency Fund:

- Debit the General Fund using Account value 624390, Payments to Agency Fund.
- Credit the Agency Fund using Account value 414200, Agency Transfer In

Gift (30000), Designated (40000), Auxiliary (50000 – 56500), and Agency (90000) Funds

Intra-Fund Transfers

The Gift, Designated, Auxiliary, and Agency Funds use the same Account values to complete funding transfers within the same Fund (e.g., from Fund 30000 to Fund 30000 or from Fund 50000 to Fund 50000). These Account values can only be used for intra- Fund transfers for these Funds.

Action	Account	Account Description
Debit	624350	Intrafund Transfers Out
Credit	624210	Intrafund Transfers In

Inter-Fund Transfers

Transfers between Gift, Designated, Auxiliary, and Agency Funds require specific Account values. Use the table below to determine the appropriate Account values for the debit and credit sides of the journal.   Contact Accounting Customer Service team at the Shared Services Center for assistance when making these types of transfers.

Gift Fund Transfers

If you need to transfer funds to or from the Gift Fund please contact the Accounting Customer Service team at the Shared Services Center.

Revenue and/or Expense Transfers

The majority of Journal Entries are processed to move either Revenue or Expenses to a different chartfield than where they currently sit in the GL. Generally, all expense and

revenue transfers should be accomplished within 120 days of the transaction first posting to the SOA. Transfers after 120 days in Sponsored Programs will require a memo explaining why the transfer was not made in a timely fashion, and may or may not be approved.

Certain revenue accounts are only allowed in certain Funds. For example, you should never process gift revenue into the General or Auxiliary Funds and For Credit Student Tuition dollars should never be placed into the Gift, Designated, Auxiliary or Sponsored Funds. For specific information about the various Funds, and what types of revenue are appropriate on them, contact the Accounting Customer Service team at the Shared Services Center for more information.

Expense accounts as a group tend to have more flexibility than Revenue activity. Most expenses can be incurred in any current Fund with the exception of Sponsored Funds (20000 & 25000) and ERF-Gift (30000). Sponsored and Gift Funds are limited as to what expenses may be incurred on them based on Sponsor/Donor intent.

Recharge and Rebill Activity

Recharge activity should not be processed on a Journal Entry. Units with an approved recharge rate should use the SUB system to process their recharge activity. Rebill activity is recommended to be done on SUB's as well. SUB's provide rebill customers with more information than is available on the Upload or JE forms. For more information regarding recharge and rebill, go to http://www.finance.umich.edu/finops/accounting/service_unit_billings.

Gift/Grant Revenue

Transferring of gift/grant revenue should not be processed on a JE by a department. Departments should contact their gift processing representative in the Office of University Development to make a gift revenue change. The gift processing representative will move the gift on DART and prepare a journal entry to transfer the gift on the GL if necessary. This is done to keep the two systems in synch.

For your convenience a listing of allowable accounts by fund is available on the Financial Operations website at the following URL: http://www.finance.umich.edu/finops/accounting/chartfields/account. Under the *Resources* section, select **Valid Account List**. This list is updated as needed.

Salary Transfers

Financial Operations has specific rules regarding the transfer of salaries. These rules are in place to ensure that any salary changes are appropriately captured for reporting to various external government agencies. Specific guidelines and rules can be found on the Payroll section of the Financial Operations website: http://www.finance.umich.edu/finops/payroll/forms/salarytransfers

Non-Sponsored Funds

It is the University of Michigan's practice and policy that all prior fiscal year retroactive payroll transfers for non-sponsored Funds must be processed on or before October 31st of the new fiscal year.

Effort Reporting

Federal Regulations also mandate effort reporting for certain individuals. This policy also serves to maintain compliance where retroactive salary distribution changes alter prior certification. Refer to policy on Effort Certification.

FAQ's for Processing a Payroll Journal Entry

Q: Is the transfer for *non-sponsored* benefits, PeoplePay (formerly Form G), or stipend payments?

A: If so, the journal entry is acceptable to be processed.

Q: If the department has remapped a Shortcode and needs to transfer payroll charges for the current year, then a journal entry will be allowed for the changes in department id, program and/or project grant only. Has the Shortcode been remapped changing only a Department, Program or Project/Grant?

A: If so, the journal entry is acceptable to be processed.

Q: Is the employee an Hourly employee? (AFSCME, Temporary or Nurses)

A: If so, the journal entry is acceptable to be processed. For temporary salaries, the employee(s) must recertify their effort.   Refer to the Cost Reimbursement website for instructions.