1. **Overview**
   - This document serves to detail the procedures involved in the creation, authorisation and processing of General Ledger Journals at UTS.
   - Audience for this document is all UTS staff, specifically those involved in the creation, authorisation and processing of General Ledger Journals.

2. **Definition**
   - A journal records the effects of a transaction within an organisation’s financial system. All financial transactions result in a journal.
   - There are many sources of journals, namely:
     1. **General Ledger journals**
        - A General Ledger journal is used to record a financial transaction directly into an organisation’s General Ledger.
     2. **Accounts Payable journals**
        - Accounts Payable journals are generated in the Accounts Payable sub-ledger via the entry of a supplier Tax Invoice, Credit Memo or Payment.
     3. **Accounts Receivable journals**
        - Accounts Receivable journals are generated in the Accounts Receivable sub-ledger via the creation of a Tax Invoice, Credit Memo or Receipt.
     4. **Asset journals**
        - Asset journals are generated in the Assets sub-ledger whenever an Asset is added, depreciated, transferred, disposed or retired.
     5. **Cost Management journals**
        - Cost Management journals are generated in the Purchasing sub-ledger whenever goods or services requisitioned using a Purchase Order are receipted.
6. **Payroll journals**
   - Payroll journals are generated in the Payroll sub-ledger to recognise Employee Benefits expenses as and when they fall due

- The sum effects of an organisation’s financial transactions are recognised within its General Ledger. All transactions within an organisation’s sub-ledgers (e.g. Payroll, Accounts Payable, Accounts Receivable, Assets etc.) are interfaced to its General Ledger.

3. **General Ledger Journals at UTS**
   - There are two types of General Ledger journals at UTS, namely:
     1. Management Accounting (MA) journals
     2. Financial Accounting (FA) journals

   - MA journals are generally Balance Sheet or Income Statement neutral, that is, they do not affect Assets, Liabilities, Income or Expenses for the University as a whole. MA journals represent income or expense reallocations within the University.

   - FA journals impact either or both the Balance Sheet and Income Statement of the University

   - All General Ledger journals at UTS can only be posted into the General Ledger by Management Accountants or Financial Accountants within the University’s Financial Services Unit (FSU)

   - All General Ledger journals at UTS are created, uploaded and posted into the General Ledger using pro-forma Microsoft Excel templates
4. Procedures

- **MA Journals**
  1. Journal is created by a Faculty or Division representative
  2. Journal is authorised by the Faculty or Division representative’s supervisor
  3. Journal is sent in to the Faculty or Division Management Accounting contact in FSU
  4. Management Accountant reviews journal for completeness and appropriateness
  5. Management Accountant uploads and posts journal into the General Ledger

- **FA JOURNALS**
  1. Journal is created by Financial Accountant
  2. Journal is reviewed by Financial Accountant for completeness and appropriateness
  3. Journal is uploaded into the General Ledger by Financial Accountant
  4. Journal is reviewed by Senior Financial Accountant (or delegate within Financial Accounting)
  5. Journal is posted to the General Ledger by Senior Financial Accountant (or delegate within Financial Accounting)

- **Note: FA journals are not to be created and posted by the same member of the Financial Accounting Team**

5. Resources

- Journal Upload Templates (available on FSU website)
  - Single
  - Multiple

- Journal Checklist
  - **Company** field must equal **02**
  - **Org Unit** field must contain six digits, ranging from **100000** to **999999**
  - **Location** field must contain three digits, ranging from **110** to **999**
  - **Activity** field must contain seven digits, ranging from **0000000** to **9999999**
  - **Account** field must contain five digits, ranging from **10000** to **99999**
  - **Future** field must equal **00000**, except for known approved users
  - **Intercompany** field must equal **00**
  - **Debit column must equal credit column**
  - Line description describes reason for the journal
Dictionary

- **Company** – denotes / means University of Technology Sydney (UTS)
- **Org Unit** - cost centre being debited or credited with the journal
- **Location** – literally means location of the org unit
- **Activity** – a sub-cost centre / project linked to the org unit above
- **Account** – denotes nature of transaction i.e. Asset, Liability, Equity, Revenue or Expense
- **Future** – spare segment in accounting string. Very rarely used and only by a specific group.
- **Intercompany** – set up for consolidation purposes. Segment is not in use.