SANTA FE COUNTY

RESOLUTION NO. 2008-107

## A RESOLUTION ESTABLISHING AND IMPLEMENTING JOURNAL ENTRY PROCEDURES

WHEREAS, The Santa Fe County Finance Division is requesting approval to implement a policy and procedure regarding the entering and recording of journal entries in the Santa Fe County accounting system.

WHEREAS, This policy will serve as a uniform procedure applicable to all County staff responsible for initiating, reviewing, and updating journal entries in the accounting system for Santa Fe County.

WHEREAS, The requested policy will be included in an overall Accounting Manual, and any attachments are subject to annual review and may need to be updated..

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Santa Fe County that this Resolution to approve and implement the Journal Entries Procedures, is hereby adopted.

APPROVED, ADOPTED AND PASSED this 24th day of June 2008.

BOARD OF COUNTY COMMISSIONERS

Jack Sullivan, Chairman
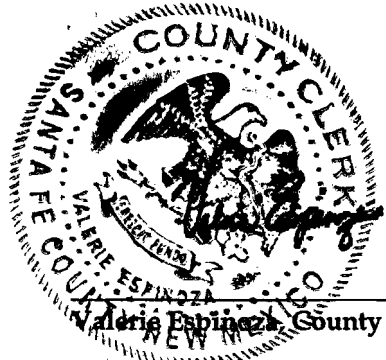
Valerie Espinoza, County Clerk

Approved As To Form

Stephen C. Ross, County Attorney

Finance Division Approval

Teresa C. Martinez, Finance Director

ASD - FINANCE DIVISION
All Departments

PROCEDURE NO.: <u>Resolution No. 2008-</u>_____ **COUNTY WIDE**

TITLE: **JOURNAL ENTRIES PROCEDURES**

EFFECTIVE DATE: <u>June 24, 2008</u>   APPROVED BY:_____
                                                                  Finance Director

I. **PURPOSE**

To provide procedures related to entering, reviewing, and updating journal entries. Specifically, the purpose of this policy is to give step by guidance to any staff outside of the Finance Division who needs to complete an adjusting journal entry.

II. **SCOPE**

This procedure applies to all Santa Fe County staff who initiate, review, and post journal entries.

III. **DEFINITIONS**

For purposes of this policy the following definitions apply:

Adjusting Journal Edit – This is the completed journal entry that is in "edit" form pending update.

H.T.E.-GMBA Module - The accounting module utilized by Santa Fe County in which journal entries may be entered and processed.

Journal Entry - Recording of financial data pertaining to a business transaction in a journal such that the debits equal credits. As a double-entry bookkeeping convention, all debits are entered before credits. Journal entries provide an audit trail and means of analyzing the effects of the transactions on the firm's financial position.[1]

IV. **GENERAL**

Journal entries allow staff to correct information previously posted to the general ledger, the reclassification of expenses and or revenue, and the manual posting of information to the general ledger.

V. **PROCEDURES**

1. Gather all supporting documentation necessary to complete a journal entry.
2. When preparing a journal entry, staff must first complete the standardized Excel spreadsheet labeled "Journal Entry Form". (See Attachment A)
   a) The journal entry form identifies the respective debits and credits by account structure.
   b) The form also ensures that the documentation is in balance and contains the following information:
      (1) The user name initiating the entry.
      (2) The reviewer and the staff who complete the update process.
      (3) The note field must be completed for each entry.
      (4) Each note must have a corresponding justification.
3. Entering a journal entry into the H.T.E.-GMBA module (See Attachment B):
   a. In the AS400 Main menu enter 20 - GMBA
   b. Select option 2 Transaction Entry Menu
   c. Select option 1 Group Selection/Maintenance
   d. Select the function key F6 for the addition of a new journal entry
   e. Enter the Group type of "AJ" for journal entry
   f. Entry of Header information:

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[1] www.businessdictionary.com

(1) Enter date and period for which the entry should be recorded and reflected.

(2) Enter a brief description identifying the nature of the journal entry.

(3) Count entered is equal to the total number of lines (accounts) to be entered, total debits and credits. Each line will be identified in the 100s, i.e. line 1 is represented by 100, line 2 is represented by 200, etc.

(4) Put total of all debits and credits into respective debit and credit fields. (Do not enter decimal number, i.e. $2,500.00 is equal to 250000).

(5) Enter a brief description for the related journal entry.

(6) Journal entry number is assigned by the system and forwards to the next screen for the entry of detailed information.

g. Entry of detailed information:

(1) GMBA will automatically default to the date you are entering the JE in the transaction date field.

(2) Enter the assigned journal entry number (i.e. JE# 5505) in the document number field.

(3) Input the account number you wish to debit or credit for each individual line.

(4) Input the individual debits and credits with a corresponding description.

(5) Possible warnings or errors:

    (a) Date is not within period noted.

    (b) Insufficient encumbrance balance.

    (c) Insufficient budget authority.

    (d) Total transactions do not balance.

(6) Correct any warnings that you can while in the transaction entry menu. At any time you may leave the journal entry (F12) to correct other areas, and return to your edit to finish.

h. Edit of journal entry batches.

(1) Upon completion of the journal entry, enter the function key F22 to ensure that the journal entry is in balance. If it is not, go back to each line and place a 2 to change, and fix out of balance amount.

(2) Ensure that the debits and credits equal.

(3) Ensure that the number of entries for debits and credits is the same.

(4) When you feel comfortable with your entry, enter the function key F8 to edit your journal entry. You will be prompted to confirm online edit list, and press enter.

(5) Your adjusting journal edit list will then be displayed and you may review it at this time on screen and make any changes necessary, following the preceding steps.

(6) Enter an F12 to get out of the transaction selection screen once you are done with entering all of your information. This will take you back to the transaction group selection screen, where you will now see you group number.

(7) At this point place an 8 to edit your entry so that you can print it and attach it to your backup documentation. Note: Adjusting Journal Edits are journal entries that are pending update. At any-time they may be edited, changed or deleted. To make any changes just follow all of the preceding steps by entering a 2 by the group number to change it.

(8) Print a copy of the journal entry:

    (a) Select function key F14 to work with submitted jobs.

    (b) Scroll down until you find TRANSEDIT in your menu and enter option 8 – work with spooled files.

    (c) Then place a 2 – to change and identify a printer for printing of the journal entry.

(9)   Provide the journal entry with all supporting backup documentation to the Accounting Oversight Manager or Finance Director for finalization.

      (a)   The Accounting Oversight Manager or Finance Director reviews all journal entries before updating.

      (b)   The Accounting Oversight Manager or Finance Director will complete the update process once they have reviewed and signed off on the journal entry.

      (c)   In the Transaction Entry menu select the respective journal entry to be updated by entering option 9 on corresponding line.

      (d)   The journal will be updated if no errors exist.

      (e)   When the update process is complete, the Accounting Oversight Manager or Finance Director will attach the update to all of the backup documentation and file it in numerical order in the Finance Division.

      (f)   All updated journal entries will be attached to supporting backup and archived at the end of each fiscal year.

ATTACHMENT   A

SANTA FE COUNTY
JOURNAL ENTRY

Fiscal Yr: _____ **Fund(s):** _____ **Department(s):** _____

FUND	DEPT/DIV	ACCOUNT NO.	ACCOUNT DESCRIPTION	DEBIT	CREDIT	NOTE#
						1
			TOTAL DR & CR	$	-	

JOURNAL ENTRY NOTES

NOTE#
1

GROUP #: _____

PREPARED BY: _____   **DATE:** _____

ENTERED BY: _____   **DATE:** _____

REVIEWED BY: _____   **DATE:** _____

UPDATED BY: _____

ATTACHMENT A

Select one of the following:

    2. Rural Addressing
    3. City Hall
    4. Planning & Zoning Main Menu
    5. Code Enforcement Main Menu
    6. SFC Land Parcel Management
    7. Appraisal Plus

    9. Cash Receipts
  10. SFC Tax Billing Main Menu
  11. Clerk Indexing

  90. Sign off

  12. Clerk Applications
  13. Indigent Claims
  14. Business Registration

  19. Fixed Assets
  20. GMBA (Accounting)
  21. Purchasing/Inventory
  22. Accounts Receivable Main Menu
  23. Payroll/Personnel Main Menu
  24. Global Financials

Selection
== > 20

F3=Exit   F5=Refresh   F6=Display messages   F14=Work with submitted jobs
F18=Work with output   F22=Work with menu options

Select one of the following:
    1. Inquiry Menu   12. Application security
    2. Transaction Entry Menu   13. Extended Reporting
    3. Journal Processing Menu
    4. Disbursement Processing Menu
    5. Period End Menu
    6. Year End Menu
    7. File Maintenance Menu
    8. Demand Reports Menu
    9. Budgeting Menu
   10. Investment Tracking Menu
   11. Custom Options Menu

    90. Sign off

Selection
== > 2

F3=Exit   F5=Refresh   F6=Display messages   F14=Work with submitted jobs
F18=Work with output   F22=Work with menu options

Select one of the following:
    1. Group maintenance
    2. Copy / reverse groups

    90. Sign off

Selection
== > 1

F3=Exit   F5=Refresh   F6=Display messages   F14=Work with submitted jobs
F18=Work with output   F22=Work with menu options

Position to . . <u>2008</u> _____   Starting year/group number

Type options, press Enter.
   2=Change   3=Copy   4=Delete   5=Display   8=Edit   9=Update w/Edit
   16=Expected Offsets Report
Opt Group Type   Period   Date   Status   Group Description
  __ 5505 AJ   7   02/22/2008 OPEN   To Correct NonPooled Cash

F3=Exit   F5=Refresh | F6=Add | F11=View 2   F14=Submitted Jobs   F17=Subset
F18=Work with Output   F19=Copy/Reverse
This is a subsetted list.

```
Create Group Information

Type information, press Enter.

   Group type (F4) . . . .   AJ   Adjusting journal
   Group date  . . . . . .   5012008   mmddyyyy
   Accounting year (F4)  .   2008
   Accounting period . . .   11
   Group description . . .   _____

   Count entered . . . . .   _____
   Debit amount entered  .   _____   (2 dec)
   Credit amount entered .   _____   (2 dec)
   Auto copy/reverse . . .   _   (C=Copy, R=Reverse)
     Group date  . . . . .   _____   mmddyyyy
     Group fiscal year . .   ____
     Group period  . . . .   __

   F4=Prompt    F12=Cancel    F15=Period date ranges
```

ate w/Edit

on
ooled Cash

obs   F17=Subset

This is a subsetted list.

SANTA FE COUNTY
Adjusting Journal Transaction Change

Group number . . . . :   5505 To Correct NonPooled Cash
Accounting period . . . : 07/2008 MM/YYYY
Transaction number . . . :   100

Type information, Press Enter.
  Transaction date 2222008   mmddyyyy
  Document number . . . . JE # 5505
  Account number (F4) . . . . . 403 0000 103 01 00   CASH WITH FISCAL AGENT
  Project number (F4) . . . . .
  Debit amount   4324550   (2 Dec)
  Credit amount . . . .   (2 Dec)
  Description 1 . . . . To correct Non-Pooled Ca
  Description 2 . . . . receipted incorrectly
  Transaction type code (F4) . .

F3=Exit   F4=Prompt   F16=Balance   F12=Cancel   F18=Defaults
F15=Period date ranges   F21=Offsets   F22=Totals

```
Group type . . . . . . . . :        AJ   Adjustment
Group number . . . . . . . :        5505  To Correct NonPooled Cash
Group date . . . . . . . . : 02/22/2008  mm/dd/yyyy
Accounting period  . . . :     07/2008  MM/YYYY  Position to . . . . . .  _____
```

Type options, press Enter.
  2=Change   **3=Copy**   **4=Delete**   **5=Display**   **7=Insert before**

Opt	Trans. Number	Account Number	Description	Project	Document Number
_	100	403-0000-103.01-00	CASH WITH FISCAL AGENT		JE # 5505
_	200	209-0000-103.01-00	CASH WITH FISCAL AGENT		JE # 5505
_	300	209-0000-295.03-00	UNRESERVED, UNDESIGNATED		JE # 5505
_	400	403-0000-295.03-00	UNRESERVED, UNDESIGNATED		JE # 5505

                                                       Bottom

F3=Exit   **F6=Add**   **F8=Edit**   **F11=View 2**   **F12=Cancel**
F16=Multi-entry   **F17=Subset**   **F18=Defaults**   **F22=Totals**   **F24=More keys**

```
..................................................................................
:                        Transaction Group Totals                              :
:                                                                              :
:  Group number . . . . . . :                                                  :
:  Accounting period . . . :    07/2008   MM/YYYY                              :
:                               02/22/2008  mm/dd/yyyy                         :
:            Amounts Calculated        Amounts Entered          Difference     :
:  Count  . :                 4                   4                            :
:  Debits . :          86,491.00           86,491.00                  .00     :
:  Credits  :          86,491.00           86,491.00                  .00     :
:                                                                              :
:  Press Enter to continue.                                                    :
:                                                                              :
:  F12=Cancel                                                                  :
:                                                                              :
..................................................................................
```

                                                                    Bottom

F3=Exit   F6=Add   F8=Edit   F11=View 2   F12=Cancel
F16=Multi-entry F17=Subset   F18=Defaults   F22=Totals   F24=More keys

```
┌─────────────────────────────────────────────────────────────────────────┐
│                      Confirm Online Edit List                             │
│                                                                           │
│   Group type . . . . . . . . :        AJ   Adjustment                     │
│   Group number . . . . . . . :      5505   To Correct NonPooled Cash      │
│   Group date . . . . . . . . : 02/22/2008  mm/dd/yyyy                      │
│   Accounting period  . . . :     07/2008   MM/YYYY                         │
│                                                                           │
│   Press Enter to continue.                                                │
│                                                                           │
│   F12=Cancel    F18=Change print options                                  │
│                                                                           │
└─────────────────────────────────────────────────────────────────────────┘

  _     300   209-0000-295.03-00   UNRESERVED, UNDESIGNATED        JE # 5505
  _     400   403-0000-295.03-00   UNRESERVED, UNDESIGNATED        JE # 5505

                                                                    Bottom

F3=Exit            F6=Add          F8=Edit        F11=View 2    F12=Cancel
F16=Multi-entry    F17=Subset      F18=Defaults    F22=Totals    F24=More keys
```

```
File  .  .  .  .  .  .  :   QSYSPRT                    Page/Line    1/2
Control . . . . .           _____                  Columns      1 - 78
Find  . . . . . .
*...+....1....+....2....+....3....+....4....+....5....+....6....+....7....+..
PREPARED 05/01/2008, 14:40:48                              SANTA FE COUNTY
PROGRAM  GM312V                                      ADJUSTING JOURNAL EDIT LIS
----------------------------------------------------------------------------
GROUP NUMBER . :   05505         To Correct NonPooled Cash
GROUP USER . . :   HPERRAGLIO  Perraglio,, Helen - Finan
TRANS NO  TRANS DATE     DOCUMENT BANK     ACCOUNT NUMBER    DESCRIPTION 1
    DESCRIPTION 2              TYPE
----------------------------------------------------------------------------
0000100   02/22/2008  JE # 5505            403-0000-103.01-00  To correct  Non-Poo
    receipted incorrectly
WARNING! Date is not within the range set for the period.
0000200   02/22/2008  JE # 5505            209-0000-103.01-00  To correct  Non-Poo
    receipted incorrectly
WARNING! Date is not within the range set for the period.
0000300   02/22/2008  JE # 5505            209-0000-295.03-00  To correct Fund Bal
    for REV related to fd 403
                                                                    More.

F3=Exit    F12=Cancel    F19=Left    F20=Right    F24=More keys
```

Position to . . <u>2008</u> _____   Starting year/group number

Type options, press Enter.
   2=Change   3=Copy   4=Delete   5=Display   8=Edit   9=Update w/Edit
  16=Expected Offsets Report

Opt	Group	Type	Period	Date	Status	Group Description
8_	5505	AJ	7	02/22/2008	OPEN	To Correct NonPooled Cash
__	7404	AJ	11	05/01/2008	OPEN	test

F3=Exit   F5=Refresh   F6=Add   F11=View 2   F14=Submitted Jobs   F17=Subset
F18=Work with Output   F19=Copy/Reverse
This is a subsetted list.

Submitted from . . . . :   *USER

Type options, press Enter.
 ⬤ 2=Change   3=Hold   4=End   5=Work with   6=Release   7=Display message
 ⬤ 8=Work with spooled files

Opt	Job	User	Type	-----Status-----	Function
	BATCHUPDAT	HPERRAGLIO	BATCH	OUTQ	
8	TRANSEDIT	HPERRAGLIO	BATCH	OUTQ	
—	ALLJOURNS	HPERRAGLIO	BATCH	OUTQ	
—	TRIALBAL	HPERRAGLIO	BATCH	OUTQ	
—	SUMMARY_GL	HPERRAGLIO	BATCH	OUTQ	
—	PERIODEND	HPERRAGLIO	BATCH	OUTQ	
—	ALLJOURNS	HPERRAGLIO	BATCH	OUTQ	
—	TRIALBAL	HPERRAGLIO	BATCH	OUTQ	

More...

Parameters or command
===>
_____

F3=Exit   F4=Prompt   F5=Refresh   F9=Retrieve   F11=Display schedule data
F12=Cancel   F17=Top   F18=Bottom

Work with Job Spooled Files

Job: TRANSEDIT   User: HPERRAGLIO   Number: 710006

Type options, press Enter.
1=Send   2=Change   3=Hold   4=Delete   5=Display   6=Release   7=Messages
8=Attributes   9=Work with printing status

Opt	File	Device or Queue	User Data	Status	Total Pages	Current Page	Copies
2	QSYSPRT	PRT01H	GM312V	RDY	1		1

Bottom

Parameters for options 1, 2, 3 or command
===> _____

F3=Exit   F10=View 3   F11=View 2   F12=Cancel   F22=Printers   F24=More keys

Change Spooled File Attributes (CHGSPLFA)

Type choices, press Enter.

```
Spooled file . . . . . . . . . . > QSYSPRT        Name, *SELECT
Job name . . . . . . . . . . . . > TRANSEDIT      Name, *
  User . . . . . . . . . . . . . >   HPERRAGLIO   Name
  Number . . . . . . . . . . . . >   710006       000000-999999
Spooled file number  . . . . . . > 1              1-999999, *ONLY, *LAST, *ANY
Job system name  . . . . . . . . > SFCOUNTY       Name, *ONLY, *CURRENT, *ANY
Spooled file created:
  Creation date  . . . . . . . . > 05012008       Date, *ONLY, *LAST
  Creation time  . . . . . . . . > 151326         Time, *ONLY, *LAST
Printer  . . . . . . . . . . . .   finprt03       Name, *SAME, *OUTQ
Print sequence . . . . . . . . .   *SAME          *SAME, *NEXT
Form type  . . . . . . . . . . .   *STD           Form type, *SAME, *STD
Copies . . . . . . . . . . . . .   1              1-255, *SAME
Restart printing . . . . . . . .   *STRPAGE       Number, *SAME, *STRPAGE...
```

More...

F3=Exit   F4=Prompt   F5=Refresh   F10=Additional parameters   F12=Cancel
F13=How to use this display   F24=More keys

Position to . . <u>2008</u> _____   Starting year/group number

Type options, press Enter.
   2=Change   3=Copy   4=Delete   5=Display   8=Edit   9=Update w/Edit
   16=Expected Offsets Report
Opt Group Type Period   Date   Status   Group Description
<u>9</u>   5505 AJ   7   02/22/2008 OPEN   To Correct NonPooled Cash

F3=Exit   F5=Refresh   F6=Add   F11=View 2   F14=Submitted Jobs   F17=Subset
F18=Work with Output   F19=Copy/Reverse
This is a subsetted list.