

Accounting Adjustment Instructions for non-Finance employees

Purpose of Accounting Adjustments

Accounting adjustments are frequently called “journal entries” or “miscellaneous entries.” These instructions will use “journal entry” or “JE”. Journal entries are an accounting entry used for several purposes. The most common are:

1. **Correcting a transaction** that was posted to the wrong account string (fund, org, account, activity code).
For example: expense was charged to the wrong department’s budget (wrong org); meals at a hotel restaurant charged to lodging instead of meals (wrong account); expense was charged to an operating budget instead of a grant (wrong fund); expense was charged to the right department (org) but was missing a needed activity code to identify it as belonging to a particular project or program.
2. **Moving monies or expenses** between budget funds and special or restricted funds.
For example: putting budgeted funds into a faculty professional development fund at the beginning of the fiscal year; moving expenses initially charged to a grant fund into a department budget to cover institutional cost sharing required by the grant; moving monies from a team’s Viking Bench fund to cover over-budget expenses.

Employee Preparing and Submitting the JE Request

An employee that has identified the need to make a journal entry will complete the Journal Entry Request Form (an Excel template), collect any required documentation (paper or digital) authorizing or justifying the entry, and give the request form and documentation entry to the appropriate finance employee.

The JE Request Form is located on the Financial Services webpage under Accounting:
https://www.lawrence.edu/info/offices/financial_services/accounting

Note that one tab of the form includes instructions on completing the form.

The journal entry request template contains:

1. Debit amount(s) – where the money is coming *from*, or where the expense is going *to*
2. Credit amount(s) – where the money is going *to*, or where the expense is being *reversed*
3. Description of the journal entry (35 character limit)
 - a. For re-class entries start the description with: R/C
This is used when an entry is recorded in the wrong fund, organization, account, activity code, location or project

- b. For transfer entries start the description with: T/R
This is used when there has not been a mistake but purposefully transferring between accounts
- 4. The account string in the following order:
Fund – Organization – Account – Activity code if necessary
(Note: Facilities or Capital expenses may also require Location and Project codes)
- 5. A brief explanation of the JE to help the accountant understand the entry as part of his/her cursory review

Confused about the account string? Refer to the [Account String Instructions](#) and the [Frequently Used Account Codes](#) documents for help.

Documentation:

- 1. For re-class entries, provide a Hyperion organization report (PDF or paper) that shows the original entry.
- 2. If relevant, include supporting documentation sufficient for a third party to understand the need for the entry (not just LU’s accountants, but our outside auditors).
- 3. Include appropriate authorization of affected funds. For example, charges to an academic department budget should be authorized by the chair; a staff department budget by the department head/supervisor; a grant fund by the project director or other approver(s) named on the grant award memo. An email string showing the approver’s authorization is sufficient.
- 4. Send the request and back up documentation to the appropriate Finance contact:
 - a. External grant (Government or Foundation related) related entries go to Geri Angiulli (geri.angiulli@lawrence.edu);
 - b. Internal Lawrence grant entries go to the Financial Services email (financial_services@lawrence.edu);
 - c. Credit card (Pcard) entries go to Kay Guillette (kay.guillette@lawrence.edu);
 - d. Any other entries go to the Financial Services inbox (financial_services@lawrence.edu).

The appropriate Finance employee will review and enter the JE.

Effective date or “as of” date:

- 1. Re-class entries will most often be posted with an effective date in the prior or current month (if the entry is correcting an error found during your monthly financial review).
- 2. Transfer entries will generally be posted as of the date the accounting entry is actually made, unless a specific date within the current or prior month is requested.
- 3. If an employee requires a journal entry to be made for a previous month (for which the accounting has closed) but within the current fiscal year, they will need to obtain approval from the Controller.
- 4. No adjustments will be made to prior fiscal years.