

DESK OPERATING PROCEDURE 110
CFO/CIVIL REPORTS DIVISION

PREPARATION OF JOURNAL VOUCHERS

1. References:

a. Department of Defense Financial Management Regulation, Volume 6A, Chapter 2, paragraph 020208, dated March, 2002.

b. Defense Finance and Accounting Service, Defense Departmental Reporting System (DDRS), Audited Financial Statements, User's Manual, Version 9.1, April 2008.

c. Department of Defense Financial Reporting Guidance - Detail, Attachment 403, Journal Voucher Category Identification Codes and Metric Reporting, released for 2nd Quarter, FY 2008, undated.

2. A journal voucher is defined as a manual entry of two or more transactions crossing budgetary and proprietary accounts that is needed to bring at least one of the accounts into balance (in some cases). Since the UFC supports other funds, i.e., Trust, Transfer, Contributed, and Revolving Funds, journal vouchers may be required based on information provided by the 'owner' of the funds (UFC being the 'holder' of the funds) or in cases of programming issues (that are currently being worked). A journal voucher comes into play when balancing appropriations within specific ATBs - Adjusted Trial Balances during Quarterly or Yearly reporting periods. There are numerous categories (detailed in paragraph 3) that are used to 'define' the need for, or categorize, the journal voucher. Transactions of a journal voucher must result in a zero balance - for the total journal voucher net (debit to credit), as well as budgetary account total and proprietary account total. If the journal voucher transactions do not result in a net zero effect across the board, DDRS will not allow the 'SAVE' function to be executed until correction(s) is/are made.

3. A journal voucher consists of two or more transactions that are needed to bring U.S. Standard General Ledgers (USSGLs) into balance as a result of some unforeseen activity. (As mentioned above, there are other instances in which journal vouchers are needed, this paragraph focuses on USSGL balancing.) Examples include, but are not limited to:

a. Funds reported in one fiscal year, but not officially received until after commencement of the following fiscal year - as a result of timing differences/constraints.

b. Similarly, Treasury could issue funds at their level on 30 September, but due to timing/coordination, we may not receive it until after 01 October.

c. Elimination balancing occurs at the end of the Quarterly process and is needed to 'reduce to zero' or 'eliminate' remaining balances in various USSGLs within each ATB as reflected in DDRS. These transactions are needed because of timing/reporting differences between agency reporting Revenue/Receivables or Expenses/Payables for example (there are others). One agency may report revenue at the time of billing (as allowed), while the billed agency may wait until the bill is actually paid to record incurred expense.

4. All journal vouchers prepared should meet the following criteria, at a minimum, and shall include sufficient supporting documentation to provide a clear, accurate picture of the reasoning behind the journal voucher.

a. Signatures.

(1) Responsible Accountant who prepared the journal voucher.

(2) The appropriate level approver, based on DoD FMR thresholds:

(a) Under \$100 Million - Sharon Cave, Chief, CFO/Civil Reports Division

(b) \$100 - \$500 Million - Sharon Cave, Chief, CFO/Civil Reports Division

(c) \$500 Million - \$1 Billion - Ellen E. Gibson, Deputy Director of Accounting, UFC

(d) Over \$1 Billion - Cynthia R. Blevins, Director, UFC

(e) Over \$1 Billion – Shirley L. Autry, Deputy Director, UFC (alternate in Director's absence)

b. Accounting logic - is this right and proper? Can you back this up?

c. Amount - how did you get there? Check the math, make sure the figures add up to what is reflected on the journal voucher.

5. If a correcting journal voucher is prepared, the correcting journal voucher should reference the original journal voucher (and any/all others) and attach a copy of referenced journal voucher(s) in order to provide a clear, accurate audit trail.

6. Currently, the following choices are available to identify Journal Voucher category type:

a. Reversing entry for prior year

b. Data call

c. Balancing entries for eliminations

- d. Recognition of undistributed collections & disbursements
 - e. Reconciliation of trial balance and budget execution reports
 - f. Supply management inventory
 - g. Reclassification of accounts
 - h. Identified errors and reasonableness checks
 - i. Adjustments to balance reports internally
 - j. Other accruals
7. Reference 1.c. defines a "supported entry" as: "The determination that an entry is supported relies on your ability to provide underlying detail transaction level documentation (either hardcopy or soft) in support of the JV amount." Journal vouchers not meeting these criteria are considered "unsupported" and should be marked as such when entering Journal voucher into DDRS.
8. If a journal voucher is determined necessary, the following sources of data should be included, at a minimum, for supported journal vouchers as appropriate in the journal voucher package:
- a. A copy of the General Ledger, with the appropriate GLAC(s) highlighted (DDRS or CEEMIS General Ledger, as appropriate/necessary).
 - b. Adding machine tape reflecting figures used to determine the correct amount of the journal voucher needed.
 - c. The query used to extract data from CEFMS database and/or CEEMIS.
 - d. The data results from query executed, with item in question highlighted.
 - e. A copy of supporting regulatory guidance authorizing the journal voucher.
 - f. Email from providing information, i.e., Health Benefits Information that is provided by DFAS; information provided as 'Data Calls;' etc.
 - g. Spreadsheets prepared to support journal voucher.
 - h. Balance sheets, when appropriate, with pertinent information highlighted.
 - i. Telephone conversation record, if needed.

j. Any and all other pertinent information that was used in the process of determining that a journal voucher was needed and therefore, prepared. Each item of data should be highlighted to allow easy identification and a clear, precise audit trail of data used to prepare the journal voucher.

9. Unsupported journal vouchers typically have no supporting documentation as they are primarily eliminating entries or timing issues.

10. The 15th calendar day of Quarterly or Yearly reporting cycle is the last day that any journal vouchers may be entered/recorded into DDRS at the agency level. It is expected that journal voucher packages will be complete at this time and include:

- a. Original DDRS journal voucher.
- b. Complete with appropriate threshold signatures.
- c. All pertinent supporting documentation.
- d. Meet, or exceed, three-prong check as given in paragraph 4 above.

11. All journal vouchers are provided to Cash Reports Branch for audit purposes. Journal vouchers are to be submitted within 10 days of completion for review and analysis. Findings will be returned with the journal voucher packages to the responsible accountant for review. The responsible accountant will review audit comments and implement appropriate controls to reduce/eliminate future errors, if any.

12. If audit reveals a system fallacy, responsible accountant should review findings and

Created by: Leslie S. Moose, Accountant, CFO/Civil Reports Division (August 2006)

Revised by: Leslie S. Moose, Accountant, CFO/Civil Reports Division (May 2008)

Reviewed by: Susan Davis, Accountant, CFO/Civil Reports Division (May 2008)

Approved by: Sharon Cave, Chief CFO/Civil Reports Division (May 2008)