

SECTION 9: JOURNAL ENTRIES

Clear Prepayments Charged to Suspense

INTRODUCTION

Clear Prepayments Charged to Suspense provides a general overview to and procedures for clearing prepayments recorded to prepaid expense account 10603.

Prepayments are issued in accordance with *Alaska Administrative Manual (AAM) 35.100 - Prepayments of Charges, Contracts, and Lease Payments*. Because prepayments may not circumvent the budgeting process, prepayments due in July are charged to a suspense account in June. In July, when funds are available, a 430-13: Prepay Journal Entry is processed to reverse the charges recorded to the prepaid suspense account and charge the appropriate expenditure account.

Agency journal entry transactions are balanced journal entry transactions with equal debit and credit financial line amounts. In a 430-13: Prepay Agency 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 increase asset account 10603 (Prepaid Expense) to reverse the amount recorded to suspense by the original warrant transaction.

AKSAS TRANSACTIONS

430-13: Prepay Agency Journal Entry

PROCEDURES

I. **Compile source documentation.**

Source documentation for a 430-13: Prepay Agency Journal Entry includes:

- Financial Transaction (FTP) Register of the original warrant transaction.
- Audit trail of warrant transactions posted to account 10603.
- Management Report listing prepaid suspense account balances for your agency.

II. **Record the 430-13: Prepay Agency Journal Entry transaction.**

For more information on entering this transaction, refer to the *430-13: Prepay Agency 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.
2. If your agency uses an easytran shell for prepay 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*.

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1. **TRANS CODE MINOR** - Enter **13** (Prepay Journal Entry).
 2. **ADDITIONAL AUTH RD** - If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.
 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 prepay 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, "**Clear prepaid suspense.**" The first 20 characters of the first line are used for reporting purposes.
 7. **FISCAL PERIOD CODE** - Defaults to **C** (current fiscal year). No entry necessary.
- C. Enter **debit** information in the **FINANCIAL** line fields. Debit financial lines record prepayment warrant 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 prepayment 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 prepayment 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.
 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 reverse the original amount charged to prepaid expense account 10603. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.
1. **AMOUNT** - Enter the total dollar amount to be cleared from the prepaid expense account with a leading minus (-) sign.

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2. **SY** - Enter the set-up year entered in the original warrant transaction that issued the prepayment.
 3. **CC** - Enter the eight-digit agency collocation code entered in the original warrant transaction that issued the prepayment.
 4. **PGM** - If the original prepayment warrant transaction used a program code, enter that five-digit program code.
 5. **LC** - If the original prepayment warrant transaction used a ledger code, enter that eight-digit ledger code.
 6. **ACCT** - Enter **10603** (Prepaid Expense).
 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. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

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

III. Submit the transaction for certification.

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.

IV. Verify the transaction processed.

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 prepay 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. Refer to the *Appendix* for a list of error messages and corrective actions.
- 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.

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- C. Use RM - Management Reporting to display an online management report of the balance of asset account 10603 (Prepaid Expense) for your agency. 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 430-13: Prepay Agency Journal Entry transaction to clear warrants charged to the prepaid 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 430-13: Prepay Agency Journal Entry transaction, debit financial lines increase expenditures in the appropriation/fund associated with the collocation code. Credit financial lines increase asset account 10603 in the appropriation/fund to reverse the charges recorded by the original warrant transaction.

430-13: Prepay Agency Journal Entry

	Collocation Code	Account	Posting Type	Financial Source
Debit (increase)	Entered by user - Agency collocation code	Expenditure	01	UD
Credit (decrease)	Entered by user - Original CC to which warrant was recorded	10603 (Prepaid Expense)	01	UD

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430-13: Prepay 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 clear prepaid expense account 10603 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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430-13: Prepay Agency 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 13 Prepay Journal Entry	Identifies the specific type of journal entry.
ADDITIONAL AUTH RD	REQUIRED If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.	Identifies an approval authority associated with this agency journal entry transaction.
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 prepay 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, " Clear prepaid suspense. " 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. Leave blank. The default value is correct for this transaction.	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 prepayment 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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430-13: Prepay Agency 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 prepayment 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. 430-13: Prepay 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 reverse the original charges recorded to prepaid expense account 10603. 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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430-13: Prepay Agency 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 used in the original prepayment 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 the 8-digit collocation code used in the original prepayment transaction.	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 used in the original prepayment transaction.	Identifies the external program for this financial line.
LC	OPTIONAL Enter the 8-digit ledger code if used in the original prepayment transaction.	Identifies a combination of project, contract, and/or grant for this financial line.
ACCT	REQUIRED Enter 10603 (Prepaid Expense).	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.
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