Prepare a Pre-Encumbrance Journal

In this example, we will prepare a Pre-Encumbrance to indicate commitments for our graduate student researchers' salary.

1. Your BFS (Berkeley Financial System) Home page might look different, depending upon your user access.
   - Click the General Ledger link.

2. The General Ledger page opens.
   - Click the Journal Entry link.

3. Click the Create/Update Journal Entries link.

4. The Find an Existing Value page opens. We want to create a new Financial Journal.
   - Click the Add a New Value tab.

5. We are on the Add New Value Tab.

   - Notice the Business Unit defaults to 10000 (Berkeley) and is associated with the BFS User ID and access.
   - Journal Date defaults to the current date but can be changed to any date within an open accounting period. The journal date determines the accounting period to which the journal posts.

6. You can accept the Journal ID default value “NEXT,” and BFS will assign a unique number to your journal.

   - However, we recommend that you name your journal something meaningful to you. Your Journal ID should begin with your 2-character department prefix, found typically at the Level 4 of the Master Org Tree. In this way, all of your department journals will be grouped together. See, "Find a Financial Journal" for an example.

   - The Journal ID must also be unique in combination with the Journal Date. A Journal ID can be used repeatedly, as long as it is used with a different Journal Date. Do not use the same Journal ID and Journal Date with different Business Units.
7. In this example, we will change the **Journal ID**. Tab to the Journal ID field.

Press **[Tab]**.

8. The word, "**NEXT**" is highlighted.

Press **[Delete]**.

9. The Journal ID is **FPPayrl011**. **FP** (Our department) **Payrl** (Payroll) **011** (Fiscal Year 2011).

Enter the desired information into the **Journal ID**: field. Enter a valid value e.g. "**FPPayrl011**".

10. We will leave the default date.

Click the **Add** button.

11. We wish to see more of the page.

Click the **Collapse (Ctrl+Y) Menu** button.

12. The **Header Page** appears.

Department users generally do **not need** to change most default fields on the **Journal Header** page. Mandatory fields are designated with the * before the field.

The **Adjusting Entry** field is for General Accounting's use in the preparation for fiscal close. The **SJE Type** is **not** used at UCB. **Transaction Code** defaults to General, and is left at the default.

13. In this example, we are creating a Pre-Encumbrance financial journal and will change the journal type, thus modifying the journal logic.

This will be a one line journal (there are no debits **AND** credits) and journal does **not** require approval.

Click the **Commitment Control** link.

14. The **Commitment Control** page opens.

**Important:**

Departments should **only use** **Actuals and Recognized** (default, routine financial journals) and the **Pre-Encumbrance** options.

The options below the box should **not** be used.
15. Click the **Pre-Encumbrance** option.

16. Click the **OK** button.

17. The **Journal Header Description** should include sufficient explanation so that someone can understand your action even years later. Only the first 254 character you enter will print on the journal.

   Click in the **Long Description** field.

18. Enter the desired information into the **Long Description** field. Enter a valid value e.g. "Payroll liens for FY 2011 - Jay Smith (011236549)".

19. Notice, the **Long Description** indicates the reason this Financial Journal is being created.

   Make sure that you document completely, referencing the employee number, as in this example.

   Although this text does not appear on the BAIRS report, it does appear on the printed journal.

20. The **Ledger Group** default is **Actuals**. Do **not** change this default.

   The **Ledger** field is **not** mandatory and should be left blank.

   The **Source** field is mandatory and has a default (the department that is associated with the User ID) and indicates where the journal is coming from, which department is preparing and approving this journal.

   In this example, we will leave the **Source** default.

21. **Journal Class** provides a way to categorize why this particular journal is being created.

   Best Practice is to document the purpose of the financial journal (**Journal Class**) in order to better understand business practice trends and to document the compliance of Federal government requirements that certain expense transfers should take place within 120 days of the actual expense.

22. Click the **Look up Journal Class (Alt+5)** button.

23. The **Look Up Journal Class** page opens.

   Click the **All other Journal Entries** link.
24. Notice the **Journal Class** has been filled in with Other designation, **OTHER**.

If you believe you will need to save the journal before doing an Edit Check, due to the journal complexity or incomplete data at the time the journal is started, you may check the **Save Journal Incomplete Status** box and this will save your journal in an Incomplete Status.

25. In this example, we have completed the **Header** page.

Click the **Lines** tab.

26. The **Lines Page** appears. The **Lines** page has two sections: **Lines** and **Totals**.

The **Lines** section contains the debit and credit lines of the financial journal.

The **Totals** section contains the information related to the totals of the line information.

27. Notice the **Business Unit** has defaulted to **10000** (Berkeley).

Best Practice is to use the **Speedtype** in order to make sure the chartstring is correct. In this example, we will explore the various chartfields separately. Tab to **Account** field.

Press [Tab].

28. Enter the desired information into the **Account** field. Enter a valid value e.g. "50020".

29. Tab to the **Fund** field.

Press [Tab].

30. Enter the desired information into the **Fund** field. Enter a valid value e.g. "46054".

31. Tab to the **Dept** field.

Press [Tab].

32. Enter the desired information into the **Dept** field. Enter a valid value e.g. "13061".

33. Tab to the **Program** field.

Press [Tab].
34. Enter the desired information into the **Program** field. Enter a valid value e.g. "44".

35. Tab to the **Amount** field. Press [Tab].

36. The amount represents the expense (debit) of this employee's salary for the coming year. Enter the desired information into the **Amount** field. Enter a valid value e.g. "33000".

37. The **Open Item Key** field is primarily used by central campus staff in General Accounting and Disbursements. Leave **Open Item Key** blank.

38. Tab to the **Reference** field. Press [Tab].

39. Enter a unique identifier for each Pre-Encumbrance lien in the **Reference** field. The **BAIRS Pre-Encumbrance Report** will summarize Pre-Encumbrance journals by the chartstring and the Reference field. In this way, you'll be able to get a Pre-Encumbrance balance for each unique identifier. For Payroll Pre-Encumbrances, such as in this example, it is recommended to use the **employee's ID** number in the Reference.

40. Enter the **employee's ID** number. Enter the desired information into the **Reference** field. Enter a valid value e.g. "011236549".

41. Tab to the **Journal Line Description**. Press [Tab].

42. The **Journal Line Description** should contain information about why the journal is being done. It is recommended to begin with the name or abbreviation of the vendor followed by pertinent information. Remember, this field can only display 30 characters.

43. Enter the desired information into the **Journal Line Description** field. Enter a valid value e.g. "Jay Smith July-June pay".
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>44.</td>
<td>The financial journal appears to be correct. We will edit our work. The default for <strong>Process</strong> is <strong>Edit Journal</strong>.</td>
</tr>
<tr>
<td></td>
<td>Click the <strong>Process</strong> button.</td>
</tr>
<tr>
<td>45.</td>
<td>For Pre-Encumbrance journal, when you <strong>Edit Journal</strong>, the system verifies:</td>
</tr>
<tr>
<td></td>
<td>• Required Fields are filled in</td>
</tr>
<tr>
<td></td>
<td>• Chartstring values are valid</td>
</tr>
<tr>
<td></td>
<td>• The journal is saved.</td>
</tr>
<tr>
<td>46.</td>
<td>Click the <strong>OK</strong> button.</td>
</tr>
<tr>
<td>47.</td>
<td>If the Edit Check is successful, the <strong>Journal Status</strong> will indicate &quot;V&quot; (Valid) and a message will indicate the journal has been saved.</td>
</tr>
<tr>
<td></td>
<td>If the Journal Status is &quot;E&quot; (Errors) see &quot;Resolve Errors in Your Financial Journal&quot;.</td>
</tr>
<tr>
<td>48.</td>
<td><strong>Reminder:</strong></td>
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<tr>
<td></td>
<td>In this example, Pre-Encumbrance is used to reflect payroll commitments. These commitments change each month as <strong>actual</strong> payroll is reflected in the ledger, and you will need to adjust the Pre-Encumbrance manually.</td>
</tr>
<tr>
<td></td>
<td>For example, the journal is created in July for the 11 remaining months of payroll for the fiscal year. In addition, there needs to be an adjusting journal (credits) each month to reduce the Pre-Encumbrance by the amount of the <strong>actual</strong> pay. See, &quot;Adjust Pre-Encumbrance&quot;.</td>
</tr>
<tr>
<td>49.</td>
<td>Congratulations. You have created a Pre-Encumbrance journal.</td>
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<tr>
<td></td>
<td><strong>End of Procedure.</strong></td>
</tr>
</tbody>
</table>