



Volume No. 1—Policies & Procedures	TOPIC NO. 20410 - Cardinal
Section No. 20400—Inter- and Intra-Agency Transactions	TOPIC INTRA-AGENCY TRANSACTIONS
	DATE September 2014

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Overview


Introduction All accounting transactions must be recorded with sufficient information so that they can be identified in the applicable general ledger accounts for meaningful fund reporting.

The General Ledger Journal provides a means for transferring data or correcting entries previously posted in Cardinal. This is used for **internal** agency transactions within the automated system. General Ledger Journals can also be used in certain circumstances for accounting transactions affecting other unrelated (non-controlled) State Agencies. These transactions are referred to as **Agency to Agency Transactions (ATA)** and must be loaded and posted in the system by DOA’s General Accounting Unit. See CAPP - Cardinal Topic No. 20405 *Inter-Agency Transactions* for more information on this process.

Use the General Ledger Journal to:

- distribute,
- adjust, and/or
- correct revenue and expenditure type transactions

already processed in Cardinal. All transactions input on a General Ledger Journal for *internal* agency processing must be for the same submitting agency or an agency under the submitting agency’s control.

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Policy

Requirement for Cash Account

A transaction(s) decreasing cash must be submitted on the same General Ledger Journal with transaction(s) increasing cash by the same total dollar amount. This requirement for offsetting transactions on every General Ledger Journal is necessary to ensure the net effect on the cash account (101010) is zero in all cases. Similarly, journal entries must balance debits and credits by Fund. Cardinal will balance a journal by fund when the edit process is run if the balancing cash lines are not entered.

Note: During the interim before CARS is decommissioned, agencies will be able to enter one-sided cash journals in Cardinal. These journals **MUST** be marked **“Do Not Send to CARS”**. Agencies will use this method to enter transactions to Cardinal that occurred in CARS initially such as DOA Journal Entries, DGS parking transactions, etc.

A transfer or correcting entry should not be submitted until the original transaction has been reflected on an agency's Cardinal trial balance report.

Accumulating General Ledger Journals

Each agency should establish a routine schedule for accumulating and processing General Ledger Journals during the month. Agencies are urged to review Cardinal reports and process corrections promptly. When two months are open, it is imperative that attention is paid to the General Ledger Journal Header Date as this controls the accounting period to which the journal is recorded.

Submission Deadline

General Ledger Journals must be processed by the Month-end Close date established by DOA.

Note: Until CARS is decommissioned, General Ledger Journals that need to interface to CARS must be completed (approved and posted) in Cardinal the day before the close date. On the day of close, only General Ledger Journals marked as “Do Not Send to CARS” may be processed.

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Policy, Continued

Coding Structure Requirements

The minimum coding structure for General Ledger Journal transactions is the same as the minimum requirements for the corresponding revenue or expenditure type transaction that is being distributed, adjusted, or corrected. Refer to CAPP – Cardinal Topic No. 20205, *Deposits* and CAPP - Cardinal Topic No. 20310, *Expenditures*.

In Cardinal, if a required chartfield is not entered into the system, the transaction will fail combination edit and the error message will notify the user what additional chartfield is necessary.

Journal Entry Form


The Journal Entry Form serves two primary purposes:

1. To serve as the internal input document to Cardinal for all General Ledger Journals; and
2. To provide auditable records for General Ledger Journals.

The Journal Entry Form should include documentation of required coding elements as well as be labeled with the Cardinal generated Journal ID in order to easily tie the source documentation to the system. See subtopic “Coding Structure Requirements” for more information on required Cardinal coding elements.

The form should be filed along with copies of the supporting documentation for the entry. See subtopic entitled “Record Retention” for more information regarding retention requirements.

While the use of the **Journal Entry Form** on the Cardinal website indicates adherence to Statewide requirements, its use is optional and substitute forms and procedures by individual agencies are allowed as long as sufficient documentation is maintained.

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Internal Control

Internal Control The approving officer should review supporting documentation to ensure the General Ledger Journal contains proper coding for the adjustment. The General Ledger Journal must be approved by an authorized individual in the agency.

Records Retention


Record Retention Retain for 5 years or until audited. See CAPP – Cardinal Topic No. 21005, *Records & Retention*.

Contacts

DOA Contact Director, General Accounting
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Subject Cross References

References CAPP – Cardinal Topic No. 20205, *Deposits*
CAPP – Cardinal Topic No. 20310, *Expenditures*
CAPP – Cardinal Topic No. 60102, *Agency Codes, Business Unit and FIPS Codes*
CAPP – Cardinal Topic No. 60103, *Department*
CAPP – Cardinal Topic No. 60104, *Funds*
CAPP – Cardinal Topic No. 60105, *Program*
CAPP – Cardinal Topic No. 60106, *Account*
Refer to suggested job aids and training information for data entry and processing on the Cardinal website: <http://www.cardinalproject.virginia.gov/>

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Suggested Forms and Job Aids

**Suggested
Forms and Job
Aids**

The following form can be found on the Cardinal Website, under Statewide Toolbox – Forms:

Journal Entry

The following training aid can be found on the Cardinal Website, under Statewide Toolbox – Job Aids:

SW GL332 Uploading Spreadsheet Journals

The following simulation can be found on the Cardinal Website, under Statewide Toolbox – Training Materials:

Processing Journal Entries

Please note: The Cardinal job aids, training materials and forms on the Cardinal website are not policy of the Department of Accounts and are not part of the Commonwealth Accounting Policies and Procedures Manual (CAPP).
