Sponsored Accounting - Journal Vouchers

Sponsored Accounting Checklist
JV Description text for Atlas/SAP debits and credits
JV Justification Requirements
Journal Justification checklist

ATLAS
Journal Voucher Entry

SAP REVIEW
SAP Fast Data Entry and Justification Text Box
Workflow Overview

GLOSSARY

ADDITIONAL RESOURCES
OSP COST TRANSFERS - Introduction to Cost Transfers

VPF Financial Review and Controls
http://vpf.mit.edu/financial-review-and-control

MIT Business Rules Governing Journal Vouchers
http://kb.mit.edu/confluence/display/rg/Business+Rules+Governing+Journal+Vouchers

CONTACTS
Journal Voucher Help
E-mail Journal-Vouchers@mit.edu

Tiffany Fitzgerald
Senior Staff Accountant- Sponsored Accounting
MIT | Office of the Vice President for Finance
77 Massachusetts Avenue NE 49-3000
617-253-6169 | tfitzger@mit.edu

Emily Diamond
Manager- Sponsored Accounting
MIT | Office of the Vice President for Finance
77 Massachusetts Avenue NE 49-3000
617-253-3485 | ediamond@mit.edu
Sponsored Accounting Checklist

JV Description text for Atlas/SAP debits and credits must include:

For debits and credits description text, please put the document number first followed by the vendor name. Please use the original transaction date as the revised transaction date for all debits and credits.

- Cost object
- G/L
- $ Amount
- Correct Debit/Credit lines
- Include Transaction date (date of original transaction)
- Document Number of original charge
- Copy line item text/vendor name from original charge
- Use the same description line text for both debits and credits

All JV Justifications must include:

1. WHY the new cost object more appropriate.
2. PROVIDE a detailed explanation of the expense and how it benefits the new cost object.

Checklist

In Addition, justification must include (address all that apply):

- Is the JV correcting an error?
  - Yes: Provide detailed explanation of error (how it occurred and how it was discovered)
  - No: Move on

- Is JV over 90 days?
  - Yes: Please provide explanation for why this transfer was not done on a timely basis, and how this type of transfer will be prevented in the future
o No: Move on

Is the JV moving a “meeting, foods & beverages” expense?

o Yes: Please provide the purpose of the meeting and who attended. If the prior approval terms in KC do not list Meetings/food/beverage as allowable, sponsor and/or OSP approval is required.

o No: Move on

Is JV transferring a membership expense?

o Yes: Please provide the name of the membership (please avoid acronyms), who the membership is for, date range for membership,

o No: Move on

Is JV transfer alleviating an overrun (not Record Project Overrun/RPO) and/or within 30 days of expiration?

o Yes: Please provide “undisputable” documentation to satisfy federal auditors

o No: Move on

Is JV an RPO (420314)?

o Yes: Ensure debit is not to a WBS

o No: Move on

Is JV reclassifying a swept credit card charge?

o Yes: Include why the charges swept, what was purchased and how the purchase benefits the new cost object

o No: Move on

Is JV transferring a partial amount?

o Yes: Please provide basis for the amount being transferred (allocation method for how amounts were determined. Some examples of allowable allocation methodologies are space, effort, number of units (for example if folders were used for two projects, the number of folders being used for one grant vs. another), head count, to name a few.

o No: Move on

Is JV allocating expenses specific to an individual?

o Yes: Does the individual devote effort to the “transfer to” cost object? If yes, include this information in the justification.
Is JV health insurance expense?

- Yes: Please provide coverage period and the name of the person(s) it is for. This will be checked against the new cost object. Coverage period needs to be within period of the new cost object.

- No: Move on

Is JV to reclassify an expense that hit a settlement GL account (6xxxxx)

- Yes: Please explain this in the text, include the GL code (6xxxxx) in the justification where the charge is sitting, and use the correct corresponding GL account (4xxxxx) for both debits and credits. Settlement G/L (6xxxxx) – Verify the correct corresponding G/L (4xxxxx) is used.

  i. 600601-Custodial & Ground → 420286-Facilities
  ii. 600603-Repair & Maint → 420286-Facilities
  iii. 600607-Parking → 420274-Parking
  iv. 600700-Project Admin → 420100-Admin
  v. 600807-Legal Fees → 421316-Legal Fees

- No: Move on

Is JV to reclassify an unallowable GL code?

- Yes: Please include the GL code the charge is sitting on in the justification text, and explain why the charge was originally classified as unallowable and why the new GL code is more appropriate.

- No: Move on
Create JV  (Step 1 of 3)

Is this a JV upload?  
- Yes  - No

Why are you creating a JV?

- **Expense (Cost) Transfer**  
  Reallocate costs to the proper expense account to correct charging errors and moving expense, and to account for cost sharing.  
  (i.e. food, course materials, etc.)

- **Revenue Transfer**  
  To fund activities of another cost object without worrying about another cost object's charges. Primarily used for Internal Orders and Cost Centers.  
  (i.e. transferring in (GL account 800325), transferring out (GL account 800326), or recovering from an under recovery.)

- **Cashier's Deposits**  
  Allocate funds from a deposited check to a designated cost object.

- **Internal Billing**  
  To bill another department for a service provided. This is to be done by debiting an expense GL account and crediting a revenue GL account.

- **General**  
  For use with multiple expenses, multiple document numbers, or multiple expenses charged to different GL accounts.

Continue
Create JV (Step 2 of 3)

<table>
<thead>
<tr>
<th>COST OBJECT</th>
<th>GL ACCOUNT</th>
<th>DESCRIPTION</th>
<th>REVISED TRANS. DATE</th>
<th>DEBIT</th>
<th>CREDIT</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td></td>
<td>Doc# followed by vendor name</td>
<td>use original trans date</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
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<td>4</td>
<td></td>
<td></td>
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<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**DETAILS (explain what you are doing and why)**

e.g. This expense (for a conference poster) was accidentally charged to the wrong cost object and the error was discovered during the monthly reconciliation.

**CANT BE EMPTY**

**Does this JV contain any PARTIAL TRANSFERS?**

-e.g. 50% of the cost was used for Project A (cost object #xxxxxx) as well as Project B (cost object #xxxxxx).

**OPTIONAL: Attach Supporting Documents**

Browse

The maximum file upload size is 5MB

Continue  Save Draft and Exit
Workflow Overview
Glossary

https://vpf.mit.edu/glossary/

**Allowable Cost**
A cost that is allocable, reasonable, in accordance with Generally Accepted Accounting Principles (GAAP), and in accordance with the terms of the contract.

**Cost Center**
A type of cost object in SAP.

**Cost Object**
A seven digit number used to categorize the costs and revenues associated with a particular project or activity.

**Cost Transfer**
A cost transfer is a reassignment (transfer) of charges within or between cost centers, internal orders, or WBS elements. Cost transfers are used to bill interdepartmental costs, to adjust billing errors, or for other reasons associated with the department’s regular financial operations. When cost transfers to move expenses involve sponsored projects, it is critical that the transfer meet the rules for allowability, allocability, reasonableness, and consistency. A journal voucher is the SAP document used to process a cost transfer. Although costs should always be charged to the correct WBS cost object when they are incurred, cost transfers are sometimes necessary.

**Fabricated Equipment**
A new piece of equipment constructed by a department for use in the performance of its research contract or grant within the confines of MIT's facilities.

**General/Ledger Account Code (G/L)**
In SAP, a six-digit number identifying a particular classification of expenses or revenue.

**Internal Controls**
MIT’s internal control structure consists of policies and procedures, organizational design, and physical barriers employed by MIT’s central offices and DLCs to achieve their objectives. These controls can be preventive or detective. An Internal Control Questionnaire (ICQ) is available to assist Institute DLCs in performing a self-review of controls over financial systems and activities.

**Internal Order**
A type of cost object in SAP used to collect detailed revenues and expenses for departmental tracking, any net balance to be closed to a cost center or standing fund account.
Journal Vouchers
The standardized, regulated form for logging business transactions and their monetary value into the accounts of the accounting journal as either debits or credits. Journal entries must balance (with equal debit and credit values) and most are backed up by a receipt, a bill, an invoice, or some other direct record of the transaction, making it easy to record and to maintain traceability for each transaction.

Kuali Coeus
MIT’s electronic system used to standardize the administrative processes for sponsored research. Often referred to as Coeus, it is a cradle-to-grave award management system that is designed to assist the research community in proposal development and tracking, and award acquisition and management.

Overrun
Occurs when a cost object has expenses exceeding revenue.

Posting Date
In SAP, the date when the transaction was finalized and uploaded to the account.

SAP
MIT uses SAP as the general ledger (noun) accounting record—SAP is an enterprise software designed to manage business operations—for its integrated accounting and purchasing systems.

Transaction Date
In SAP, the date when the transaction occurred.

Work Breakdown Structure (WBS)
A cost collector for allocating costs under a sponsored project. Also referred to as WBS element.