

# Journal Entries Procedure

## Section 1 - Purpose and Scope

(1) This Procedure outlines the requirements for processing and approving journal entries in The University of Queensland's (UQ or the University) financial system ([UniFi](#)). Compliance with this Procedure will provide for adequately documented and appropriately authorised financial transactions at UQ to support the transparency and validity of the University's financial results and the accuracy and completeness of its financial records, reports and disclosures.

(2) This Procedure applies to:

- a. all staff that request, process or approve journal entries at UQ; and
- b. all types of journal entries at UQ, including:
  - i. online – generated using the UniFi journal screens;
  - ii. spreadsheet – generated using the Excel Spreadsheet Journal Template and uploaded into the University's general ledger; and
  - iii. standing and recurring – this is similar to online and spreadsheet journals except that they are loaded for multiple periods. Once approved, the system will then post in the remaining periods when the period becomes open.

## Section 2 - Process and Key Controls

(3) Journal entries will not be used to override general ledger controls.

(4) All journal entry transactional data and supporting documents are entered and recorded in UniFi by authorised persons only.

(5) The Finance and Business Services Division is responsible for the oversight and administration of journal entries and journal access in UniFi in accordance with this Procedure.

(6) UQ staff requesting journal entries in UniFi must provide all required supporting documentation and approvals in accordance with this Procedure.

(7) Cross Opal Journals allow journals to be processed across divisions. There is no workflow approval for these journals (automatically approved in UniFi once the journal has a status of Valid) so approval from all parties must be included as an attachment to the journal.

(8) The use of journal entries in UniFi is restricted to facilitating and recording:

- a. UQ-wide revenue and expense allocations (e.g. revenue and expense allocations from the contribution model and the allocation to central divisions).
- b. Internal exchange of goods or services for money between two or more UQ Organisational Units (this is the only purpose for which the Internal Service Charge (ISC) process in UniFi may be used. Note: An ISC is restricted to

- two parties).
  - c. Internal transfer of funds from one UQ portfolio, division or project to another (excluding reimbursement for goods and services).
  - d. Internal reimbursement from one UQ Organisational Unit to repay costs incurred by another UQ Organisational Unit.
  - e. Corrections that have been posted to the incorrect chart string or account.
- (9) The following controls apply to journal roles in UniFi:

- a. The roles of Journal Approver and Journal Processor in UniFi are restricted to staff in the Finance Function.
- b. The roles of Journal Approver and Journal Processor must not be held by the same staff member for the same transaction.
- c. Finance Professional Services team staff access to journal roles in UniFi must be approved by the appropriate Finance Manager (refer to access limits in the 'Finance Professional Services Team Staff Access to UniFi Roles' provisions in the Appendix).

## Section 3 - Key Requirements

### Journal Entries and Descriptions

(10) Journal entries must be completed directly in UniFi or by using the Excel Spreadsheet Journal Template and must include a clear and meaningful description and reason.

### Evidence and Supporting Documentation

(11) The following supporting documentation must be attached to the journal entry in UniFi:

- a. UQ-wide Revenue and Expense Allocations:
  - i. Evidence of how the journal fits within the larger scheme. E.g. the UQ-wide revenue and expense allocation journals would be tied to the contribution model.
- b. Internal Business Transactions:
  - i. Evidence that both parties have agreed to the transaction (e.g. email exchange).
  - ii. Details about the type of service/goods, internal transfer or reimbursement to clearly support and substantiate the basis for the journal entry (e.g. spreadsheet calculations, transaction listing).
  - iii. Evidence of any other required approvals outside of the UniFi workflow (e.g. requirements for research project transactions to be approved by the Chief Investigator). Refer to the 'Documentation and Approval Requirements: Journal Type' and 'Documentation and Approval Requirements: Research Projects' provisions in the Appendix.
- c. Corrections:
  - i. Evidence of the incorrect transaction (e.g. a transaction report).
  - ii. Details as to why the transaction is incorrect notated on the transaction report.
  - iii. Research projects – any further requirements per the 'Documentation and Approval Requirements: Research Projects' provisions in the Appendix.

(12) Journal entries that do not contain all required information, evidence and supporting documentation will be marked incomplete by the Journal Processor and will not be submitted for approval in UniFi.

## Approval

(13) Journal entries that are not approved by month-end will be deleted from the UniFi system. All staff involved in the journal entries process are responsible for meeting their roles, responsibilities and accountabilities outlined in section 4 of this Procedure to ensure that journal entries are entered, processed and approved in a timely manner.

# Section 4 - Roles, Responsibilities and Accountabilities

## Financial Planning and Analysis

(14) The Financial Planning and Analysis team within the Finance and Business Services Division is responsible for:

- a. processing UQ-wide budget allocation journal entries;
- b. deleting any journal entries that have not been posted by month-end; and
- c. ensuring that internal transfer accounts have been used correctly.

## Journal Processor

(15) Journal Processors in UniFi are responsible for:

- a. entering journal entry requests from UQ staff into UniFi;
- b. ensuring that the 'description field' in the journal entry is clear and meaningful;
- c. ensuring that all required approvals related to the journal entry have been obtained (including approvals across all relevant Organisational Units for UQ-wide entries) and are supported by sufficient evidence;
- d. attaching all relevant evidence and supporting documentation to the journal entry in UniFi;
- e. seeking additional information from staff requesting journal entries to ensure the journal entry is complete;
- f. submitting the completed journal entry for approval by the Journal Approver in UniFi;
- g. following up with the Journal Approver to ensure that the journal is approved within the current month; and
- h. reviewing the transaction in Business Objects (Reportal) to ensure the journal entry has posted correctly.

Note: The roles and responsibilities of 'Seller' and 'Buyer' within the Internal Services Charge workflow in UniFi are similar to those outlined above for the Journal Processor role (see 'Journal Workflows' provisions of the Appendix).

## Journal Approver

(16) Journal Approvers in UniFi are responsible for reviewing and approving journal entries in a timely manner.

(17) Journal Approver responsibilities include:

- a. Reviewing the journal entry to ensure it complies with:
  - i. relevant UQ policies and procedures;
  - ii. funding rules (for research projects); and
  - iii. relevant Accounting Standards, principles and policies;
- b. confirming that relevant approval has been provided to enter into the transaction and that the approval is evidenced by adequate documentation;
- c. ensuring that any other relevant evidence and supporting documentation is attached to the journal entry to

substantiate the transaction; and

d. seeking additional information from the Journal Processor to avoid the journal entry being rejected.

## **Finance Professional Services Teams**

(18) Finance Professional Services team (PSt) staff are responsible for:

- a. reviewing their Organisational Unit's transactions on a monthly basis and investigating or correcting any unusual or incorrect transactions through journals in a timely manner; and
- b. reviewing UniFi regularly for incomplete journal entries and journal entries that have not been approved and posted and taking remedial actions.

## **Chief Investigators**

(19) Chief Investigators, assisted by research administration or Finance Advisory PSts, are responsible for reviewing research project financial transactions on a regular basis to ensure that incorrect transactions are corrected in a timely manner and journal entries to research projects are appropriate and authorised.

## **UQ Staff**

(20) UQ staff that request journal entries in UniFi must ensure that:

- a. requests for journal entries are made as soon as practicable after the relevant transaction has occurred;
- b. all required approvals for the transaction outside of the UniFi workflow are obtained and supported by sufficient evidence; and
- c. all supporting evidence and documentation is provided to the Journal Processor.

# **Section 5 - Monitoring, Review and Assurance**

## **Financial Planning and Analysis**

(21) The Financial Planning and Analysis team will review journal entries to:

- a. ensure correct procedures have been followed (e.g. with respect to the use of budget and internal transfer accounts); and
- b. ensure journal entries that have not been posted by end of month are deleted.

## **Contract and Grants Accounting**

(22) The Contract and Grants Accounting (CGA) team within Finance and Business Services Division will review journal entries to ensure that journal transactions relating to research contracts and grants can be adequately substantiated and that weaknesses in the journal process and lack of compliance with the Procedure can be reported and addressed by Finance and Business Services Division.

(23) As part of the financial reporting process for final research financial statements only, CGA is responsible for reviewing journals and taking action:

- a. over \$20,000 or 5% (whichever is lower) of total grant budget or on a sample basis if there are a large number of large value journals;
- b. on a judgemental sample basis with focus on risks such as the research project close out process and the transfer of funds between projects; and

- c. for all grant years if multi-year funding.

## Section 6 - Recording and Reporting

(24) The Financial Planning and Analysis team will inform:

- a. Finance Professional Services team Finance Managers of non-compliance with this Procedure; and
- b. the Chief Financial Officer of repeated non-compliance with this Procedure and propose remedial actions.

## Section 7 - Appendix

### Journal Workflows

(25) The linked diagrams below detail workflow processes.

- a. Diagram: [UniFi Journal Workflow](#)
- b. Diagram: [UniFi Cross Opal Journal Workflow](#)
- c. Diagram: [UniFi Internal Service Charge \(ISC\)](#)

### Documentation and Approval Requirements: Journal Type

Ref	Journal Type	Documentation	Approval/Workflow
1.	Local Area Online and Spreadsheet Journal (Same Business Unit Groups)	Sufficient to justify as attachment to Journal.	UniFi Journal Approval workflow
2.	Across Area Online and Spreadsheet Journal (Cross Opal Unit Groups)	Sufficient to justify as attachment to Journal including approval from other Group.	Automatic Approval
3.	ISCs	Sufficient to justify as attachment to ISC (Refer to 'Journal Entries and Descriptions' provisions above).	ISC Approval workflow
4.	Standing / Recurring Journals	Sourced from Feeder System.	Approved System Batch Process

### Documentation and Approval Requirements: Research Projects

Ref	Transaction Type	Documentation Required	CI Approval Required	Approval documentation
1.	Journal Salary Expense (to/from another project chart-string)	Reportal ledger transaction listing of salaries expenditure for the staff member and period that the salaries were transferred and calculation (not required for salary reimbursement or fee for service labour cost journals).	Yes	CI Request/Approval notation attached to Journal when the journal is raised.
2.	Journal Other Expense (to/from another project chart-string)	Reportal ledger transactions listing the items transferred and calculation if applicable.	Yes	CI Request/Approval notation attached to Journal
3.	Journal within the same project (correction opal/site/function/fund)	Reportal ledger transactions listing the items transferred.	No	

Ref	Transaction Type	Documentation Required	CI Approval Required	Approval documentation
4.	Journal within the same research master number (same contract) sub-projects to reallocate expenditure	Reportal ledger transactions listing the items transferred	Yes	CI Request/Approval notation attached to Journal
5.	Journal to correct previously approved expenditure charged to the wrong chart-string (coding error)	Reportal ledger transactions listing the items transferred.	No	Previous CI request/approval notation attached to Journal
6.	Journals completed by internal service providers e.g. ITS/P&F/UQBR charges	N/A. Journals are done on the basis of orders/requisitions with the internal service providers, previously approved by the CI.	No	
7.	Project deficit: Journal to transfer over-expenditure to CI's ACA project, Operating or another Research project at the end of the project	Confirmation from the CI in terms of the expenditure transfer and the categories of the expenditure and the amount e.g. Consumables, \$5K.	Yes	CI Request/Approval notation attached to Journal
8.	Journal to transfer the Fee for Service element of the project to the unit providing the service	Calculation of the Fee for Service amount based on the contract (e.g. 10 days @\$1,000/day).	Yes	CI confirmation of Service provision to be attached to Journal along with relevant contract documentation
9.	Project surplus: Journal to transfer the surplus element of the project to the CI's ACA account or to Operating at the end of the project	Calculation of the profit amount based on the contract.	No	HOS approval of transfer of surplus attached to Journal.

## Finance Professional Services Team Staff Access to UniFi Roles

UniFi Role	Description	Finance Professional Services team staff					
		FM	SMA	MA	FSC	SFO	FO
ISC (Seller / Buyer)	Create or action Internal Service Charge				Y	Y	Y
Journal Processor	Create journals manually and upload spreadsheet journals. View GL transactions for nominated BUs	Y	Y	Y	Y	Y	Y
Cross Opal Journal Processor	Load cross opal journals	Y	Y	Y	Y	Y	
Journal Approver	Approve journals	Y	Y	Y	Y	Y	

Legend:

<b>FM</b>	Finance Manager
<b>SMA</b>	Senior Management Accountant
<b>MA</b>	Management Accountant
<b>FSC</b>	Financial Services Coordinator
<b>SFO</b>	Senior Finance Officer
<b>FO</b>	Finance Officer



## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	26th May 2022
<b>Review Date</b>	26th May 2027
<b>Approval Authority</b>	Chief Financial Officer
<b>Approval Date</b>	26th May 2022
<b>Expiry Date</b>	Not Applicable
<b>Policy Owner</b>	Gail Jukes Chief Financial Officer
<b>Enquiries Contact</b>	Finance and Business Services