1.1 **Purpose.** To establish Indian Affairs (IA) policy on adjusting Journal Vouchers (JVs) to ensure that they are properly prepared, reviewed, and supported.

JVs are transactions used to update the posting of original transactions, adjustments, reversals, or corrections. JVs may be used to transfer amounts between general ledger (GL) accounts, functional areas, fund, fund center, and Work Breakdown Structure (WBS) in order to distribute charges, accrue, reverse, reclassify, or correct data.

1.2 **Scope.** This policy applies to all functions and offices under the authority of the Assistant Secretary - Indian Affairs (AS-IA), including the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

In general, this document outlines IA's JV policy with an emphasis on those JVs processed at Central Office (i.e., Reston, VA and Washington, DC). However, Central Office will not perform the Verifier function for documents initiated or completed at the regional/field offices due to the fact that the regional/field employees are only able to process "Transfers" in IA's Financial and Business Management System (FBMS).

1.3 **Policy.** It is the policy of IA to comply with federal regulations and policy direction from the Department of the Interior (DOI) and the Office of Management and Budget (OMB). This includes establishing and implementing adequate internal control measures, such as documenting roles and responsibilities throughout the JV process, to ensure that IA processes and documents all JV transactions correctly.

1.4 **Authority.**

A. **Statutes and Regulations.**

    1) Public Law (P.L.) 101-576, Chief Financial Officers (CFO) Act of 1990

    2) P.L. 104-208, Federal Financial Management Improvement Act (FFMIA) of 1996

    3) P.L. 103-356, Government Management Reform Act (GMRA) of 1994

B. **Guidance.**

    1) OMB Circular A-123, Management's Responsibility for Internal Control, revised 12/21/2004

    2) Government Accountability Office (GAO), Standards for Internal Control in the Federal Government, GAO-14-704G, September 2014

3) 330 Departmental Manual (DM) 3: General - DOI Financial Management/Accounting Organization

4) 340 DM 1: Management Accountability and Control – General Policy and Responsibilities

5) 341 DM 1: Financial Management Systems – Policies and Responsibilities

6) DOI Financial Management Memorandum 2014-017 Vol. V.D., Journal Voucher Policy, June 2014

1.5 Responsibilities.

A. The **CFO** ensures financial management is consistent with requirements of the CFO Act of 1990, OMB guidance, Department of the Treasury, GAO, and Federal Accounting Standards Advisory Board; and provides senior leadership, policy, and oversight of all budget financial management functions.

B. **Division Chief, Financial Reporting and Analysis (FRA)** is responsible for IA's financial reporting, financial policies and procedures, and financial reconciliation and analyses.

C. **GL Financial Accountants (GL_FAP)** are able to park documents; however, they are unable to approve or post a JV document.

D. **GL Senior Financial Accountant (GL_SFA)** can prepare and/or post a JV in FBMS with another GL_SFA approval. Only senior accountants within the IA Office of the Chief Financial Officer (OCFO)-FRA Division have the GL_SFA role. Only those given this role designation are authorized to approve the hard copy JV and to post the JV document in FBMS for those JV documents initiated by the OCFO Central Office, including the FRA, the Systems Division, and the Fiscal Services Division (FSD).

E. **Regional GL Field Office Accountants (GL_FOA) and GL Field Office Accountant (GL_FOAP)** have access to post a JV document. GL_FOAP roles are granted to the regional accounting officers, limited staff, and a few individuals in the FSD. Users with these two roles are only limited to processing document types: VA, VB, and VC (see 1.6.D. for the type definitions). The GL_FOA can post these transfer documents in FBMS at their location.

1.6 Definitions.

A. **Transfers** are used to correct transactions that do not have overall cash implications. Examples are: FBMS document types VA, VB, VC (see 1.6.D. for the type definitions).

B. **Adjustments** are entries whereby the preparer dictates the appropriate GL accounts to debit and credit. Adjustment JVs are used when other JV categories such as transfers and accruals do not exist to handle the desired postings. Examples are: FBMS document types SA, SB, SU (see 1.6.D. for the type definitions).

C. **Accruals** are used to record accounts payable, grants, bankcards, annual leave, judgment funds, or allowance for bad debts for instance.

D. **FBMS Document Types** Depending on the purpose of the adjusting entry, the preparer may use one of the following document types to record the appropriate updates/changes. JV entries include ten FBMS document types:

- **SA** - Balance Sheet JV

- **SB** – Expense - Revenue to Balance Sheet JV

- **SU** - Budgetary Adjustment Document

- **VA** - Expense to Expense JV – Moves expenses from one accounting string, commitment items, trading partner combination to another accounting string.

- **VB** - Expense to Revenue transfer JV – Records an expense posting in one fund and revenue posting in a different fund. Primarily used with Working Capital Fund.

- **VC** – Revenue to Revenue transfer JV – Moves revenue from one accounting string to another accounting string. Primarily used with Working Capital Fund.

- **VD** - Expense/Expense JV Override – Same as document type VA except FMDERIVE is not called and therefore, all FM Elements need to be manually entered.

- **VE** - Expense /Revenue JV Override - Same as document type VB except FMDERIVE is not called and therefore, all FM Elements need to be manually entered.

- **VR** - Reimbursable Asset JV

- **ZL** – Expense to Balance Sheet JV (for payroll related transactions)

1.7 Standards, Requirements, and Procedures.

Entering a JV in IA's FBMS requires a combination of document type, commitment item, and standard general ledger (SGL) account(s) to affect the appropriate changes to proprietary and budgetary GL accounts. IA uses a combination of account assignment elements to record a JV (i.e. Fund, Cost Center, Functional Area, and WBS/Funded Program based on its derivation strategy). Each JV line item requires a valid account assignment element.

A. Proper Usage of Adjusting Entries and Categorization of JVs

Adjusting entries are used to record accruals or to make changes to accounting information that was previously entered in an obligation, expenditure or revenue document. However, it should be noted that JVs should not be used to correct FBMS documents with existing adjustment processes. These FBMS documents are: credit card reallocations, open Prism obligations, labor adjustments (first 13 months), and most payment documents.
JVs should only be used as a last resort when it's not reasonably feasible to correct these types of documents at the source. These documents include: motor pool corrections, labor adjustments (after 13 months of original charge), Financial Assistance Social Services – Case Management System (FASS-CMS) payments, and closed Prism obligations.

There are three categories of JVs:

- Transfers (similar to Federal Financial System (FFS) Standard Voucher)

- Adjustments (similar to FFS Journal Voucher)

- Accruals (similar to FFS year-end (YE) Documents)

B. FBMS JV Processing Methods

There are four processing methods for JVs in FBMS:

- **FBS1 – Enter Accrual Document:** This processing method is used when processing an accrual. Document types that may be used include VA, VB, VC, SA, SB, and SU. Use of FBS1 requires a reversal date and this document type cannot be parked first. It can only be direct posted.

- **FV50 – Park GL Account Items:** This is the suggested processing method for any transaction other than accrual. This processing method requires a different individual to post the journal entry. This processing method can be used for any document type.

- **FB01 – Enter GL Doc – Special**

- **FB50 – Enter GL Account Items**

Release #15-09, Issued: 4/14/15
New

SAP Transaction Code (Z_JV_UPLOAD) is used to upload a JV into FBMS. An Excel file layout required by the JV load program to enter GL Account Items is found in Attachment 1, and it includes instructions on how to complete the spreadsheet.

C. JV Processing Roles

The review and approval of JVs are tightly controlled both in hard copy and in FBMS. IA has designed and implemented controls whereby journal entries are prepared and reviewed by separate individuals prior to entry into FBMS.

Only selected personnel with the GL_SFA role and the GL_FOA role have access to post a JV document. Only senior accountants within the OCFO-FRA have the GL_SFA role; they are authorized to approve the hard copy JV and to post the JV document in FBMS for those JV documents initiated by the Central Office including the FRA, the Systems Division, and the FSD.

All other personnel with the GL role should only have the GL_FAP role. This ensures that FRA is notified of any JV adjustments that are being prepared outside of the FRA.

The GL_FOA and the GL_FOAP roles are granted to the regional accounting officers, some of their staff, and a few individuals in the FSD. Users with these two roles are **only limited to processing document types, VA, VB, and VC.** The GL_FOA can post these transfer documents in FBMS at their location.

GL Financial Accountant - Park (GL_FAP) can't approve or post a JV document.

GL_SFA can prepare and/or post a JV in FBMS with another GL_SFA approval.

D. JV Procedures

JVs can be processed at any time during the month. Each adjusting entry, prior to processing in FBMS, must be prepared and approved as follows:

1. Assign a JV control number and record it in the FBMS JV log. The JV log is divided into 3 tabs to better categorize the origin of the JV's. For more details on the JV log, see the Internal Controls, Completeness Check section in 1.8.

2. Assign an FBMS document number to the adjusting entry recorded on the JV approval sheet and JV log.

3. Include the Preparer's name/signature.

4. Obtain the Authorized Approving official's name/signature (i.e., different from the preparer and usually is the preparer's supervisor). For JV, only five senior accountants have the GL_SFA authority to approve.

5. Post by name/signature.

6. Include relevant supporting documentation and explanation for the needed correction. Explanation should be specific as to why the change is needed and why this would be a proper correction.

7. Identify the source of the support documentation (e.g., if the Enterprise Management Information System (EMIS) is used, then identify the source of the tables and report criteria used).

8. Include brief descriptions of the assumptions, the sources of relevant factors, and detailed computation for the accrual amount if recording accruals.

9. Include a copy of the contract, contract modification, obligating document or other approved official document to show the correct accounting string and validate the change if modifying a payment document. **Note:** The JV will not link or correct a payment or obligation source document. The JV will be a standalone document.

10. Scan and attach support documentation in FBMS after the JV is posted. At times there will be multiple documents generated by the same correction as often seen with motor pool adjustments. In these cases, the support document should be attached to the 1st document only.

    As an example below, the support should be attached to document number 6901728845 only. The motor pool adjustments contain multiple documents mainly due to the fact that the vehicle tag number is required to be entered in the reference field on the JV. **This requirement is applicable only to those MP adjustments to clear those charges shown on the Default report.** If the MP adjustment is not related to the Default report, then the vehicle tag number is not required.

Log Control #	FBMS Document #	Document Date	Posting Date	Description
1	6901728845	10/29/2014	10/29/2014	JV DEFAULT CORRECTIONS $741.24

11. Place hard copy in the file cabinet after approval and upload into FBMS.

1.8 Internal Controls.

A. Accuracy/Substantive Check

Preparer (Entered/Upload/Parked By) – The JV preparer will perform the following tasks:

- Provide a thorough explanation for all JVs to ensure that any questions arising regarding a JV can be answered;

- Gather relevant supporting documentation and explanation for the needed correction;

- Park the JV document in FBMS once approved;

- Scan and attach a copy of the approved and posted copy of the JV into FBMS after the document is posted. For a correcting entry, include from the original posting the FBMS document number (if available), the reference number, and the date posted; also include an explanation of why the correction is necessary.

Approver - Authorized approving officials are different from the preparer and in most circumstances is the preparer's supervisor. The approver will review/perform the following tasks:

- Debit and credit totals;

- Validate the purpose of the JV;

- Check to be sure attachments are included and support the JV;

- Ensure that the document description and attachments include the relevant information to make the approver comfortable that the JV is appropriate and supported;

- Reject entries with insufficient documentation; and include an explanation/reason for the rejection within the JV.

Posted By - SFAs within the OCFO are authorized to post JV documents in FBMS for those initiated outside of the regions/field offices. On rare occasions, the Business Integration Office (BIO) also has authorization to post a JV on behalf of the bureaus. These types of postings are usually done by the BIO due to mass volume (e.g. labor accrual reversals). These JVs are only authorized through the IA Bureau Production Support Lead's (BPSL) written concurrence. The BPSL's concurrence is always vetted with the appropriate SFAs. Therefore, all JVs with a BIO ID are followed up/approved by IA. At the regions/field offices' request, they can also park/post on the regions/field offices' behalf. The person posting the document can also be the approver.

Verifier - The verifier ensures the journal entries are recorded in FBMS accurately, reviewed and approved. The verifier will review/perform the following tasks:

* Debit and credit totals;

* Check to be sure attachments are included and support the entry;

* Spot check posted lines to the hard copy of JV to ensure the propriety of the posting;

* Ensure that the journal entry has been reviewed and approved prior to FBMS posting (evidenced by appropriate signatures);

* Sign the electronic copy of the JV log sheet as verified (not re-scanning and re-attaching to FBMS as already done by the preparer);

* File the hardcopy in the designated file cabinet.

The verifying individual should also document evidence of such review by the 30th of the following month by signing the JV log that the verification is complete. For YE, due to audit requirements, the review of the September JVs should be completed by the 15th of October.

EMIS Verification Report

FI doc:doc.num	Parked By	Created by	Document Type	Reversal Doc N	Debit Total	Credit Total
6000162804	#	TLIN	SA	6000242516	$179.00	$-179.00
6000171035	#	DSTANLE3	SA	6000174460	$13,323.05	$-13,323.05
6000171035	#	DSTANLE3	SA	#	$0.00	$0.00
6000176030	#	DSTANLE3	SA	6000247690	$2,655.81	$-2,655.81
6000190696	#	ZCOOPER	SA	6000137413	$16,584.65	$-16,584.65
6000190802	#	TLIN	SA	6000236711	$179.00	$-179.00
6000211028	#	DSTANLE3	SA	6000229622	$2,655.81	$-2,655.81
6000218273	#	DSTANLE3	SA	6000239867	$40,569.41	$-40,569.41
6000227721	#	ZCOOPER	SA	6000142406	$71,027.32	$-71,027.32
6000228871	BCONWAY	DSTANLE3	SA	#	$55,874.19	$-55,874.19
6000229622	DSTANLE3	BCONWAY	SA	6000211028	$2,655.81	$-2,655.81
6000229623	DSTANLE3	BCONWAY	SA	6000245290	$2,655.81	$-2,655.81
6000231600	#	TLIN	SA	6000237867	$318,522.98	$-318,522.98
6000234861	#	DSTANLE3	SA	6000239866	$40,569.41	$-40,569.41
6000236248	#	BCONWAY	SA	6000237642	$107,133,230.01	$-107,133,230.01
6000236711	#	TLIN	SA	6000190802	$179.00	$-179.00
6000237867	#	TLIN	SA	6000231600	$318,522.98	$-318,522.98
6000237867	#	TLIN	SA	6000239946	$0.00	$0.00
6000239866	PVUONG	DSTANLE3	SA	6000234861	$40,569.41	$-40,569.41
6000239867	PVUONG	DSTANLE3	SA	6000218273	$40,569.41	$-40,569.41

If the verifier identifies a discrepancy they should notify the preparer of the JV document. **This step is performed only for those JV documents listed in the first tab of the JV log.** See more discussion on the JV log in the Completeness Check section below.

It should be noted that the verifier role is specifically put in place to mitigate the risk of the GL_SFA and the GL_FOA being able to post his/her own JV documents without independent review. **Even though FBMS allows the GL_SFA and the GL_FOA to post JV documents without parking them in advance, <u>it is IA's policy to always park the document first.</u>** However, in the event the GL_SFA and/or GL_FOA inadvertently post his/her own document, the verifier serves as a mitigating control as an independent reviewer.

B. Completeness Check

The verifier runs a monthly EMIS report – SPL Transaction Detail History Report (WGLM02_SC_Q004) by the 10th business day of the following month to ensure that all JVs posted in FBMS have complied with the process cited above. The report captures all JV transactions by document type: SA, SB, SU, SG, VA, VB, VD, and ZL.

There are certain exclusions as some system automated JVs also use these document types:

- Exclude Doc Type SA, created by "Batchpay". This is a system generated payroll clearing document to clear the Intra-Governmental Payment and Collection (IPAC) processed per pay period.

- Exclude Doc Type SB, created by "ZBXPRFLT". This is a system generated document creating the invoice for the General Services Administration (GSA) motor pool bill.

- Exclude Doc Type VR since this is part of the sales document (SD) month-end job that the system creates a JV for assets purchased under reimbursable funds related to resource related billing.

- Exclude Doc Type VA, Commitment Item 253GZ (OH obligation) since this is part of the SD month-end job that the system creates for overhead obligations (ZOOHEAD).

- Exclude Doc Types, created by "ZBX_AVC". This is a system generated document creating a JV for non-reference obligation accruals.

- Exclude Doc Types, created by "ZBA_MPL". This is a system generated document creating a JV for Motor Pool transactions.

- Exclude Doc Types, created by "ZBAPRFLT". This is a system generated document creating a JV for Property/Fleet transactions.

- Exclude "8000*" GL accounts. These are memos generated by the Loans Accounting Section.

The verifier ensures those documents posted by the 5 senior GL accountants have been logged in the JV log. The JV log is maintained electronically and located in the K:\Accounting Ops_FRA Division\Adjusting entries - PDF scanned\JV's\FY 2015 JV's\FBMS JV Log.

There are 3 tabs to the JV log:

- The first tab, "JV Log for FRA JVs" tracks all JV documents initiated/prepared by the FRA staff.

- The second tab "JV Log for Non-FRA Documents" tracks all JV documents in which FRA staff either prepared/parked/posted the JV's at the field's request mainly due to field staff not having the proper access to FBMS at the time. No verifying reviews are required. All of these JVs are VA documents.

- The third tab tracks those JVs initiated/posted by FRA staff that were subsequently reversed (mostly FBS1 documents). No verifying reviews are required.

- The JV log is password protected by the verifier; therefore, only the verifier can enter information under columns G (Verified By Signature (Verifier name)) and H (Date Verified). See a screenshot of the JV log below.

A screenshot of JV log is shown below.

<div align="center">

IA

JV Log for Financial Reporting & Analysis Division

FY 2015 ***JVs beginning October 1, 2014***

</div>

Log Control #	FBMS Document #	Document Date	Posting Date	Description	Prepared By (Full Name)	Verified By Signature	Date Verified
1	6100107108	9/18/2014	10/30/2014	Clear payroll for debts	Kangan Chopra	Dorothy Ball	12/19/2014
2	6901713563	10/30/2014	10/30/2014	Funds transfer	Kangan Chopra	Dorothy Ball	12/19/2014
3	6901685053	10/31/2014	11/3/2014	To correct a G/L Accounts for funds already pai	Kangan Chopra	Dorothy Ball	12/19/2014
4	6000225871	11/14/2014	11/14/2014	Move 6790 to 2400	Brian Conway	Dorothy Ball	12/19/2014
5	6000239866	9/30/2014	11/14/2014	Correction to the SOD	Phuong Vuong	Dorothy Ball	12/19/2014
6	6000239867	9/30/2014	11/14/2014	Correction to the SOD	Phuong Vuong	Dorothy Ball	12/19/2014
7	6901595994	11/28/2014	11/28/2014	Correcting SOD for November 2014 GSA Rent IP	Kangan Chopra	Dorothy Ball	12/19/2014
7	6901595995	11/28/2014	11/28/2014	Correcting SOD for November 2014 GSA Rent IP	Kangan Chopra	Dorothy Ball	12/19/2014
7	6901595996	11/28/2014	11/28/2014	Correcting SOD for November 2014 GSA Rent IP	Kangan Chopra	Dorothy Ball	12/19/2014

▶ ▶ꞁ   JV Log for FRA JVs   JV Log for Non-FRA Document   JV Log for Reversal Documents   Sheet1   ▮◀

The verifier ensures that the EMIS report showing the documents posted by the 5 senior GL accountants are logged in one of the 3 tabs.

In addition, the Parked By and the Created By data fields are pulled in from the EMIS report and a review is done to ensure ALL JVs, including those posted by the regions/field are different users. If there's a discrepancy on a regions/field JV, the verifier reaches out to the user to ensure proper documentation is scanned and attached in FBMS and at least two signatures are present on the JV cover sheet.

C. Key Differences between the JV documents Initiated at the IA Central Office and at the Regions/Field

The regional accounting officers are provided with this process document to ensure the same internal controls are in place for the transfer JV documents processed at their locations. However, the OCFO will not perform the verifier process for JVs initiated or completed by the regions. This is due to the fact that the field staff is only able to process "Transfers" documents in FBMS. As stated in 1.7.C. JV Processing Roles, the regional accounting officers and their staff are only granted access to one of two GL roles: The GL_FOA role and the GL_FOAP role. Users with these two roles are **only limited to processing document types, VA, VB, and VC.** From the overall financial statement perspective for IA, the risk is minimal with respect to these documents causing material misstatement at the financial statement line level. There's no net effect on the Balance Sheet as the Fund Balance with Treasury is always a wash. The net effect on the Statement of Net Cost is also zero.

At the regions/field offices, in most cases, there is not enough staff at each location to park/post/verify JVs independently. This is one of the reasons the FRA staff gets requests to process the regions/field offices' JVs.

The review performed by the Verifier role at Central Office is manual intensive. As noted earlier, the review is only applicable to the documents listed on the 1st tab of the JV log, i.e., those initiated by the FRA staff. The review mainly serves as the mitigating control that there's a separation of duties when JV documents are posted in FBMS.

Although the verifier review is not performed by OCFO for those JV documents that are initiated by the regions/field, IA is adding a step in its review process to ensure that ALL JVs posted in FBMS (including those initiated by the regions/field) have at least a level of separation of duties. IA accomplishes this by reviewing the EMIS report referenced above which contains the "Parked By" and the "Created By" data fields and ensures that they are different users. If there's a discrepancy on a regions/field JV, the verifier reaches out to the user to ensure proper documentation is scanned and attached in FBMS, and at least two signatures are present on the JV cover sheet.

If you have questions about this policy and the procedures herein, please contact the Chief of the FRA Division, within the IA OCFO's office.

Approval

_____   4·14·2015

Thomas D. Thompson   Date
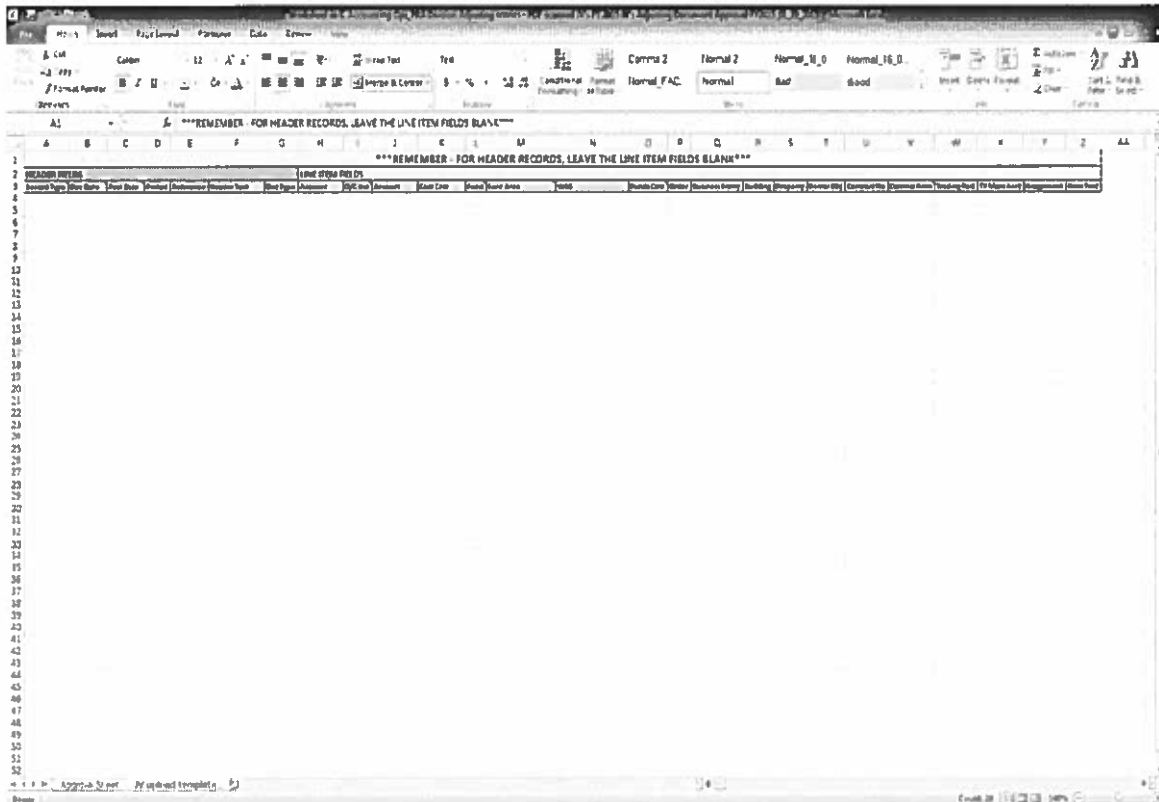
Deputy Assistant Secretary – Indian Affairs (Management)

Attachment 1
Excel JV Upload Spreadsheet

1. Header data encompass columns A-G and Line Item Data encompass columns H-Z. If the spreadsheet creates multiple JV documents, populate header fields on the first row of each separate JV document to be created.

2. If column W is a governmental trading partner (i.e. 3 digit numeric), then a 4 digit numeric Trading Partner Main Account is a required field for column X.

3. If using Doc Type SB on the same upload file for multiple entries a separate header is required for each Debit/Credit pair.

4. Save the file to a CSV (Comma delimited) file type before loading to FBMS.