Overview of the Journal Entry Process

What is a Journal Entry?

A journal entry (also known as a journal voucher / JV) is an entry or transaction used in the SAP general ledger to book amounts for assets, liabilities, expenses, and revenues for a company or entity. Journal entries are initiated and completed by those at Duke with the proper security access to create journal entries in SAP at Duke. Those users are known as “Document Initiators”.

Journal Entry documents should be initiated and completed on a timely basis to ensure that those reviewing have time to take action. If possible, do not wait until the fiscal month closing week to initiate documents.

How is a Journal Entry Created or Initiated?

Document Initiators primarily create journal entries in SAP via the Park Document transaction (Transaction Code F-65) by keying line items to record the initial posting of debits and credits to G/L Accounts and Cost Objects (Cost Centers, Profit Centers, and WBS Elements). Adequate documentation must also be entered in the various text fields per Duke policy and procedure. The SAP system edits the document for proper coding, etc., during the data entry process.

The Parked Document transaction is used to initiate or enter two kinds of “Document Types” for journal entries:

- **SA** – for manually entered documents that are NOT considered to be Non-Salary Cost Transfers on Sponsored Projects (see GAP 200.150, Cost Transfers on Sponsored Projects).
- **ZB** – for manually entered accruals or deferrals.

In addition to the Park Document transaction, a journal entry may be created and processed via the Non-Salary Cost Transfer tool which is currently available for correcting / transferring posted amounts on federally sponsored projects. The Non-Salary Cost Transfers is used to initiate the Document Type ZJ.
Overview (cont.)

Once data is entered for a document via the Park Document transaction, the Initiator has the option to either:

- **Park (place on hold)** the entry - used for partially completed entries to hold until ready to be changed or completed. Also used to add a Word or Excel attachment.

  OR

- **Complete** the entry – used to complete or “finish” the entry and start the JV Workflow approval process.

When the document is fully entered and ready for approval, the Document Initiator follows a menu path (Document → Complete). At this point, after any final corrections of edits have been made, an SAP document number is assigned.

**Note:** The ![Park Document (Save) button will not initiate the approval process. This button will place the document on hold and a document number will be reserved and assigned to the document. However, the document will not be posted until the Initiator follows the menu path (Document → Complete) to start the approval process. The button can be used to park and change the document as needed, until the document is complete and ready to be approved.**
How Does the JV Workflow Approval Process Work?

Once the Initiator completes the document, the document enters the approval process, known as Journal Voucher (JV) Workflow. The journal entry may need one or more levels of approval before being “posted” to the General Ledger and appearing on financial reports.

The approval levels needed, if any, will be determined by the SAP system per approval parameters established by the respective Management Centers for all of Duke, including the University and Health System (for your management center’s approval parameters, see http://finance.duke.edu/accounting/jv/index.php#q).

Some documents will not need approvals and will directly post to the General Ledger.

Departments can also choose to review and approve every document initiated, regardless of dollar amount or Management Center parameters.

If approvals are needed, the completed document is automatically routed by SAP to those designated as “Reviewers / Approvers” by the department and/or respective Management Center. These reviewers/approvers have the security access to review and approve or reject documents, and are electronically notified via their regular email to take action on the document.

The reviewer / approver can use their SAP Inbox to review and approve or reject the completed journal voucher documents (covered later in Guide). The document can be approved or rejected back to the Initiator for more documentation or corrections.

The Initiator can monitor the status of the completed documents and track which approvals are needed from their SAP Outbox.
Overview (cont.)

What Happens Once the Document is Fully Approved?

Once all levels of approval are met per the approval parameters established by the department and respective Management Center, the completed document is posted to the General Ledger and will update financial reports (i.e., debits and credits show up on reports). If no approvals are needed, the journal entry document will immediately post to the SAP General Ledger and appear on financial reports.

What Happens to Documents that are Parked or On Hold?

If a document is “parked or put on hold”, the document number is automatically assigned by the SAP system. When the document is then completed and posted, the same parked document number assigned will be retained as the posted document number. If a parked document is deleted for some reason, the document number will not be reused by SAP for that fiscal year.

All parked documents must be completed by the fiscal month end. If not, the dates will need to be adjusted via the Change Parked Document transaction before the document can be posted in a different fiscal month. If a parked document will not be needed, the document must be deleted per instructions included in this Guide. During the fiscal year end process, documents cannot be parked in one fiscal year and posted in another fiscal year.

Who Do I Contact for Help with the Journal Entry Process?

The Accounting Systems Administration department oversees the journal entry process and the fiscal month and year closing of Duke’s general ledger for financial reporting. Contact the Accounting Systems Administration group at 684-2752.