Lunch & Learn

JV’s

With special Guests: Tiffany Fitzgerald and Emily Diamond from Sponsored Accounting
2.16.2017
How to sign up for alerts via Atlas

Go to the Atlas home page https://atlas.mit.edu

At the top of the page, click “About Me”

Under “My Profile” click “Settings & Authorizations”

Then “Email Notification Settings” where you can select the notifications you choose to receive emails for.
Parked JV Deletion Policy

After each month ends, VPF will reach out to anyone with parked JVs that have been pending from the previous month

1\textsuperscript{st} Notification – VPF will check in to see if the open JV is still required. If no response after 3 days VPF will send a 2nd reminder

2\textsuperscript{nd} Notification – VPF will now give the submitter 2 days to respond.
If VPF does not hear back from the JV submitter after 5 business days then they proceed to delete the JV.

Exceptions: If they receive a out of office reply because a person is on vacation or out of the office then they will make note of that and not delete the JV and follow-up at a later date
**JV #0106805424**

<table>
<thead>
<tr>
<th>COST OBJECT</th>
<th>G/L ACCOUNT</th>
<th>DESCRIPTION</th>
<th>REVISED TRANS. DATE</th>
<th>DEBIT</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6929874</td>
<td>Items To be ... (421580)</td>
<td>05/25/2016</td>
<td>$28.85</td>
<td></td>
</tr>
<tr>
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<td>05/25/2016</td>
<td>$6.36</td>
<td></td>
</tr>
<tr>
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<td>6929874</td>
<td>Items To be ... (421580)</td>
<td>06/14/2016</td>
<td>$31.10</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>6929874</td>
<td>Postage Ma... (420920)</td>
<td>05/25/2016</td>
<td>$28.85</td>
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<tr>
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<td>6929874</td>
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DETAILED:
These items were accidentally posted to the wrong GL - this JV is to correct it.

RETRO 90 DAYS:
This is late due to bringing informed of it late - it was uncovered during the closeout process.

ATTACHMENTS:
N/A
Clone/Reverse JV

Clone- When you clone a journal voucher, you duplicate information on an existing journal voucher so that you can create a new jv without having to enter all the fields. After you submit, the new journal voucher is assigned a document number.

Reverse- By submitting a reversed JV, you are effectively clearing out the original JV. When you reverse a JV, some of the information is copied from the original journal voucher but the debits and credits are reversed. The reversed journal voucher is intended to cancel out the charges in the original journal voucher. After you submit, the new journal voucher is assigned a document number.
Cost transfers must contain a justification that clearly shows:
- Benefit to the receiving project
- Allowability and allocability to the new sponsored project
- Reason for transfer
- Systemic causes are corrected so they will not recur
- The reason for any delay in the timely processing of the transfer if the transfer date exceeds the definition of timely, above.
- It was reviewed by a knowledgeable person such as the PI
Example

Inadequate
“To allocate chemicals to the appropriate project”

Adequate
“Department X used an incorrect cost object when charging chemical charges. The error was discovered by the PI at closeout. All charges to X project were proposed and approved consistent with MIT and sponsor policy and included in the proposal budget. The chemicals were used for phase two of the X project to complete X. The error occurred because the Assistant set the PO up to charge an incorrect WBS (Same PI, different sponsor and activity) and forgot to update the charges before the charges hit the general ledger. The error was not discovered within 90 days because the PI and assistant were not reviewing charges consistently. The department will work to prevent late charges like this from happening in the future, and have arranged to have PI/Finance staff monthly financial review meetings to review charges in order to catch errors in a timely manner. Documentation, including allocation methodology, is in departmental files.”

The inadequate justification does not address the questions of whether or not the chemical charges are allowable and allocable to the WBS to which they are being charged through the cost transfer. It doesn’t explain how the error occurred and how it was discovered. The adequate justification states the business purpose, explains how the error occurred and was discovered, explains why the transfer was not performed in a timely manner and how late transfers will be prevented in the future, and states where the documentation records may be found. The length of a justification is irrelevant. A justification must include the pertinent facts, be succinct, and be easily understood by anyone who may read it now and in the future.
For over 90 day justifications:

- Why was this error not identified in a timely manner?
- How did the error occur?
- How was the error discovered?
- How will the department work to prevent late transfers from happening in the future?
- What is the business purpose (what was purchased and how does the charge directly benefit the new cost object)?
Example

Inadequate example:
During the close we realized that those beakers belonged to another account.

Adequate example:
When reviewing this account during closeout, we noticed that the beakers expense that was posted to this account was not legitimate. This occurred because we use beakers on a lot of projects and we mistakenly allocated these to the wrong project. We did in fact use them on the other project (account xxxxxxxx). We did not catch this until closeout, however we now have a system in place to review these costs quarterly so this will not happen again.
What is a JV Upload?

The new Journal Vouchers application includes a JV Upload feature. You can upload a XLSX document from Microsoft excel that will populate the line items and details of Create JV.

When to use a JV Upload?

You can use a JV upload when:

- Transferring serval charges at one time (example: more than 10 transactions. Can contain up to 800 lines)
- Transferring same type of charges on a monthly bases.
How to create a JV upload?

- Download JV Upload template: found in the JV resources section (https://atlas.mit.edu/atlas/Main.action?tab=home&sub=group_jourvouch)

Helpful Hints from VPF

- Transferring within the same project structure:
  When transferring costs within the same project structure (child to child, child to parent, or parent to child), please indicate this on your journal voucher.

- Transferring an unallowable from a sponsored cost object to a non-sponsored cost object:
  When transferring unallowable costs off of a sponsored cost object to a non-sponsored cost object because the cost is deemed inappropriate to the sponsored cost object, please indicate this on your journal voucher.

- Invoices paid through Presumed Receipt
  When transferring a cost that was processed without DLC approval through MIT’s presumed receipt policy and it is being transferred within the month it posted or month after it posted, please indicate this on your journal voucher.

- G/L Best Practices
  Avoid using Materials & Services G/L whenever possible.

- Revenue Transfers
  Use of 1xxxxx series balance sheet internal orders is prohibited from using G/L #’s 800325-800326 (transfer in/transfer out) on revenue transfers.
How to create a JV upload?

- Enter Cost Object (7 digits) to be debited or credited
- Enter G/L account identifying the expense
- Briefly describe the line item text of the JV charge, up to 40 characters
- Naming convention: document number_vendor
- Date the activity occurred. Must be within begin and end dates of cost object.
- Amount to be debited. Format as follows:
  - No plus signs (+), no minus signs (-), no dollar signs ($)
  - Commas and decimal points are optional
  - Enter one debit per line in the file
- Only enter if the G/L account is 421818 (Equipment-not MTDC) and there is no PO. This may be a purchase requisition number.
- Amount to be credited. Same rules as for debits. Total debits and credits must balance.
- Only enter if the G/L account is 421818 (Equipment-not MTDC)
- Only used if you entered an under recover y G/L account. Departments, labs, and centers use a WBS element. Only VPF office can enter a WBS or internal order.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKER</td>
<td>COST OBJECT (7 DIGITS)</td>
<td>G/L ACCOUNT (6 DIGITS)</td>
<td>DESCRIPTION</td>
<td>TRANSACTION DATE</td>
<td>DEBIT</td>
<td>CREDIT</td>
<td>Purchase Order Number</td>
<td>External Ref Number</td>
<td>Underrecovery WBS or Internal Order</td>
</tr>
</tbody>
</table>

Add an 'X' in the last line of the JV (in the MARKER column)

Add a 'T' after the last line if you want to include any additional information/details. No more than 18 lines of text with 72 characters per line.
How to create a JV upload?

- Once JV template is all filled in, access the Journal Voucher Application in Atlas. Select the Create New button to create a JV. (Firefox is the recommended browser for uploading a JV in Atlas.)

- Click yes to the question “Is this a JV upload?” For JV uploads, you must create a general JV.

- Specify type (record project overrun, account for cost sharing, account for under recovery, move a swept charge, correct a typo, or other) and the original transaction date.

- Click browse and upload completed Excel template (XLSX format).

The Posting Date defaults to today’s date.
How to create a JV upload?

Once your JV template is uploaded it will load into the application as seen here. Continue completing the JV as you would a regular JV and submit.

For any issues please email: Journal-voucher@mit.edu
Questions?