Create Accounting Journals

Workday Accounting Guide: Create Accounting Journals

Objective

This Reference Guide provides information on how to create a manual journal entry in the Workday system.

Note: When possible, use an accounting adjustment to correct Worktag coding errors. Accounting adjustments can be used to reclassify costs for the following transaction types: Supplier Invoices, Supplier Invoice Adjustments, Expense Reports, Procurement Card Transactions. See the Workday Accounting Guide: Accounting Adjustment – Cost Transfer for instructions.

Initiator

- Accountant
- Award Contract Specialist
- Budget Manager
- Sponsored Programs Manager

Approver

- Accounting Manager
- Cost Center Manager
- Gift Manager
- Grant Manager
- Program Manager
- Project Manager
- Sponsored Programs Manager

Steps to Create a Manual Accounting Journal

For accounting journals involving Grants (e.g., 3rd Party Cost Share, Manual F&A Adjustment, or Grant Overdraft Transfers), refer to Appendix: Create Accounting Journal – Grants.

Execute the following steps to create a manual journal entry in the system.

1. Log in to the Workday system.
2. On the Workday Home page, enter Create Journal in the Workday Search field, and select the Create Journal - Task.

1. On the Create Journal page, select the appropriate Ledger type from the drop-down list.

Note: In most cases the Washington State University: Actuals ledger should be selected.

1. Select the Accounting Date.

Note: Accounting Date is the date the entry is posted to the general ledger.

1. Select the appropriate Journal Source. Refer to Appendix: Journal Sources for descriptions and security restrictions.
2. Select the Continue button.

1. Complete and review the information under the Journal Information and Journal Details sections.
1. Scroll down and select the **Journal Entry Lines** tab to add the journal details.

2. Select the **Add Row** (plus) icon to add a new line.

3. Select the **Ledger Account** from the drop-down list.

4. Enter the amount details in the **Debit Amount** field.

5. Add a new row and enter the **Credit Amount**.

**Note:** Do not enter both **Debit Amount** and **Credit Amount** in the same line.

- A Debit increases the balance in an Expense ledger account (e.g., JV91 in legacy) and decreases the balance in a Revenue ledger account (e.g., JV22 in legacy).
- A Credit decreases the balance in an Expense ledger account (e.g., JV92 in legacy) and increases the balance in a Revenue ledger account (e.g., JV21 in legacy).

1. Enter a **Budget Date**. This date determines expense allowability and facilities and administration cost processing for Grants. If your journal includes expenses charged to a Grant, ensure the Budget Date entered reflects the date expenses were incurred, and is within the Award period of performance. See the **Appendix: Create Accounting Journal – Grants** for more details regarding manual journals for Grants.

2. If your journal includes a **Project**, **Program**, **Gift** or **Grant**, enter it first to allow related Worktags to populate automatically.

1. Complete or update all other required fields if needed, including the **Cost Center**, **Fund**, **Function**, and **Region** fields.

2. Add **Additional Worktags** if needed. If your journal involves Expense ledger accounts, you may also need to enter a **Spend Category** Worktag. If your journal involves Revenue ledger accounts, you may need to enter a **Revenue Category** Worktag.
Note: Complete all necessary fields on both rows.

1. Select the **Attachments** tab to attach supporting documentation. Documentation is required for some journal sources including 3{}^{rd}{} Party Cost Share.
2. Select the **Submit** button.
3. Select the **Details and Process** drop-down arrow to review the information.
4. Select the **Done** button.

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### Approve an Accounting Journal

Execute the steps below to approve an accounting journal:

1. The assigned approver receives a Workday **Inbox** notification after a request is submitted by the initiator for approval.
2. Access the Workday **Inbox** (file folder) icon at the top right of the page and review the accounting journal details.
3. Select any of the following buttons, as per the scenario:
   a. **Approve**
   b. **Send Back**
   c. **Deny**

Result: You have completed the steps to create and approve a manual journal entry.

### Appendix: Create Accounting Journal - Grants

This appendix provides supplemental instructions specific to accounting journals for Grants, including 3{}^{rd}{} Party Cost Share, Manual F&A Adjustments, and Grant Overdraft Transfers. These journal types are initiated by the Award Contract Specialist and approved by the Sponsored Programs Manager.

In addition to the steps described on pages 2-6 of this reference guide, refer to these supplemental instructions for grant accounting journals.

### 3{}^{rd}{} Party Cost Share

**Note:** 3{}^{rd}{} Party Cost Share journals are intended to have zero net accounting impact (full reversal). As such, the control total is zero and the journal lines are identical except for the debit and credit amounts. A non-grant fund is required with this journal source, and a spend category and object class must be entered on both journal lines.

1. On the Workday **Home** page, enter **Create Journal** in the Workday **Search** field, and select the **Create Journal - Task**.
2. Select the **Actuals** ledger.
3. Select the journal source **3{}^{rd}{} Party Cost Share**.
4. Select the **Add Row** (plus) icon to add a new line.
5. Select the **Ledger Account** from the drop-down list that reflects the category of the cost shared items (e.g., for cost shared supplies, select ledger account 6000 Goods and Services).
6. In the **Debit Amount** field, enter the amount to be reported as cost share per the cost share documentation provided by the department.
7. Add a new row and enter the **Credit Amount (must match Debit Amount)**. Enter the same ledger account as the first journal line.

**Note:** Do not enter both **Debit Amount** and **Credit Amount** in the same line.

1. Enter a **Budget Date** on both lines that reflects when the cost shared items were received (should be within award period of performance).
2. Complete the **Memo** field on both lines (e.g., 3{}^{rd}{} Party Cost Share AWD0000001 per Grant Manager's name).
3. In the **Grant** column, enter the appropriate cost share grant Worktag. The related Worktags for Cost Center, Fund, Function, and Region should auto-populate.
4. In the **Additional Worktags**, enter a **Spend Category** and **Object Class** on both lines based on the cost shared items (e.g., for cost shared supplies, enter 5C00041 Supplies and Services, Object Class 030 Supplies and Services).
5. Remember to attach appropriate documentation.
6. Select the **Submit** button.
Manual F&A Adjustment

1. On the Workday Home page, enter Create Journal in the Workday Search field, and select the Create Journal - Task.
2. Select the Actuals ledger.
3. Enter an Accounting Date.
5. Select the balancing fund FD076 Indirect Cost Recovery.
6. Select the Continue button.
7. On line 1, select Ledger Account 4040 Facilities and Administration Recovery from the drop-down list. On line 2, select Ledger Account 6070 Facilities and Administration Cost Expense from the drop-down list.
8. To Decrease F&A:
   a. Line 1 (Ledger Account 4040): Enter the amount in the Debit Amount field of the amount of F&A to be removed from the award line.
   b. Line 2 (Ledger Account 6070): Enter the amount in the Credit Amount field of the amount of F&A to be removed from the award line.

   **Note:** Do not enter both Debit Amount and Credit Amount in the same line.

   1. To Increase F&A:
      a. Line 1 (Ledger Account 4040): Enter the amount in the Credit Amount field of the amount of F&A to be added to the award line.
      b. Line 2 (Ledger Account 6070): Enter the amount in the Debit Amount field of the amount of F&A to be added to the award line.

      **Note:** Do not enter both Debit Amount and Credit Amount in the same line.

   1. Enter a Budget Date on both lines that reflects when the F&A adjustment is effective (should be within award period of performance).
   2. Complete the Memo field on both lines (e.g., To adjust F&A, AWD000001).
   3. In the Grant column for both journal lines, enter the appropriate grant Worktag. The related Worktags for Cost Center, Fund, Function and Region should auto-populate.
   4. In the Program column for the journal line that contains ledger account 4040, enter PG00003928 General F & A Revenue Earnings. Update the Function Worktag to FN069 General Income on the journal line with ledger 4040 only.
      a. Note that the related Worktags for Cost Center should update to CC0471 Central | F&A Revenues and Distributions, and the corresponding related Fund FD076 Indirect Cost Recovery, and Region RG10 Pullman. Update the Cost Center, Fund, and Region to CC0471, FD076, and RG10 manually if needed, on the journal line with ledger 4040 only.
   5. In Additional Worktags, on the line with Ledger Account 4040, enter the Revenue Category RC0093. In Additional Worktags on the line with Ledger Account 6070, enter Spend Category SC00200 and Object Class 130 F&A.
   6. Select the Submit button.

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Grant Overdraft Transfer (a.k.a. 03WV in legacy terms)

1. On the Workday Home page, enter Create Journal in the Workday Search field, and select the Create Journal - Task.
2. Select the Actuals ledger.
3. Select the journal source Grant Overdraft Transfer.
4. Select the Add Row (plus) icon twice to add two new lines.
5. For line 1, select Ledger Account 6000: Goods and Services from the drop-down list. For line 2, select Ledger Account 6000: Goods and Services from the drop-down list.
6. On line 1, enter the amount in the Credit Amount field of the amount of direct costs to be transferred from the Grant per documentation provided by the department.
7. On line 2, enter the same amount in the Debit Amount field.

**Note:** Do not enter both Debit Amount and Credit Amount in the same line.

1. Enter a Budget Date on both lines that reflects when the expense transfer is effective (should be within award period of performance, such as the award end date).
2. Complete the Memo field on both lines (e.g., To remove overdraft per Grant Manager's name, AWD000001).
3. In the Grant column of line 1, enter the appropriate grant Worktag that the overdraft is being removed from. The related Worktags for Cost Center, Fund, Function, and Region should auto-populate.
4. On line 2, match the Cost Center, Function, and Region Worktags with line 1. Enter the appropriate non-grant Fund per the request information submitted by the department (e.g., F0001).

5. In Additional Worktags, on both lines 1 and 2, enter Spend Category SC00193 Grant Overdraft Transfer and Object Class 030 Supplies and Services.

6. Select the Submit button.

Example:

![Image of Workday Journal Entries]

**Workday: Journal Sources**

<table>
<thead>
<tr>
<th>Journal Source</th>
<th>Description</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Party Cost Share</td>
<td>Used to report cost share contributions from 3rd parties for which no</td>
<td>Sponsored Programs use only</td>
</tr>
<tr>
<td></td>
<td>transactions exist in the system.</td>
<td></td>
</tr>
<tr>
<td>Accrual</td>
<td>To record the earning of revenue or expenses incurred for transactions in</td>
<td>General Accounting Use Only</td>
</tr>
<tr>
<td></td>
<td>which cash has not be exchanged.</td>
<td></td>
</tr>
<tr>
<td>Advance</td>
<td>For posting journal entries from the Advance system integration.</td>
<td>Integration Only</td>
</tr>
<tr>
<td>Beginning Balance Rollforward</td>
<td>Used to roll forward ending fund balance to beginning fund balance.</td>
<td>General Accounting Use Only</td>
</tr>
<tr>
<td>Bond Transactions</td>
<td>For processing bond transactions.</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Budget Office Expense Transfer</td>
<td>For balancing Core fund expenditures.</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Conversion</td>
<td>For Workday Initial Set Up Only</td>
<td>Modernization Use Only</td>
</tr>
<tr>
<td>Elimination</td>
<td>Used to eliminate offsetting entries</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Expense Transfer</td>
<td>For transferring expenses between Worktags.</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Grant Overdraft Transfer</td>
<td>Used to transfer grant costs in excess of the awarded amount to non-grant</td>
<td>Sponsored Programs use only</td>
</tr>
<tr>
<td></td>
<td>funding sources.</td>
<td></td>
</tr>
<tr>
<td>Internal Service Provider</td>
<td>Used to correct/transfer values to and from Service Centers</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Inventory Adjustment</td>
<td>For posting Inventory journals at Year End</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Investment Activity</td>
<td>Used to adjust Endowment activity.</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Manual Accounting Adjustment</td>
<td>To manually correct accounting on transactions.</td>
<td>Central Use Only</td>
</tr>
<tr>
<td>Manual F&amp;A Adjustment</td>
<td>Used to manually correct facilities and administration (F&amp;A) charges such as</td>
<td>Sponsored Programs use only</td>
</tr>
<tr>
<td></td>
<td>as to update F&amp;A posted on awards with three-decimal F&amp;A rates.</td>
<td></td>
</tr>
<tr>
<td>MyWSU</td>
<td>For posting journal entries from the MyWSU integration.</td>
<td>Integration Only</td>
</tr>
<tr>
<td>Operating Transfer</td>
<td>For transferring cash from one fund to another (e.g., moving from local</td>
<td></td>
</tr>
<tr>
<td></td>
<td>funds to auxiliary funds).</td>
<td></td>
</tr>
<tr>
<td>Revenue Transfer</td>
<td>For transferring revenues between Worktags.</td>
<td></td>
</tr>
<tr>
<td>Year End Adjustment</td>
<td>Used to adjust prior to year-end reporting.</td>
<td></td>
</tr>
</tbody>
</table>