

SECTION 9: JOURNAL ENTRIES

Apply Petty Cash Expenses

INTRODUCTION

Apply Petty Cash Expenses provides a general overview to and procedures for applying petty cash expenditures against the balance of a petty cash fund. This is done when a petty cash fund is being reduced or closed, and petty cash expenditures also exist. In such cases, a journal entry is made to apply the existing expenditures against the fund balance.

Petty cash fund expenditures are made in accordance with *Alaska Administrative Manual (AAM) 50.210 – Petty Cash*. These expenditures are generally accounted for in a 310-10: Add Warrant transaction that both records the expense and issues a warrant to the petty cash fund custodian to replenish the cash in the fund. However, when a petty cash fund balance is being reduced or closed, a 430-54: Petty Cash Journal Entry is used instead to simultaneously record existing petty cash expenditures and a reduction to the fund balance.

Agency journal entry transactions are balanced journal entry transactions with equal debit and credit financial line amounts. In a 430-54: Petty Cash Journal Entry transaction, debit financial lines increase expenditures in the appropriation/fund associated with the financial coding entered in the financial lines. The credit financial lines decrease asset account 10080 (Imprest Cash) to reduce the amount recorded as cash held in a petty cash fund.

AKSAS TRANSACTIONS

430-54: Petty Cash Journal Entry

PROCEDURES

I. Compile source documentation.

Source documentation for a 430-54: Petty Cash Journal Entry includes:

- Petty Cash Envelope containing invoices, receipts, and other documentation for the expenses to be applied.
- Copy of email requesting that the petty cash fund be reduced or closed.
- Copy of 210-11: Agency Receipt Miscellaneous transaction if excess cash in the fund is also being deposited.
- Management Report of the petty cash fund ledger code by asset account 10080 balance.

II. Record the 430-54: Petty Cash Journal Entry transaction.

For more information on entering this transaction, refer to the *430-54: Petty Cash Journal Entry Screen and Field Entry Table* following this procedure.

A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:

1. Enter **AJ** (Agency Journal Entry) in the **SELECTION** field.

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2. If your agency uses an easytran shell for petty cash journal entry transactions, tab to the **EASYTRAN NUM** field and enter the easytran number for the transaction.
 3. Press <Enter> to display the 430-xx: Agency Journal Entry transaction screen.
- B. Enter data in the following fields. For more detailed information on data entry fields, refer to *Section 4: Financial Transactions & Batch Processing*.
1. **TRANS CODE MINOR** - Enter **54** (Petty Cash Journal Entry).
 2. **ADDITIONAL AUTH RD** – Enter **195**. This transaction must be authorized by the Division of Finance Petty Cash Accountant.
 3. **DOCUMENT NUMBER** - Defaults to the batch and sequence number assigned by AKSAS. No entry necessary.
 4. **SOURCE RD CODE** - Defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record petty cash journal entry transactions, enter a SOURCE RD CODE as authorized according to department procedures.
 5. **TOTAL DEBIT AMOUNT** - Enter the total debit amount for this transaction.
 6. **DESCRIPTION LONG** - Enter detailed descriptive information, up to 120 characters, for the transaction. For example, “**Reduce petty cash fund balance.**” The first 20 characters of the first line are used for reporting purposes.
 7. **FISCAL PERIOD CODE** - Defaults to **C** (current fiscal year). If the transaction is not for the current year, enter the FISCAL PERIOD CODE as defined in the *AKSAS Handy Guide*.
- C. Enter **debit** information in the **FINANCIAL** line fields. Debit financial lines record petty cash expense amounts to the appropriate agency collocation codes and expenditure accounts. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.
1. **AMOUNT** - Enter the dollar amount as a positive number.
 2. **SY** - Enter the set-up year associated with the collocation code on this financial line.
 3. **CC** - Enter the agency collocation code to which the petty cash expenditure should be recorded.
 4. **PGM** - Enter a five-digit program code if required by your agency for this financial line.
 5. **LC** - Enter an eight-digit ledger code if required by your agency for this financial line.
 6. **ACCT** - Enter the five-digit expenditure account code to which this petty cash expenditure should be recorded.
 7. **FY** - Defaults to the current federal fiscal year. No entry necessary.
 8. Leave the **OPEN ITEM** fields blank. These fields are not used for this transaction.
 9. **IEAX LINE** (Interentity Account Cross-Reference) - Leave blank. This field is not used for this transaction.

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10. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.

D. Enter **credit** information in the **FINANCIAL** line fields. Credit financial lines reduce the petty cash fund balance recorded under AC 10080 (Imprest Cash). Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

1. **AMOUNT** - Enter the total dollar amount to reduce the petty cash fund balance with a leading minus (-) sign.

2. **SY** - Enter the correct set-up year.

3. **CC** - Enter **50010080** (Imprest Cash).

4. **PGM** – Leave blank. This field is not used for this transaction.

5. **LC** - Enter the eight-digit ledger code for the petty cash fund you want to reduce.

6. **ACCT** - Enter **10080** (Imprest Cash).

7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.

8. Leave the **OPEN ITEM** fields blank. These fields are not used for this transaction.

9. **IEAX LINE** (Interentity Account Cross-Reference) - Leave blank. This field is not used for this transaction.

10. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.

E. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing.

NOTE: Review any **WARNING** messages displayed. If these messages do not require correction, press <PF3> to override.

III. Submit the transaction for certification.

A. All agency journal entry transactions require certification. Submit the transaction and associated backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

B. Associated backup should include a copy of the Finance Officer's email request to decrease the fund, the completed Petty Cash Envelope, a screen print of the 210-11 transaction, and a screen print of the petty cash fund ledger code.

C. 430-54: Petty Cash Journal Entry transactions require authorization by the Division of Finance Petty Cash Accountant RD 195. Submit a copy of the transaction and associated backup to the Division of Finance for authorization.

IV. Verify the transaction processed.

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For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

- A. The next morning, check DM - Maintain Batches to determine if the petty cash journal entry transaction processed successfully. If the transaction did not process, view the transaction and determine the corrective action. If necessary, resubmit the corrected transaction for certification and processing.
- B. Once the transaction has processed successfully, review the Financial Transaction (FTP) Register to verify all processed information for the transaction is correct. If the results of the processed transaction are not as intended, correct the error with another agency journal entry transaction. If necessary, refer to *Correcting Agency Journal Entry* in this Section.
- C. Use RM - Management Reporting to display an online management report of the balance of asset account 10080 (Imprest Cash) for the petty cash fund ledger code. Verify the balance of the account was correctly reduced by this transaction.

V. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.

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ACCOUNTING ENTRIES

The following table shows the actual accounting entries recorded in AKSAS as a result of processing a 430-54: Petty Cash Journal Entry transaction to clear warrants charged to the petty cash expense account. The accounting entries with a financial source code of UD (user-defined) are entered in the transaction by the user. The financial effect of each entry is indicated in parentheses () after the debit and credit indicators in the first column.

An agency journal entry is a balanced transaction with equal debit and credit amounts. Unlike other transactions, both debit and credit financial lines are entered by the user. In a 430-54: Petty Cash Journal Entry transaction, debit financial lines increase expenditures in the appropriation/fund associated with the collocation code. The credit financial lines decrease asset account 10080 (Imprest Cash) to reduce the amount recorded as cash held in a petty cash fund.

430-54: Petty Cash Agency Journal Entry

	Collocation Code	Account	Posting Type	Financial Source
Debit (increase)	Entered by user – Agency collocation code	Expenditure	01	UD
Credit (decrease)	50010080	10080 (Imprest Cash)	01	UD

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430-54: Petty Cash Agency Journal Entry Screen																		
FDE 430-XX: AGENCY JOURNAL ENTRY										B 1298819 S 0001								
TRANS CODE MINOR					_____									ADDITIONAL AUTH RD				_____
DOCUMENT NUMBER _____																		
SOURCE RD CODE _____																		
TOTAL DEBIT AMOUNT _____																		
DESCRIPTION LONG _____																		

FISCAL PERIOD CODE C _____																		
MORE FINS N																		
-----OPEN ITEM----- IEAX																		
FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	TYPE	NUM	LINE	FLI	LINE						
1	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____				
LINE DESC _____																		
2	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____				
LINE DESC _____																		
3	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____				
LINE DESC _____																		
4	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____				
LINE DESC _____																		
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---																		
UPDAT QUIT			SUBMT ERRS BASE FINS				PFKYS				HELP							

SCREEN ACCESS

Use the 430-xx: Agency Journal Entry transaction screen to apply petty cash expenses against the petty cash fund balance in AKSAS.

1. At the AKSAS Main Menu, enter **DS** (Start/Restart Batch) in the **SELECTION** field. Press <Enter> to display the Start/Restart Batch - Selection screen.
2. At the Start/Restart Batch - Selection screen, enter **F** (Financial) in the **BATCH TYPE** field. Press <Enter> to display the Financial Data Entry Menu.
3. At the Financial Data Entry Menu, enter **AJ** (Agency Journal Entry) in the **SELECTION** field. Press <Enter> to display the 430-xx: Agency Journal Entry transaction screen.

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430-54: Petty Cash Journal Entry Field Entry Table		
Field Name	Field Value	Comments
FDE	DISPLAY ONLY	Displays the financial data entry transaction code for this journal entry.
B	SYSTEM-ASSIGNED	System-assigned batch number.
S	SYSTEM-ASSIGNED	System-assigned sequence number for this batch.
TRANS CODE MINOR	REQUIRED Enter 54 (Petty Cash Journal Entry)	Identifies the specific type of journal entry.
ADDITIONAL AUTH RD	REQUIRED Enter 195 (Division of Finance Petty Cash Accountant)	Identifies an approval authority in the Division of Finance. This transaction requires dual authorization by the Division of Finance.
DOCUMENT NUMBER	REQUIRED, defaults to batch and sequence number assigned by AKSAS if left blank. An agency-assigned processed document identifier, up to 13 alphanumeric characters, may be entered.	Processed document identifier.
SOURCE RD CODE	REQUIRED, defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record petty cash journal entry transactions, enter a SOURCE RD CODE as authorized according to department procedures.	Identifies the person authorized to record this transaction.
TOTAL DEBIT AMOUNT	REQUIRED Enter the sum of the debit financial lines. Up to 13 digits (11 to the left of the decimal, 2 to the right).	This field must equal the sum of all debit financial lines.
DESCRIPTION LONG	REQUIRED Enter detailed descriptive information, up to 120 characters, for the transaction. For example, " Reduce petty cash fund balance. " The first 20 characters are used on reports.	A description of the transaction as it should appear on reports.
FISCAL PERIOD CODE	REQUIRED, defaults to C. If the default value is not correct for this transaction, refer to the <i>AKSAS Handy Guide</i> to determine the code.	Identifies the state fiscal year (chart of accounts year) associated with this transaction.
DEBIT FINANCIAL line fields – In this transaction, debit financial lines increase expenditures by the amount of the petty cash expenditures in the appropriation/fund associated with the collocation code. For additional information about financial fields, refer to Section 4: Financial Transactions & Batch Processing.		
FIN	DISPLAY ONLY	Financial line number.
AMOUNT	REQUIRED Enter the amount as a positive number. Up to 11 digits (9 to the left of the decimal, 2 to the right).	The dollar amount associated with this financial line. The total of the debit financial line AMOUNTs must sum to the TOTAL DEBIT AMOUNT field.

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430-54: Petty Cash Journal Entry Field Entry Table		
Field Name	Field Value	Comments
SY	REQUIRED, defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. Enter the 2-digit set-up year associated with the collocation code on this financial line.	Identifies the set-up year associated with the collocation code. The set-up year must be valid for the FISCAL PERIOD CODE entered.
CC	REQUIRED Enter the 8-digit agency collocation code to which this petty cash expenditure should be recorded.	With the set-up year, identifies the accounting structure (fund, appropriation, organization, internal program) for this financial line.
PGM	OPTIONAL Enter the 5-digit program code if required by your department for this financial line.	Identifies the external program for this financial line.
LC	OPTIONAL Enter the 8-digit ledger code if required by your department for this financial line.	Identifies a combination of project, contract, and/or grant for this financial line.
ACCT	REQUIRED Enter the 5-digit expenditure account (70000 & LLs) associated with this financial line.	Identifies the account to which this financial line is recorded.
FY	REQUIRED, defaults to the current federal fiscal year if no entry is made. If the federal fiscal year is required by your agency and the default value is not correct, enter the 2-digit federal fiscal year.	Identifies the federal fiscal year if a federal program is associated with this financial line.
Leave the OPEN ITEM TYPE, NUM, LINE, and FLI fields blank. 430-54: Petty Cash Journal Entry transactions cannot liquidate open items.		
IEAX LINE	NOT USED FOR THIS TRANSACTION	Interentity Account Cross-Reference. The line number of the offsetting financial line in an interagency transfer journal entry.
LINE DESC	OPTIONAL Enter additional descriptive information, up to 40 characters, for the financial line.	Additional descriptive information for the financial line.
CREDIT FINANCIAL line fields - In this transaction, credit financial lines reduce the amount of cash recorded as held in a petty cash fund account 10080. For additional information about financial fields, refer to Section 4: Financial Transactions & Batch Processing.		
FIN	DISPLAY ONLY	Financial line number.
AMOUNT	REQUIRED Enter the amount associated with this financial line with a leading minus (-) sign. Up to 11 digits (9 to the left of the decimal, 2 to the right).	The dollar amount associated with this financial line.

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430-54: Petty Cash Journal Entry Field Entry Table		
Field Name	Field Value	Comments
SY	REQUIRED, defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. The default value is correct for this transaction.	Identifies the set-up year associated with the collocation code. The set-up year must be valid for the FISCAL PERIOD CODE entered.
CC	REQUIRED Enter 50010080 (Imprest Cash)	With the set-up year, identifies the accounting structure (fund, appropriation, organization, internal program) for this financial line.
PGM	NOT USED FOR THIS TRANSACTION	Identifies the external program for this financial line.
LC	REQUIRED Enter the 8-digit ledger code of the petty cash fund to be reduced.	Identifies the petty cash fund project for a department, project, contract, and/or grant for this financial line.
ACCT	REQUIRED Enter 10080 (Imprest Cash)	Identifies the account to which this financial line will be recorded.
FY	REQUIRED, defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a 2-digit federal fiscal year.	Identifies the federal fiscal year if a federal program is associated with this financial line.
Leave the OPEN ITEM TYPE, NUM, LINE, and FLI fields blank. 430-54: Petty Cash Journal Entry transactions cannot liquidate open items.		
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