

COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 1-5

1. **Procedure Title:** Journal Entry
2. **Procedure Purpose and Effect:** To outline procedures under which departmental personnel may create a journal entry within the Kuali Financial System (KFS).
3. **Application of Procedure:** All individuals with access to KFS.
4. **Exemptions:** None.
5. **Definitions:**
 - A. **Federal Funds** - all monies received directly from the federal government or monies originating with the federal government and passed indirectly through a secondary source. Federal funds excluded from this policy are:
 1. Pell Grant funds
 2. National Direct Student Loan funds
 - B. **Journal Entry** - an accounting transaction that records the asset, liability, revenue and/or expense from a single accounting transaction.
6. **Procedure Statement:**
 - A. **Journal Entry Justification and Support**

Individuals responsible for departmental or project administration may create or reclassify accounting data. If reclassifying, since the original entry is presumed to have been certified after adequate review, any change must be fully justified. Originators must assure that entries are appropriate to the account(s) receiving the funds, that costs are allowable where being charged and that adequate funding is available. Documented explanation and justification is required in order to allow subsequent reviewers of the charges the ability to evaluate the appropriateness of the charge. If creating a new document, ensure the transaction is justified. Attach support to substantiate the journal entry being created so subsequent reviewers can evaluate the appropriateness of the charge.
 - B. **Federally Sponsored Projects and Programs**

For federally sponsored projects and programs, retroactive transfers of costs for the purpose of using up available funds are not allowable. Federal regulations (OMB Uniform Guidance, 200.405(c)) state:

“Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the

non-Federal entity from shifting costs that are allowable, allocable and reasonable under two or more Federal awards in accordance with existing University policy, Federal statutes, regulations, or the terms and conditions of the Federal awards.”

Any over expenditures of a federal project should be resolved at the department level by charging other appropriate nonfederal funds, particularly 16 accounts or RARSP funds.

C. Journal Entry Explanation

KFS Journal Entries must be accompanied by an explanation of:

1. Why the original entry needs to be corrected, if applicable
2. What is the purpose of the created document
3. Why the entry is appropriate to the project or account being charged

D. Journal Entry Back-up

KFS Journal Entries must include back-up certifying that the adjusted transaction is correct and appropriate. If the KFS Journal Entry includes a federally funded project, the entry must include back-up that states why the transaction or adjusted transaction is correct, appropriate and not an attempt to use remaining project funds or to move over expenditures to a federal project that has funding. All attached support needs to be in PDF or TIFF format.

E. Journal Entry Requirements

If correcting an entry, it is important that it be processed promptly after the discovery. The following requirements apply:

1. For federally funded projects, contracts or agreements, the shorter of the time periods listed below applies. Incorrect charges which need to be transferred from a federal fund account after these time periods must be charged to other appropriate non-federal funds.
 - a) Corrections must be submitted within a 90 day period following the recording of the original charge.
 - b) Corrections must be submitted within a 60 day period following the end date of the project.
2. For non-federal funds, corrections submitted after a 90 day period following the recording of the original charge must include an explanation of the reason for the delay and flow through the approval process.
3. If the correction is after this timeframe; an explanation on why the correction was not made sooner needs to be stated in the explanation.

F. Acceptable Criteria for Creating and Correcting a Journal Entry

A KFS Journal Entry should be created any time funds are exchanging hands either within CSU-Pueblo or outside of CSU-Pueblo.

A correcting KFS Journal Entry is warranted in the following circumstances:

1. When necessary to correct clerical and data entry errors.

2. When subsequent information is received indicating an incorrect original entry.
3. When it is impractical or impossible to allocate charges at the time of the original entry.
4. If authorized by the sponsor, charges applicable to a continuing project may be charged to the old account number if the new account number was not established when the expense was incurred
5. When pre-award costs previously authorized by the University sponsoring agency are moved from non-federal funds to a federally funded project, contract or agreement.
6. When required to properly charge nonfederal funds for costs incurred in connection with an award that fails to materialize.
7. When closely related work is supported by more than one funding source, costs may be transferred from the originally charged account to another account, provided the cost is a proper allowable charge to the receiving account and the interrelationship between the accounts is fully explained in the request. If an over expenditure is being transferred to another project, especially strong supporting evidence is required for approval.

G. Unacceptable criteria

Requests for the following types of changes will not be accepted:

1. When the change is for the purpose of utilizing unexpended funds of a federal award for reimbursement of cost.
2. When the change is for the purpose of circumventing award restrictions.
3. When the change is for the purpose of avoiding a cost overrun by charging another, unrelated federal agreement.
4. When explanation merely states "to correct error", "to transfer to correct account" or other similar insufficient reason or if the original document number is not attached or included.
5. Pre-award costs recorded on one federal project, contract or agreement may not be transferred to another federal project, contract or agreement.

H. Approval

KFS Journal Entries are subject to approval by the workflow. The designees are listed below:

1. Changes to 53 accounts, sponsor via KFS funds should be approved through the Provost's and BFS offices and in accordance with these procedures and specific procedures issued by those departments.
2. Changes in payroll distribution for any type of salaried employee should be requested through Payroll and in accordance with procedures outlined in the HR Manual.
3. Changes to Commercial and Student Accounts Receivable should be requested through the BFS and in accordance with procedures of that department.
4. All other changes should be subject to the workflow for approval.

I. Other Approvals

Other approvals may also be required depending on the fund group involved at the department level.

7. Reference and Cross-References: None.

8. **Forms and Tools**: KFS Financial Documents