Account Reconciliation Guide

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The Johns Hopkins University

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Account Reconciliation User's Guide, Version 2, First Edition

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Section I

Introduction and Overview

Preface

December 1, 2012

Dear Colleagues,

As we enter our fifth year since conversion to SAP, we felt it necessary to update the Account Reconciliation Guide as our knowledge base has expanded and some of our processes have changed with system upgrades and process improvements to SAP.

The objective of the monthly transaction review has not changed. Our goal remains to assure that expenditures are:

- ❑ Correctly charged
- ❑ Allowable for the cost object being charged in accordance with regulations and policies
- ❑ Allocable to the cost object being charged
- ❑ Appropriately approved and documented
- ❑ Recorded in a consistent manner in accordance with the JH Cost Disclosure Statement

While the objectives of reconciliation remain the same, we hope that the tasks involved have become easier and more efficient with our increased experience. It is hoped that the creation of additional tools, such as e-mailed Sponsored and Non-Sponsored monthly statements, Sponsored Dashboards, and better use of Oculus to store grant documents for easy reference by department users, has aided even further.

There are now a variety of classes offered ranging from the general BW Navigation and Account Reconciliation, to more in-depth classes focused on particular processes in SAP. One initiative currently underway, that will make a positive impact from both the Principal Investigator's perspective and the Department Administrators' perspective is the PI Partners Reporting Tool which went live on November 15th, 2012.

The revised version of this Guide reflects updates to the SAP environment, and does not change the principles of month account review.

Sincerely,

Greg Oler
Controller
The Johns Hopkins University

Frank Bossle
Executive Director
Office of Hopkins Internal Audits

Acknowledgements

Compiling information about business processes and procedures from throughout the University is a tremendous undertaking. It would not have been possible without the expertise and guidance from Johns Hopkins personnel from within the Divisional Business Offices, Departments, Central Administration, Shared Services, Legal Department and Internal Audits.

This Guide was prepared with input from many people, with general guidance and feedback being provided by a representative group of department administrators, and the chapters being written by a core group of interested individuals.

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Chapter 1: Introduction

Overview - Chart of Accounts

The SAP system consists of several modules, each of which is based on a different type of accounting. For example, the FI ledger is a full accrual GAAP accounting ledger with the primary purpose of generation of year-end financial statements, while the FM ledger is budgetary accounting. The CO module is full accrual GAAP accounting for revenue and expense only. Each of these modules uses different terms to represent what, in essence, is the same thing. So, for example, what is a *G/L account* in the FI ledger, is a ***commitment item*** in the FM ledger, and a *cost element* in the CO ledger.

Because the purpose of this manual is to provide users with the information they need to reconcile their accounts, we will not focus on explaining how postings occur in the various modules. We will present the information in an easy to understand format without extensive detail regarding how transactions post to different modules. For university reporting, we can focus almost exclusively on two ledgers; FM for non-sponsored activity and GM for sponsored activity.

The table below provides an overview of SAP terms used to represent cost collectors. Readers should have a basic understanding of these terms before proceeding.

Cost Object	General Ledger Chart of Accounts
SAP Name	**SAP Name**
❑ sponsored program	❑ commitment item
❑ funded program	❑ cost element
❑ internal order	❑ g/l account
❑ fund center	
❑ cost center	
❑ wbs element	

Overview - BW Reports and Posting Conventions

At the outset of the HopkinsOne project, the decision was made to use "true accounting" signs in reports, meaning debits are displayed as positive numbers, while credits display as negatives. Furthermore, deficit balances will display as positives, while surpluses will display as negatives. Some calculated fields exist in BW where true account numbering conventions may differ, so be aware of this possibility.

So in SAP reports, a surplus will be displayed as $(25,000) or $-25,000. This convention also has significance when reviewing transaction detail for your cost objects. When a purchase order is created, or salary is allocated to a cost object, the commitments/encumbrances post to the cost object as positive numbers (debits). When salary, or an invoice, is paid, commitments are cleared by crediting the commitment, and debiting the expense G/L.

The Importance of Reconciliation

What is Reconciliation?

- Reconciliation is a monthly review of expenses being charged to a cost object (cost center or internal order) to ensure that those expenses have been appropriately charged. This includes reviews for compliance with external guidelines, internal policies and procedures, and reviews to ensure that expenses are charged to the correct cost objects. Review of revenue and cash collected should be part of the monthly reconciliation process.
- While review and reconciliation of expenses is typically performed by the Administrative staff in the department, the Principal Investigator is ultimately responsible for the expenditures related to their research. Therefore, in addition to monthly financial reconciliation and review, a documented quarterly review of expenditures on sponsored awards by the Principal Investigator is suggested.

Why Reconciliation is Important

- For sponsored internal orders, reconciliation is important to ensure that expenses charged are in accordance with Federal guidelines, University policies and procedures, and the accompanying terms and conditions related to those grants.
- For non-sponsored cost objects, reconciliation is important to ensure the appropriateness of the charges per the University and donors' guidelines. In addition, reviews need to take place to ensure costs have been charged to the correct general ledger account codes.

Overview of Federal Guidelines

History

To receive federal grant funds, compliance with the applicable uniform administrative requirements, or the agency's interpretation of those requirements, is mandatory. Many of the requirements the University follows are set forth in the Uniform Guidance 2 CFR Part 200 issued by the U.S. Office of Management and Budget. This document provides guidance to the recipients of federal funds.

The goal of compliance is for the University to ensure proper accounting methodology, techniques and policies are adopted and followed. This manual specifies policies and procedures required for reconciliation of university sponsored and non-sponsored cost objects. University policies for these procedures are based upon federal regulations for sponsored research, which are defined in OMB Uniform Guidance 2 CFR Part 200. The Office of Hopkins Internal Audits (OHIA) will review your account reconciliation procedures as they pertain to these regulations. Deviations will result in audit findings.

The legitimacy of an expense charged to a sponsored award can be evaluated on the determination of allowability, allocability and reasonableness. These principles are explained in OMB 2 CFR Part 200 Subpart E - Cost Principles.

JHU follows OMB Uniform Guidance 2 CFR Part 200

OMB Uniform Guidance 2 CFR 200 Subpart E - Cost Principles Allowable Costs

Per OMB Uniform Guidance 2 CFR 200.403, Factors Affecting Allowability of Costs, "The tests of allowability of costs under these principles are:

- they must be reasonable;
- they must be allocable to sponsored agreements under the principles and methods provided herein;
- they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
- and they must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items."

OMB Uniform Guidance 2 CFR 200.405 - Allocable Costs

Per OMB Uniform Guidance 2 CFR 200.405, "A cost is allocable to a particular cost objective (i.e., a specific function, project, sponsored agreement, department, or the like) if the goods or services involved are chargeable or assignable to such

cost objective in accordance with relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a sponsored agreement if:

- it is incurred solely to advance the work under the sponsored agreement;
- it benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods, or
- it is necessary to the overall operation of the institution and, in light of the principles provided in the Uniform Guidance, is deemed to be assignable in part to sponsored projects."

OMB Uniform Guidance 2 CFR 200.404 - Reasonable Costs

Per OMB Uniform Guidance 2 CFR 200.404, "A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are:

- whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement;
- the restraints or requirements imposed by such factors as arm's length bargaining, Federal and State laws and regulations, and sponsored agreement terms and conditions;
- whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government, and the public at large; and,
- the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements."

OMB Uniform Guidance 2 CFR 200 Subpart B - Post Award Requirements

OMB Uniform Guidance 2 CFR 200 Subpart B "Post Federal Award Requirements Standards for Financial and Program Management" prescribes standards for achieving consistency and uniformity in the administration of federal grants to non-federal entities. OMB Uniform Guidance 2 CFR 200 Subpart B addresses standards of documentation.

Uniform Guidance 2 CFR 200.302(b) requires "Recipients' financial management systems shall provide for the following: (3) ...expenditures, income and interest and be supported by source documentation."

Uniform Guidance 2 CFR 200.333 states "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency. Copies of original records may be substituted for the original records if authorized by the Federal awarding agency."

Note that while JHU follows Uniform Guidance 2 CFR 200, our policy for records retention extends beyond the three years stated in 200.333, to a period of seven years from the date of submission of the final expenditure report

OMB Uniform Guidance 2 CFR 200 Subpart F - Single Audit Requirements

Uniform Guidance 2 CFR 200 Subpart F implements the Single Audit Act. Non-profit recipients of federal funding in excess of $750,000 are required to have an independent audit performed annually. Financial statements, the system of internal controls, financial records and expenditures are among the documents and processes examined during the Single Audit.

A random sampling of sponsored projects are selected by the auditors for review during our Single Audit. The auditors then review expenses and policies and procedures to ensure they meet the criteria of allowability, allocablity, reasonableness and consistently treated.We must meet the criteria on many levels:

- Compliance with OMB Uniform Guidance 2 CFR 200
- Meet the Sponsor's Requirements from the Notice of Award
- Compliance with established Internal Controls
- Follow Generally Accepted Accounting Principles (GAAP)

Chapter 2: Reconciliation Guidelines & Records Retention

Account Reconciliation Overview

Reconciliation or verification of financial transactions is a key element of JHU's internal controls and is fundamental to sound business practices. A verification of all charges against a cost object, accompanied by any necessary corrections, ensures the accuracy of transactions.

The guidelines below represent *minimum expectations for reconciliation*, and are the guidelines Internal Audits will use when conducting audits of University departments. Divisions and departments are free to implement more rigorous procedures as desired.

In addition to the procedures outlined below, Internal Audits will review other information in order to evaluate the effectiveness of the monthly account management process.

Responsibility

Fiscal management rests with the department chairs, organizational managers, or principal investigators, but may be delegated to administrative staff. However, oversight of such delegated fiscal responsibilities remains with the department chairs, organizational managers or PI's and is confirmed by reviewing and verifying the monthly expenditure reports.

Administrative Review

- Department administrators or their designee(s) are expected to reconcile sponsored and non-sponsored accounts on a monthly basis. Prompt reconciliation increases your ability to identify errors and make timely corrections within 90 days without a late reason explanation.
- Administrators or budget analysts are expected to review/reconcile control salary accounts *at least once per month*, although our recommendation is that departments review control salary cost objects *after each semi-monthly pay.* Review should include assessment of both actuals and commitments.

Additionally, the Overpayment Report, the Procurement Card (P-card) default account, and the Deficit Cash Balance Report for Grants in BW should be reviewed by Department Administrators on a monthly basis.

- When the monthly reviews are complete, the reviewer should *signoff on the review* process, and date it. Suggestions for documenting the review process are provided in the next section.

Principal Investigator Review

- Principal Investigators are expected to review activity on their accounts after the monthly reconciliation is completed. A documented quarterly review by the Principal Investigator is suggested.

Documenting the Review Process

Since the decision on how to best manage work activities within departments is made by each Division, documentation of the review process is not standardized. As monthly reconciliation is completed, the reviewer should certify completion with a signature and date. The method of documentation can vary, but must include:

- ❑ Listing of cost objects reviewed
- ❑ Transaction types (in situations where the review is not done by the same person)
- ❑ Month being reviewed
- ❑ Corrective actions taken
- ❑ Date completed

As a best practice approach, the following steps are suggested:

- ❑ Gather materials, include prior month's expenditure reports with notations for corrections, etc. Print the pertinent BW reports or monthly emailed statements.
- ❑ Review monthly expenses and match to backup documentation. After review of postings, check off each line item and attach the necessary receipts and original documentation that relates to that month.
- ❑ Research discrepancies and missing documentation.
- ❑ Sign the expenditure report, date and file for review with the Principal Investigator. It is not necessary to include copies of documents that will reside in SAP. In conjunction with monthly reconciliation, recognizing document retention requirements is important.

Records Retention

Financial records (electronic and paper), supporting documents, statistical records, and all other records pertinent to a sponsored award (or tax return) shall be retained for a period of seven years from the date of submission of the final Financial Status Report (FSR). Financial reports, patent reports, technical reports and equipment reports are examples of other types of deliverables.

Departments need to be aware of any specific language in a contract that dictates the length of the record retention. If any litigation, claim, or audit is started before the expiration of the seven year period, the records shall be retained until all litigation, claims, or external audit findings involving the records have been resolved and final action taken.

Records for real property and equipment acquired with federal funds shall be retained by the Controller's Office for seven years after final disposition of such property and equipment. The Office of Finance will work with Research Administration offices to determine when final disposition occurred.

Correspondence and other documentation generated either internally between departments and the divisional research administration offices or externally between the awarding organizations and the University should be retained as part of the grant and contract files in compliance with these retention requirements. This includes documentation supporting journal vouchers, cost transfers, Effort reports, grant and contract awards and modifications to these awards.

While the university must retain sponsored documents for a period of seven years from the closeout of the award in order to remain compliant unless otherwise stipulated (above), non-sponsored financial records (electronic and paper), supporting documents, statistical records and all other pertinent records must also be retained for a period of seven years from the date of the fiscal year end. For example, FY08 records could be disposed of beginning in FY15.

Financial records may be maintained electronically. If supporting a federal contract, documents may be scanned, but the original must be maintained for a period of one year after scanning. In all other cases, the original documents can be discarded once scanned.

For transactions in which documentation is scanned into SAP as part of workflow (travel, online payments, etc.) the documentation can be discarded once the electronic documentation has been verified in SAP. For documentation not in SAP, departments may maintain those in hardcopy or electronically. If scanned, the original documentation can be discarded once scanned. In addition, the electronic versions should be maintained on a server that is actively backed-up for recovery purposes, as opposed to someone's hard drive.

Records Retained by the Office of Finance

Documents maintained by the Office of Finance include:

- ❑ Expenditure statements
- ❑ Validated deposit documents
- ❑ Journal vouchers
- ❑ Cost transfers, payroll and non-payroll
- ❑ Supporting documents for disbursements
- ❑ Effort reports
- ❑ Financial reports and invoices sent to Sponsors
- ❑ Scanned copies of documents that reside in SAP:
  - ◆ Online payment requests for non-purchase order payments
  - ◆ Recurring Payments

Documentation on Service Center charges is maintained by the office that originates the charges. The Office of Finance does not retain documentation on Procurement Card charges.

Records Retained Centrally

The Office of Finance's Document Management System maintains records that include:

- ❑ All award documents
- ❑ All award modifications
- ❑ Prior approval documentation

COEUS and MyRAP contain proposal and negotiation records as backup.

Records Retained by Departments

Departments must retain:

- ❑ Original proposals and budgets
- ❑ Copies of technical reports submitted to the sponsor
- ❑ Evidence of monthly review of expenditures on all accounts
- ❑ Original documentation (packing slips & receipts) supporting all Procurement Card and American Express Executive Card expenditures
- ❑ Evidence of goods receipt (packing slips/receipts) for all non-Procurement Card expenses

- ❑ Original documentation for travel expenses
- ❑ Original documentation for Service Center requests/charges

Departments are responsible for retaining original documentation. Original receipts and other documents can be maintained electronically. If supporting a federal contract, documents may be scanned, but the original(s) must be maintained for a period of one year after scanning. In all other cases, the original documents can be discarded once the transaction has been processed.

Again, for transactions in which documentation is scanned into SAP as part of workflow (travel, online payments, etc.) the documentation can be discarded once the electronic documentation has been verified in SAP. For documentation not in SAP, departments may maintain those in hardcopy or electronically. If scanned, the original documentation can be discarded once scanned. In addition, the electronic versions should be maintained on a server that is actively backed-up for recovery purposes, as opposed to someone's hard drive.

Risk Based Account Reconciliation

With the implementation of SAP in FY 2007, the university moved toward a more risk-based review process, which allows users to focus attention on higher-risk transactions. It is expected that departments review accounts being mindful of the type of transaction, the workflow associated with the transaction, including a review of both initiator and approver, what their relationship to the grant is, and being comfortable that the transaction is allowable.

Electronic Reconciliation

Departments are also encouraged to perform electronic reconciliation. Information to support the monthly reconciliation should be stored in the same folder or server, which is backed up on a regular basis. Evidence of the individual performing the reconciliation and the date completed can also be recorded in an electronic format.

Section II

Procurement and Expense Reimbursements

Chapter 3: Supply Chain and Related Processes

This chapter covers Shopping Carts, Purchase Orders and Invoices. In this chapter you will learn:

- How to reconcile supply chain purchases from shopping cart creation through invoice receipt.
- How to distinguish between valuated and non-valuated purchase orders.
- How purchase order document types and dollar amounts control whether expenses post at the time of goods receipt or invoice receipt.
- Which BW reports and ECC transaction codes are most helpful in reconciling purchase orders.

Business Overview

The most commonly used method to purchase goods and services from vendors outside of Johns Hopkins is by creating a purchase order. Before conversion to SAP, eProcurement and REQN were used to do this. Now this task is handled through the SAP web portal using the "Go Shopping" transaction, also known as SRM. Previously, a requisitioner would create an order that would be routed directly to a buyer in Purchasing, unless the order was for over $2,500. Orders over that threshold required a departmental approval before being routed to Purchasing for approval and completion.

Like many of the other transactions in SAP, a system of checks and balances known as workflow has been designed to increase the control of valid expenses on University accounts. Workflow for SRM shopping carts has been designed to flow to an administrative approver of the cost center that the requisitioner is charging. For example, if a shopping cart is created to charge multiple cost centers, the administrative approver for each cost center will have to approve the line item charging their cost center. This way, any order placed must first be approved by an administrative approver for that particular cost center before the purchase order can be created.

It should be noted that all shopping carts, excluding LVPO's (Low Value Purchase Orders) less than $2,500 in value, are approved at the division or center level, while PO transactions with an aggregate value of $5,000 or more are routed to the Supply Chain Shared Service Center (SCSSC) for final approval. As noted, LVPO's require no approval and the good or service is also ordered by the original requisitioner.

The purpose of workflow within this transaction, and all SAP transactions, is to validate expenses before they are even incurred. For example, if an administrative approver checks shopping carts for allowability and allocability on the front-end, it decreases the possibility of erroneous charges significantly. Rather than just approving a shopping cart because it is created within your department, the requisitioner, cost assignment, vendor and item information should also be reviewed. Reviewing this information will allow the approver to verify that the requisitioner should be charging this cost object and that the vendor and items from this vendor are allowable for the cost object being charged. The completion of the shopping cart, combined with a review of the previously mentioned key fields during approval, make up the first step of the three (or two) way match.

Key Points of the Supply Chain Process

Purchase Order Categories

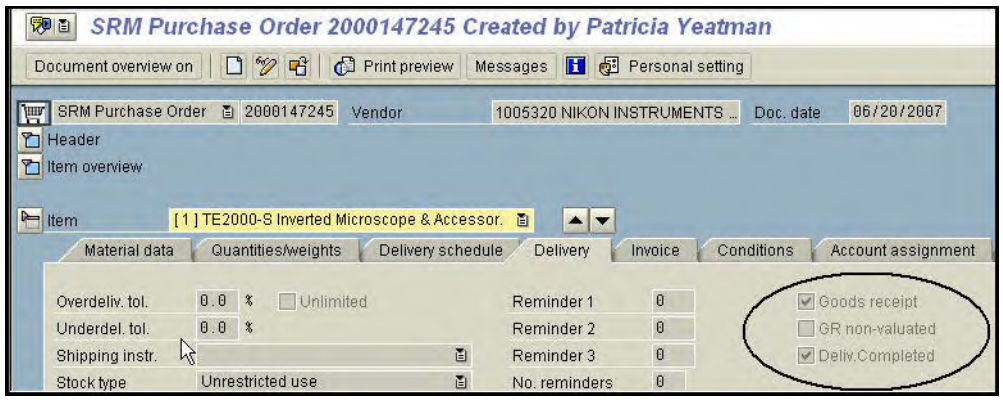
There are 2 categories of purchase orders, each considered an FI posting classification. Users should be familiar with the two categories, because the manner in which expenses post to your cost objects varies based on the category. These categories are:

- Valuated
- Non-Valuated

Valuated Purchase Orders

Valuating purchase orders *require a goods receipt*, and *expenses post upon goods receipt in the amount of the goods receipt*. When the expense posts, a ten digit FI document number beginning with 50 is assigned, which will display on your reports.

This type of purchase order can be identified using the ME23N transaction in ECC. As shown in Display 3-1, the *Delivery* tab contains the information needed to determine the PO category. If the Goods Receipt box is checked and the GR non-valuated box is not checked, it is a valuated PO and expenses will post when the goods receipt is completed.



Display 3-1. *Valuated Purchase Order*

Users should be aware of the following key points related to valuated purchase orders.

- Goods receipt is required. The *goods receipt posts the expense* and relieves the commitment.
- If an invoice is received before goods receipt, the invoice is blocked and nothing posts to the cost object until goods receipt is completed.
- Because expense is recognized at the time of goods receipt, if an invoice is paid without referencing the purchase order, for example, through an online payment request, your cost object will be charged twice, once upon goods receipt and once upon invoice payment. (See Chapter 5 Non-Purchase Order Payments).
- Valuated purchase orders can only have one account assignment per line item. If there are multiple account assignments per line item, SAP automatically designates the PO line item as GR Non-Valuated.

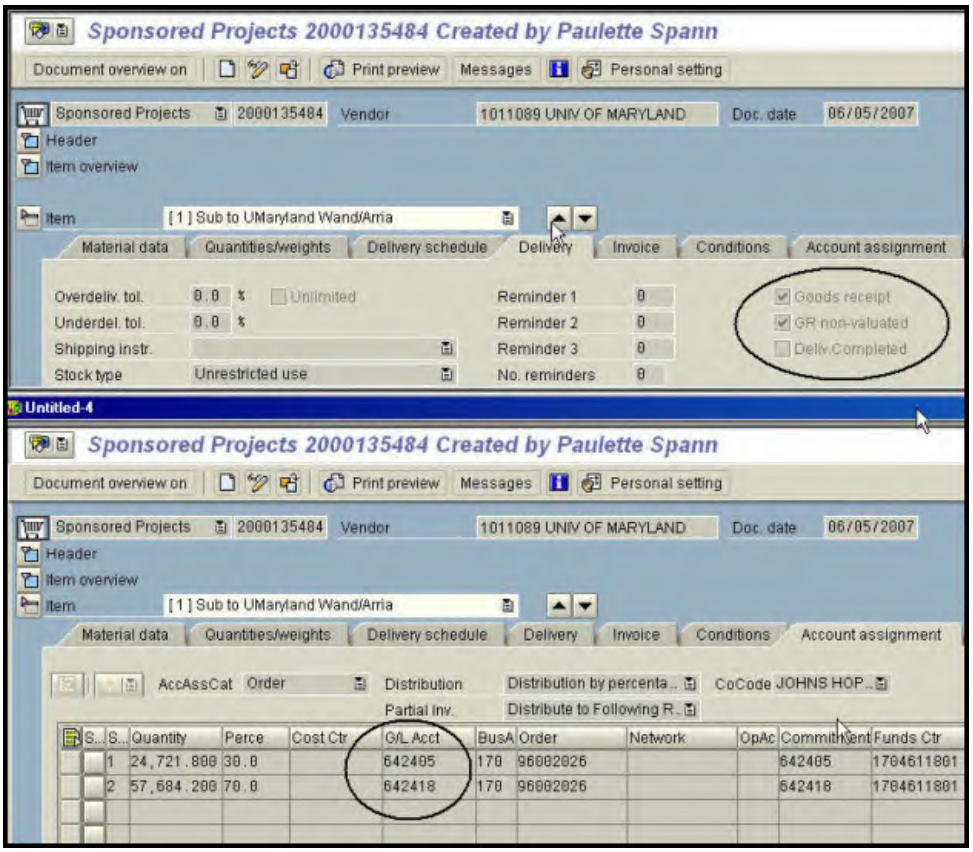
Non-Valuated Purchase Orders

Non-valuated line items in POs are used when there are multiple cost assignments (a split cost assignment) for one line item. These purchase orders can be identified using the ME23N *Delivery* and *Account Assignment* tabs. In the *Delivery* tab, purchase orders will be specifically marked as non-valuated (see Display 3-2), while in the account assignment tab, the existence of multiple accounts will signal the user that the PO is non-valuated. PO's under the $2,500 threshold are also non-valuated.

Users should be aware of the following key points related to non-valuated purchase orders.

- *Expenses post when the invoice is posted (not necessarily paid).*

- The invoice payment will display on your statements with FI document numbers starting with 51 or 19 (with a reference document number of 51 and predecessor doc of 20)..



Display 3-2. *Non-Valuated Purchase Order*

What determines whether the FI doc number that posts expense for a non-valuated purchase order is a 51 or a 19 document number, is whether the vendor invoice is received electronically. Notice that 19 FI doc postings of purchase order expenses received electronically will look much the same as other SAP automatic uploads, in that the Created By field in BW will show SCAUTO. See Display 3-3 for posting examples.

Non-Valuated PO Expenses

									Grant	110273
										Mechanisms Underlyin
									Grant Shorter Descri	P01HL010342
									Sponsored Program	90046508
										Project 3 Wagner
										19709
									PI for Sponsored Pgm	Wagner , Elizabeth
									Funds Center	1704652701
Sponsored Class	G/L Account	FI Doc:Doc Number	Reference Doc Number	Predecessor Doc	PO Reqnr	Created By	SRM Doc Type	Vendor	Item Text	APR 2012 Revenue and Expense
Supplies & Materials	JHEN/633024	1903780242	5108178182	2001467619	JJENKI26	SCAUTO	ECPO	VWR INTERNATIONAL (EMARKETPLACE)	EPTIP RELOAD 50-1000UL PCR CLN	$ 69.01
									EPTIPS RACK STERILE 2-200UL	$ 154.48
									PIPET TIP 10TRYS 2-200UL CS960	$ 106.26
									RACK EPTIPS ST 50-1000UL CS960	$ 83.78
		1903784225	5108181060	2001470772	JJENKI26	SCAUTO	ECPO	VWR INTERNATIONAL (EMARKETPLACE)	EPTIPS RACK 2-200UL PCR CLN	$ 154.48
									TIPS EP RACK 1000UL PCR PK960	$ 83.37
		1903787986	5108183243	2001470739	JJENKI26	SCAUTO	ECPO	LIFE TECHNOLOGIES CORP (EMARKETPLAC	QPCR - DT- POSCONTFORWARD	$ 7.59
									QPCR-DT-POSCONREVERSE	$ 9.27
									QPCR-DT-TRANSFORWARD	$ 8.85
									QPCR-DT-TRANSREVERSE	$ 7.59
		1903796533	5108189135	2001476043	JJENKI26	SCAUTO	ECPO	OFFICE DEPOT BSD	EVEREADY(R) GOLD AA ALKALINE BATTERIES,	$ 10.71
									KRAZY(R) GLUE, ALL-PURPOSE SINGLE-USE, .	$ 61.55
		1903810124	5108198387	2001478948	JJENKI26	SCAUTO	ECPO	VWR INTERNATIONAL (EMARKETPLACE)	PERFECTA QPCR SMX, UNG, 100R	$ 182.40
		5101373013	5108170513	2001463939	MPERINO1	TCOLEBR1	ECPO	R AND D SYSTEMS INC	RAT CXCL1/CINC-1 QUANTIKINE ELISA KIT	$ 505.00
		5101374258	5108173671	2001460777	JJENKI26	BDINGLE1	ECPO	ELECTRON MICROSCOPY SCIENCES	TISSUE-PREP BUFFERED 10% FORMALIN, 30ML	$ 55.37
		5101376464	5108179424	2001465163	JJENKI26	PMCCAUS1	ECPO	MILTENYI BIOTEC INC	M TUBES (FOR USE IN THE GENTLEMACSTM DIS	$ 260.00
		Result								$ 1,779.71
	Result									$ 1,779.71
Overall Result										$ 1,779.71

When FI Doc is a 19, the vendor has invoiced electronically

***Display 3-3**. BW Detail Report comparing expenses for Non-Valuated Purchase Orders (both 51 and 19 docs)*

Users should note that valuated purchase orders will post expense with an FI Document number of 50 indicating three-way match (PO, IR, GR), regardless of whether the vendor invoices electronically.

Shopping Cart and Purchase Order Postings

Shopping Carts

When a shopping cart is created *and approved*, it is assigned a ten digit reference document number beginning with a 10 and will display on financial statements as a debit in the commitment column. After receiving all the appropriate approvals, the shopping cart then becomes a purchase order and is assigned a new ten digit document number beginning with a 20. The original shopping cart commitment is then credited, netting out the original commitment, and a new commitment for the purchase order is debited to the account in its place.

Purchase Orders

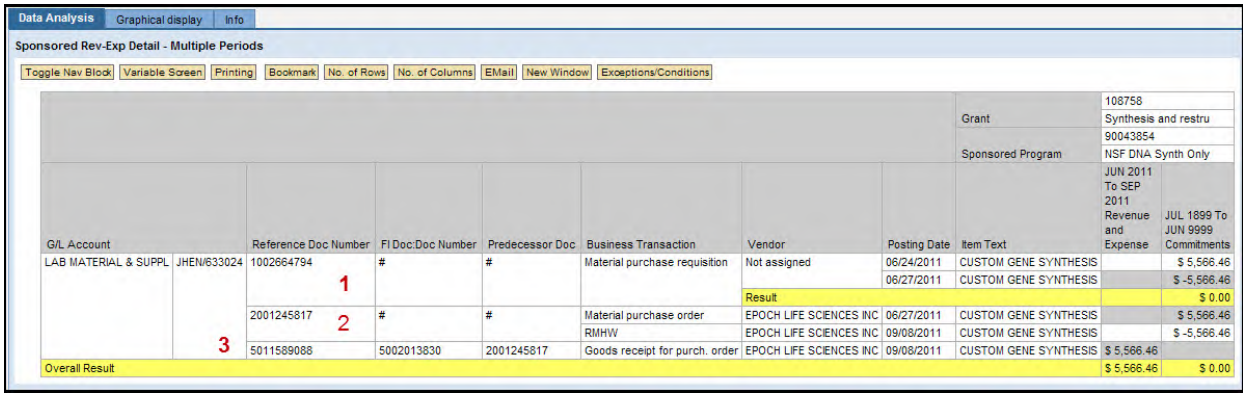
As the purchase order is invoiced and paid, the purchase order commitment is credited and an actual expense is debited to the revenue and expenses column. These expenses are assigned ten digit FI document numbers beginning with 50 (goods receipt posting), 51 (invoice processed) or 19 (electronic invoice processed).

Examples of the postings from shopping cart to purchase order to goods receipt are shown in Display 3-4.

❶ On 06/24/2011, shopping cart 1002664794 was created/approved for a Custom Gene Synthesis and a $5,566.46 commitment was debited to G/L account 633024.

❷ On 06/27/2011, as the shopping cart became a purchase order, 2001245817 was created. The shopping cart commitment was cleared with a $-5,566.46 credit, and a commitment was created for the purchase order.

❸ On 09/08/2011, goods receipt 5011589088 was processed, clearing the purchase order commitment and posting an expense of $5,566.46 to G/L account 633024. Note that because the PO total was over $5,566.46 it required the three-way match, which is why the goods receipt (50 doc) posted the expense.



Data Analysis | Graphical display | Info

Sponsored Rev-Exp Detail - Multiple Periods

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

										Grant	108758
											Synthesis and restru
										Sponsored Program	90043854
											NSF DNA Synth Only
G/L Account		Reference Doc Number	FI Doc:Doc Number	Predecessor Doc	Business Transaction	Vendor	Posting Date	Item Text	JUN 2011 To SEP 2011 Revenue and Expense	JUL 1899 To JUN 9999 Commitments	
LAB MATERIAL & SUPPL	JHEN/633024	1002664794	#	#	Material purchase requisition	Not assigned	06/24/2011	CUSTOM GENE SYNTHESIS		$ 5,566.46	
		1					06/27/2011	CUSTOM GENE SYNTHESIS		$ -5,566.46	
						Result				$ 0.00	
		2001245817	#	#	Material purchase order	EPOCH LIFE SCIENCES INC	06/27/2011	CUSTOM GENE SYNTHESIS		$ 5,566.46	
		2			RMHW	EPOCH LIFE SCIENCES INC	09/08/2011	CUSTOM GENE SYNTHESIS		$ -5,566.46	
	3	5011589088	5002013830	2001245817	Goods receipt for purch. order	EPOCH LIFE SCIENCES INC	09/08/2011	CUSTOM GENE SYNTHESIS	$ 5,566.46		
Overall Result									$ 5,566.46	$ 0.00	

***Display 3-4**. Supply Chain Postings - Shopping Cart to Purchase Order to Goods Receipt*

Goods Receipt/Invoice Receipt- Valuated Purchase Orders

When a good or service is confirmed before Accounts Payable receives the invoice, it is recorded as an expense and is assigned an FI document number beginning with a 50. In the case of valuated purchase orders, if Accounts Payable receives and processes an invoice before the good is confirmed, the invoice blocks for quantity difference, and the shopping cart requisitioner is notified by email that the purchase order requires confirmation in SRM.

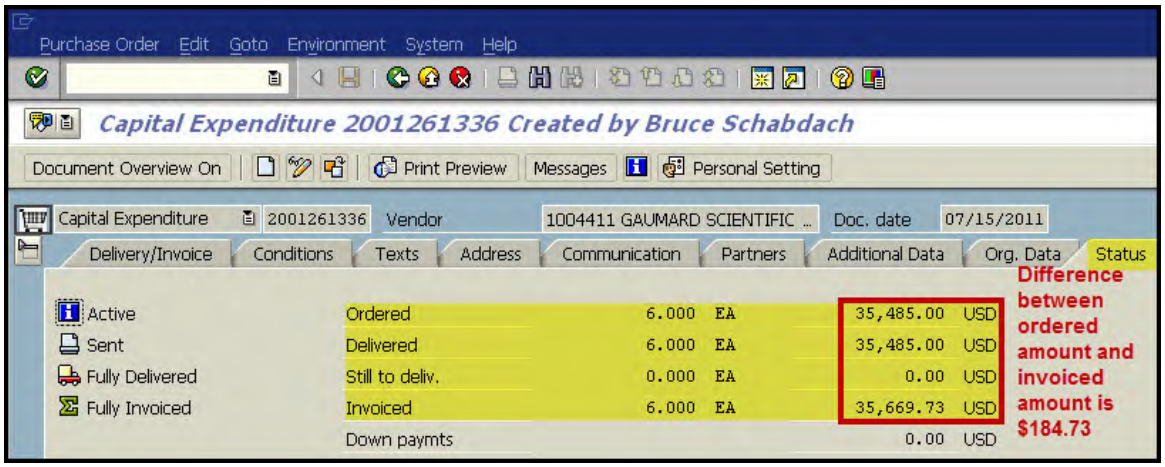
50 docs indicate Goods Receipts, while the 19 docs indicate Invoice Receipts for delivery charges (XIGN vendor)

										Fund	1017000001
										Fund Type	General Operating Fund.
										Funded Program	80000047
										Funds Center	1700100511
										Pers.Resp.Name	NICHOLS DAVID
											170
										Business Area	SCHOOL OF MEDICINE
											AUG 2011 Revenues Expenditures
Commitment Item		Commitment Item	Doc Nbr	Predecessor Doc	Long Desc	Vendor	Posting Date	$			
631002	NONCAPITAL EQUIPMENT	Invoice	1903285753	2001261336	12" TOUCH SCREEN MOBILE PED MONITOR	GAUMARD SCIENTIFIC CO INC	08/19/2011	16.37			
					A/C POWERED 17" TOUCH SCREEN MONITOR AND	GAUMARD SCIENTIFIC CO INC	08/19/2011	10.91			
			5001977122	2001261336	12" TOUCH SCREEN MOBILE PED MONITOR	GAUMARD SCIENTIFIC CO INC	08/12/2011	3,145.00			
					A/C POWERED 17" TOUCH SCREEN MONITOR AND	GAUMARD SCIENTIFIC CO INC	08/12/2011	2,095.00			
632001	OTHER INSTRUCT SUP	Invoice	1903285753	2001261336	WIRELESS STREAMING AUDIO FOR S3005	GAUMARD SCIENTIFIC CO INC	08/19/2011	15.62			
			5001977122	2001261336	WIRELESS STREAMING AUDIO FOR S3005	GAUMARD SCIENTIFIC CO INC	08/12/2011	3,000.00			
637001	EQ MAINT AGRMT	Invoice	1903285753	2001261336	EXTENDED WARRANTY-YEARS 2 & 3	GAUMARD SCIENTIFIC CO INC	08/19/2011	19.52			
			5001977122	2001261336	EXTENDED WARRANTY-YEARS 2 & 3	GAUMARD SCIENTIFIC CO INC	08/12/2011	3,750.00			
640301	CONT SVCS-GENL	Invoice	1903285753	2001261336	ONE DAY OF IN-SERVICE TRAINING & INSTALL	GAUMARD SCIENTIFIC CO INC	08/19/2011	7.81			
			5001977122	2001261336	ONE DAY OF IN-SERVICE TRAINING & INSTALL	GAUMARD SCIENTIFIC CO INC	08/12/2011	1,500.00			
653406	MAJOR MOVABLE EQUIP	Invoice	1903285753	2001261336	5 YR. OLD PEDIATRIC HAL-DARK SKIN	GAUMARD SCIENTIFIC CO INC	08/19/2011	114.50			
			5001977122	2001261336	5 YR. OLD PEDIATRIC HAL-DARK SKIN	GAUMARD SCIENTIFIC CO INC	08/12/2011	21,995.00			
Overall Result								35,669.73			

***Display 3-5**. Valuated Purchase Order - Goods Receipt posts expense and invoice posts delivery charge*

If there are any discrepancies between the invoice and the goods that are actually received, the original requisitioner must record this when confirming the goods. If the goods have not been received, or the invoice is a duplicate billing, the requisitioner may reject the confirmation.

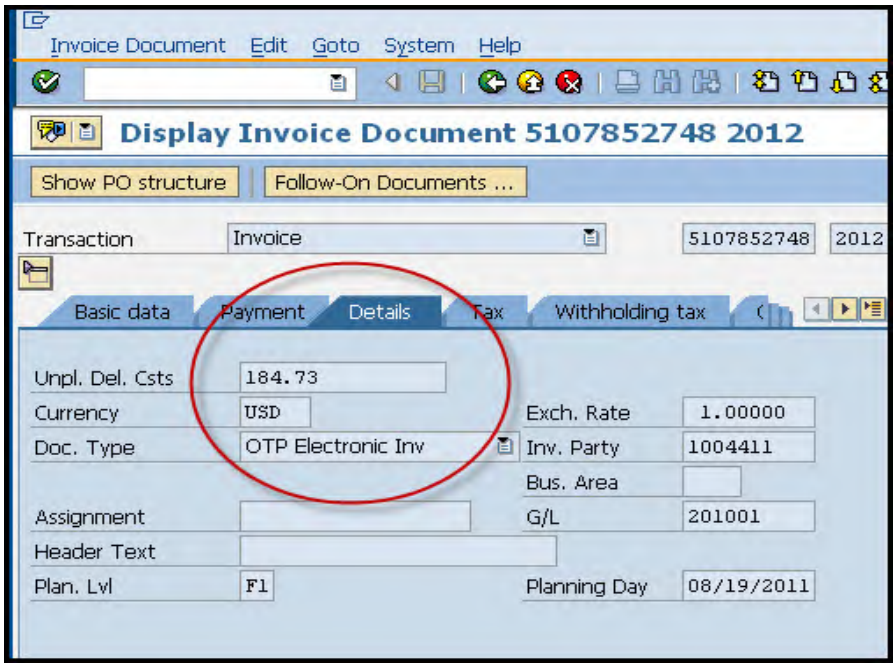
In some instances, an invoice may include a small additional charge added to the invoice that was not originally provided in the shopping cart. An example of this is a delivery charge shown in Display 3-5. This CAPP purchase order shows an ordered amount totalling $35,485.00. We can see the amount expensed was $35,669.73, a difference of $184.73, shown in Display 3-6.



Display 3-6. *Valuated Purchase Order showing Delivery Charges*

The 50 docs in Display 3-5 indicate the goods receipt (the 3-way match of PO, GR and IR are all needed for a valuated PO) and the 19 docs indicate payment for the delivery, split proportionately among all line items. The 19 postings indicate the vendor, Gaumard Scientific, invoiced electronically.

To see delivery costs, the user can use transaction code ME23N, click on the Goods Receipt, and then click the Details tab shown in Display 3-7.



Display 3-7. *How to find unplanned delivery costs*

Goods Receipt and Approval Thresholds

Effective September 1, 2009, a Two-Way Match policy was implemented for JHU Purchase Orders totalling less than $2,500 (with some exceptions noted below). This Two-Way Match policy for PO's less than $2,500 has been extremely successful in reducing the amount of outstanding Goods Receipts, and eliminating some of the administrative burden for users, while increasing the turnaround time for vendor payments. Cost objects are expensed on these purchase orders at the time of the invoice receipt by Accounts Payable Shared Services. Some exclusions apply, shown below:

2-Way Match Exclusions	
Subaward and Subcontract Purchase Orders	SPPO
Project Purchase Orders	PROJ
Capital Expenditures - Equipment	CAPP
Inventory Purchases - JHU Supply Stores	PO begins with '21'
Independent Contractor Purchase Orders	Vendors begin with '19'

Display 3-8. *Two-Way Match Exclusions*

For those PO document types still requiring a Three-Way Match (SPPO, PROJ, CAPP, Inventory Purchases by JHU Supply Store, and Independent Contractors), or PO's greater than the $2,500 threshold, the confirmation of the goods and the processing of the invoice in Accounts Payable are the final two steps of the *three-*

way match. Payment is not made to the vendor until receipt of the good is confirmed, and the invoice is processed by Accounts Payable. Because both steps must be completed before the vendor is paid, it is very important to confirm goods in a timely and accurate manner.

Goods receipts should be confirmed as quickly as possible

The Importance of the Goods Receipt

Prior to SAP, invoices were paid as they arrived regardless of whether the good/service was received or not. Accounts Payable could verify that the invoice matched the purchase order, but they could not verify that the goods received matched the purchase order or the invoice. It was always up to the requisitioner to follow up with the vendor in the event of a discrepancy.

Now the goods receipt process (when required) allows the original requisitioner to provide a documented confirmation that the good/service was received before the vendor is paid. It is extremely important that the goods confirmation is completed timely and accurately. Similar to other SAP processes, goods confirmation must be viewed and completed correctly on the front-end to prevent erroneous charges on the backend. *If a shopping cart is reviewed for allocability and allowability during the approval process, and the goods receipt is completed correctly and timely, the likelihood of incurring incorrect charges decreases dramatically. Understanding this will significantly simplify reconciliation procedures.*

Sponsored Purchase Orders- SPPO Shopping Carts

Shopping Carts for Subaward Expenses

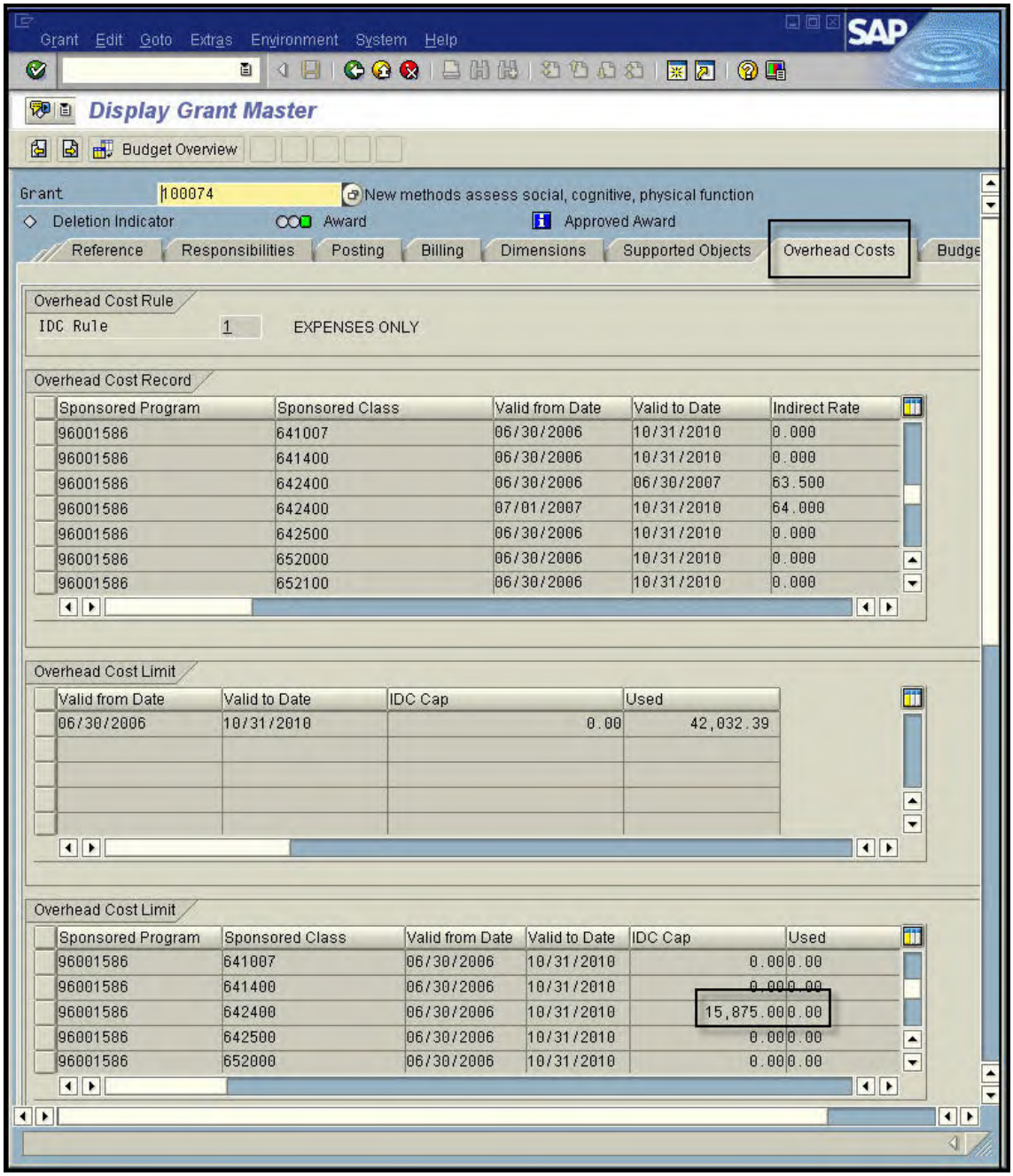
SPPO shopping carts are procurement for sub-awards or subcontracts. Any sponsored award received by Hopkins is either a grant or a contract, as defined by the terms and the conditions of the award. When the prime award is a contract, any sub-recipient in the prime award would be a subcontract. All others would be subawards. The subaward or subcontract product category must be chosen when initially setting up this document type. The vendor will not receive a Purchase Order from the SRM system.

Internal orders that begin with 96xxxxxx are established exclusively in SAP to track subaward expenses. As subawards are executed, a separate internal order is set up. The anticipated facilities and administrative (F&A) expenses are calculated at the time the subaward internal order is established and the F&A is tracked on Grant Master Data. As part of the reconciliation process, the subaward should be reviewed to determine if it was set up correctly. To view the subaward internal order master data, type GMGRANTD in the command box in ECC, enter the grant number and go to the Overhead Costs Tab.

Review the Overhead Cost Record on the Overhead Costs tab. Recall that all subaward internal orders begin with a 96 and review the associated F&A rates on the internal order. If the subaward internal order will be taking F&A, a rate will be placed in the indirect rate column on the sponsored class line 642400. Subaward expenses roll up to sponsored class 642400.

If the subaward is collecting F&A, proceed to the box titled "Overhead Cost Limit." A calculation is made as to how much F&A should be collected for the subaward. For example, some subawards take F&A on total direct costs (TDC), which is the entire amount of the subaward. Many subawards have F&A calculated on a modified total direct cost (MTDC) method.

For our example, F&A is capped at $15,875, which is the F&A rate (63.5% x $25,000). Once $15,875 of indirect costs are taken, the IDC cap will prevent further F&A postings..



***Display 3-9**. Master Data example for a Subaward Internal Order*

Reviewing Subaward & Subcontract Expenses for Payment

Subaward invoices should be thoroughly reviewed at the department level before they are submitted for payment. The suggested review should consist of:

- Reviewing the original Terms and Conditions of the agreement
- Confer with the principal investigator. Are the deliverables being received in compliance with agreement? Are the deliverables in compliance with the original scope of work?
- Does the invoice include charges that are allowable, allocable and reasonable?

Recommended BW Reports for Reconciliation

The following BW reports will be helpful in the reconciliation process.

- Sponsored Accounts: *Sponsored Rev-Exp Detail - Single and Multiple Period*
- Non-Sponsored Accounts: *Non-Sponsored Financial Detail* or *Non-Sponsored YTD Transactional Detail*

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http://finance.jhu.edu/H1/saved_favs.html
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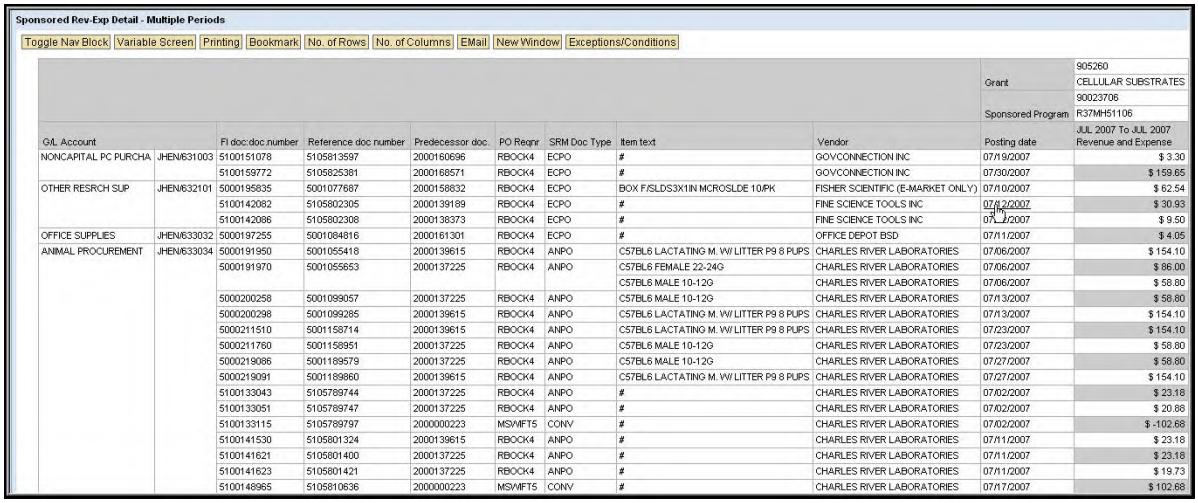
Recommended Procedures for Reconciliation

The Reconciliation Process

Generate one of the recommended reports for your cost object for a specific period (see recommended BW Reports for Reconciliation, above). Purchase order expenses are FI document numbers starting with 50, 51, or 19 (with a reference document number of 51). This is an easy way to distinguish purchase order expenses from other expenses.

There are a few fields to focus on as you investigate each individual line item (see Display 3-10). One of the most important fields to review is the *PO REQNR field*. If workflow was handled correctly, there should be no incorrect requisitioners because your departmental approver would have originally rejected that shopping cart. Another important field to review is the *SRM doc type* field. Any purchase order that is not a LVPO, will also have been approved by your departmental approver.



Sponsored Rev-Exp Detail - Multiple Periods

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

										Grant	905260
											CELLULAR SUBSTRATES
										Sponsored Program	90023706
											R37MH51106
G/L Account		FI doc.doc.number	Reference doc number	Predecessor doc.	PO Reqnr	SRM Doc Type	Item text	Vendor	Posting date	JUL 2007 To JUL 2007 Revenue and Expense	
NONCAPITAL PC PURCHA	JHEN/631003	5100151078	5105813597	2000160696	RBOCK4	ECPO	#	GOVCONNECTION INC	07/19/2007	$ 3.30	
		5100159772	5105825381	2000168571	RBOCK4	ECPO	#	GOVCONNECTION INC	07/30/2007	$ 159.65	
OTHER RESRCH SUP	JHEN/632101	5000195835	5001077687	2000158832	RBOCK4	ECPO	BOX F/SLDS3X1IN MCROSLDE 10/PK	FISHER SCIENTIFIC (E-MARKET ONLY)	07/10/2007	$ 62.54	
		5100142082	5105802305	2000139189	RBOCK4	ECPO	#	FINE SCIENCE TOOLS INC	07/12/2007	$ 30.93	
		5100142086	5105802308	2000138373	RBOCK4	ECPO	#	FINE SCIENCE TOOLS INC	07/12/2007	$ 9.50	
OFFICE SUPPLIES	JHEN/633032	5000197255	5001084816	2000161301	RBOCK4	ECPO	#	OFFICE DEPOT BSD	07/11/2007	$ 4.05	
ANIMAL PROCUREMENT	JHEN/633034	5000191950	5001055418	2000139615	RBOCK4	ANPO	C57BL6 LACTATING M. W/ LITTER P9 8 PUPS	CHARLES RIVER LABORATORIES	07/06/2007	$ 154.10	
		5000191970	5001055653	2000137225	RBOCK4	ANPO	C57BL6 FEMALE 22-24G	CHARLES RIVER LABORATORIES	07/06/2007	$ 86.00	
							C57BL6 MALE 10-12G	CHARLES RIVER LABORATORIES	07/06/2007	$ 58.80	
		5000200258	5001099057	2000137225	RBOCK4	ANPO	C57BL6 MALE 10-12G	CHARLES RIVER LABORATORIES	07/13/2007	$ 58.80	
		5000200298	5001099285	2000139615	RBOCK4	ANPO	C57BL6 LACTATING M. W/ LITTER P9 8 PUPS	CHARLES RIVER LABORATORIES	07/13/2007	$ 154.10	
		5000211510	5001158714	2000139615	RBOCK4	ANPO	C57BL6 LACTATING M. W/ LITTER P9 8 PUPS	CHARLES RIVER LABORATORIES	07/23/2007	$ 154.10	
		5000211760	5001158951	2000137225	RBOCK4	ANPO	C57BL6 MALE 10-12G	CHARLES RIVER LABORATORIES	07/23/2007	$ 58.80	
		5000219086	5001189579	2000137225	RBOCK4	ANPO	C57BL6 MALE 10-12G	CHARLES RIVER LABORATORIES	07/27/2007	$ 58.80	
		5000219091	5001189860	2000139615	RBOCK4	ANPO	C57BL6 LACTATING M. W/ LITTER P9 8 PUPS	CHARLES RIVER LABORATORIES	07/27/2007	$ 154.10	
		5100133043	5105789744	2000137225	RBOCK4	ANPO	#	CHARLES RIVER LABORATORIES	07/02/2007	$ 23.18	
		5100133051	5105789747	2000137225	RBOCK4	ANPO	#	CHARLES RIVER LABORATORIES	07/02/2007	$ 20.88	
		5100133115	5105789797	2000000223	MSWFT5	CONV	#	CHARLES RIVER LABORATORIES	07/02/2007	$ -102.68	
		5100141530	5105801324	2000139615	RBOCK4	ANPO	#	CHARLES RIVER LABORATORIES	07/11/2007	$ 23.18	
		5100141621	5105801400	2000137225	RBOCK4	ANPO	#	CHARLES RIVER LABORATORIES	07/11/2007	$ 23.18	
		5100141623	5105801421	2000137225	RBOCK4	ANPO	#	CHARLES RIVER LABORATORIES	07/11/2007	$ 19.73	
		5100148965	5105810636	2000000223	MSWFT5	CONV	#	CHARLES RIVER LABORATORIES	07/17/2007	$ 102.68	

***Display 3-10**. Reconciling Supply Chain*

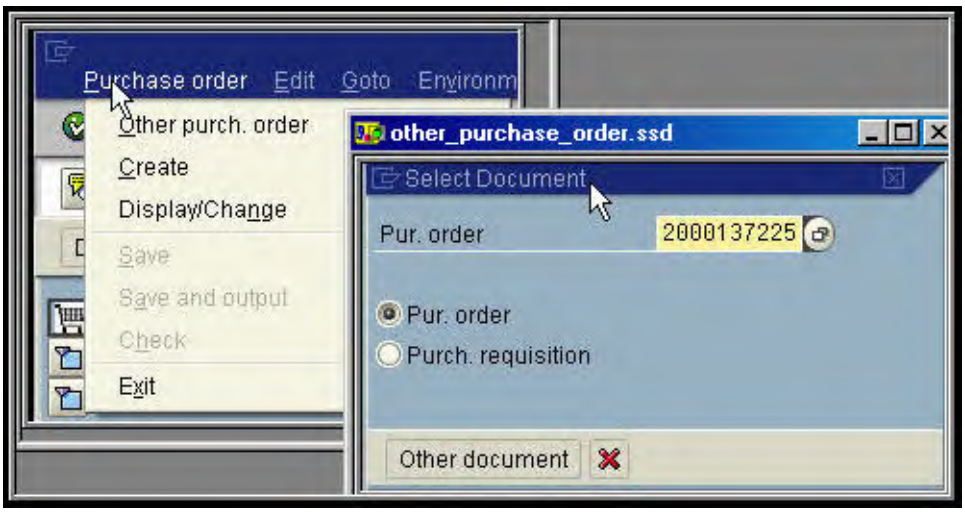
Since Accounts Payable *should not* be paying invoices in excess of 5% over the original purchase order, it is an acceptable practice to consider all non LVPO purchase orders valid expenses as long as workflow is being managed correctly on the front-end. It is still suggested that you review each purchase order expense and quickly verify that the PO requisitioner is a valid requisitioner for that cost object. The user can also review the *G/L account* (commitment item), *vendor* and *item text* (long desc.) to further validate the expense. If the purchase order is an LVPO or there is missing information for the vendor or description, further information can be accessed using the ECC transactions *FB03 – Display Document* and *ME23N – Display Purchase Order.* If the purchase order was an LVPO and has no vendor or description, or if the PO REQNR is unknown, further research must be done using FB03 and ME23N.

ME23N - Display Purchase Order in ECC

Before discussing transaction code ME23N in ECC, it is important to note that from some of the typical BW reports used for reconciliation (sponsored detail, non-sponsored detail or YTD transactional detail), the reconciler may right click on the 50/51/19 FI doc number associated with a purchase order to drill through to ECC to gather more information using the BW "go to" feature, which is discussed in further detail in Appendix 5 of this guide.

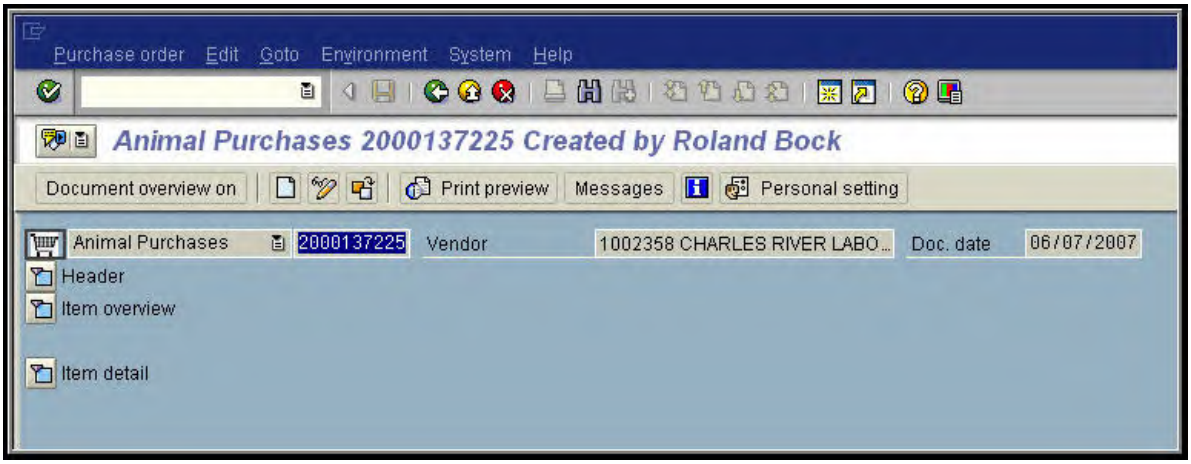
ME23N is the transaction in ECC that will provide all of the purchase order information. This transaction can be found in ECC in your user menu under the SRM Requisitioner folder or the "AP Display" folder. The SRM requisition role provides the necessary information for purchase orders. Adding the AP display

role (ZRSC_AP_DISPLAY_ALL) will provide a few extra features that make this transaction more powerful. If you have the AP display role, you can enter the transaction through either link and it behaves the same. Double click on ME23N.



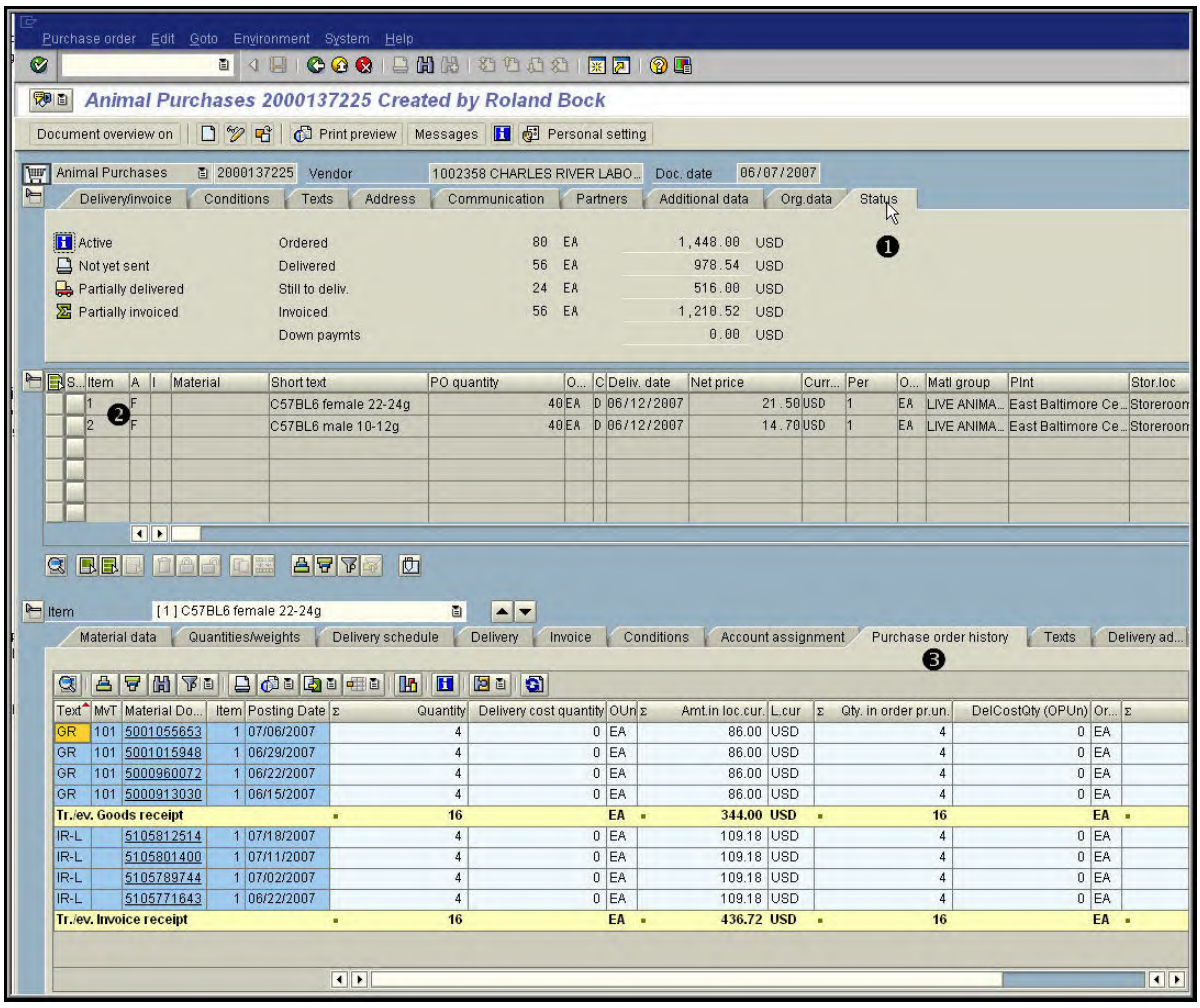
Display 3-11. *ME23N main page*

This opens up the main page for ME23N (see Display 3-11). There are three sections to the body of ME23N that can all be expanded or collapsed. These fields are the header field (1), item overview (2) and item detail (3). To view a particular purchase order, select *Purchase Order* > *Other Purchase Order* from the menu bar (see Display 3-12) or click on the icon.



Display 3-12. *ME23N - Selecting a Purchase Order to Review*

Enter the predecessor doc number, that begins with a 20, from the BW detail statement and enter it into the text box for the purchase order number. All predecessor document numbers for FI purchase order expenses will be the purchase order number. After typing the number, hit enter.



***Display 3-13**. ME23N - Purchase Order Detail*

As shown in Display 3-13, the ME23N transaction provides complete information for the selected purchase order. The header section and the item detail section will have a few tabs providing different sections while the item overview section will provide information about the line items of the purchase order. The banner across the top of the screen will display the purchase order number and the name of the individual that created the purchase order. Typically this is the requisitioner, but there are some instances that a name of a member from the Supply Chain team could be present. If this is the situation, the JHED ID of the requisitioner can be found in a column in the item overview section. Directly below the banner is the vendor name and number.

❶ An important section to view is the "Status" tab found in the header section. If you do not have the AP Display role, this section is difficult to interpret

because everything is displayed in units. If you do have the AP Display role, amounts are displayed in currency. The status tab provides a quick overview of the purchase order's available funds. The "Ordered" line displays the amount the purchase order was created for, the "Delivered" line displays the amount that has been paid against the purchase order, and the "Invoiced" line displays the amount that has been invoiced by the vendor. The amount on the "Still to deliv." line is the amount of available funds. From the display, we can see that this is an active purchase order totaling $1448, that has been partially invoiced, and has remaining funds totaling $516.

❷ The item overview section will provide information about the line items of the purchase order.

❸ In the item detail section, you can also view the purchase order history. This section will show all the payments that have been applied to this purchase order and the posting date for that payment.

FB03 - Display Document in ECC

FB03 is an ECC transaction that is designed for use with many of the supply chain expenses found in BW Reports. This transaction does not provide as much information as ME23N does for purchase orders, but can still be very helpful when researching expenses. If you run into an expense that begins with a 50 or 51, but has no predecessor document number, check FB03.

Using FB03 is explained in greater detail in Chapter 5 in section, *Further Research of Online Payments-FB03* on page 5-4.

Records Retention

Prior to SAP, departments typically retained the original copies of purchase orders sent from Purchasing, and the associated packing slips. Quotes and other documentation pertaining to the order were also retained. Depending on the department's business practices, purchase orders and accompanying documents were either filed by vendor or filed by date. Original copies of shopping carts are no longer required to be printed and filed. All of the information for a shopping cart is stored in ECC and most of the essential information is displayed in the BW detail reports. The biggest difference between CUFS and SAP for purchase orders is that CUFS displayed a name that was typed by the requisitioner while SAP provides the name of the actual requisitioner.

Proper use of workflow and the controls in ECC allow for a more "paperless" method. If an order is reviewed and approved appropriately by the departmental approver and the good is confirmed correctly and timely by the requisitioner (when needed), then much of the necessary information is already retained in ECC. Maintaining packing slips and quotes (when needed) for all purchase orders,

however, is highly recommended. Packing slips, in addition to the goods receipt in SAP verify that we have received what we paid for and quotes help determine reasonableness of the purchase.

Additional Resources

Links to other resources you may find helpful:

Supply Chain Frequently Asked Questions (FAQ)

`http://ssc.jhmi.edu/supplychain/archive/faqs_index.html`

Supply Chain Training and Support

`http://ssc.jhmi.edu/supplychain/training/index.html`

HopkinsSelect eMarketplace

`http://ssc.jhmi.edu/supplychain/emarketplace/index.html`

Chapter 4: Procurement Cards

This chapter covers Procurement Cards. In this chapter you will learn:

- How to identify Procurement Card purchases on your revenue and expense detail reports.
- Recommended procedures for reconciling Procurement Card expenses.
- How to distinguish between Procurement Card transactions that posted:
  - When the purchases were assigned to a cost object using JP Morgan Chase's PaymentNet system
  - When the purchases posted to a default account because they were not allocated to the correct cost object or GL account in PaymentNet.

The Procurement Card Program

Overview of Procurement Cards

The Johns Hopkins University Procurement Card Program is designed to provide authorized faculty and staff with a method of paying for small dollar purchases of regularly consumed supplies and services. The University Procurement Card is a MasterCard obtained from JP Morgan Chase.

The program is administered by the University's Supply Chain Shared Services group. Policies and Procedures regarding use of the PCard can be found on the Supply Chain website at:

`http://ssc.jhmi.edu/supplychain/PCard/guide.html`

A procurement Cardholder may use the Procurement Card in the same way as a personal credit card to make purchases of supplies or services for University use. Purchases may be made by telephone, mail, or in person with any supplier that accepts MasterCard as a form of payment. Only the person whose name is on the Procurement Card may use it to make purchases. When making a purchase by

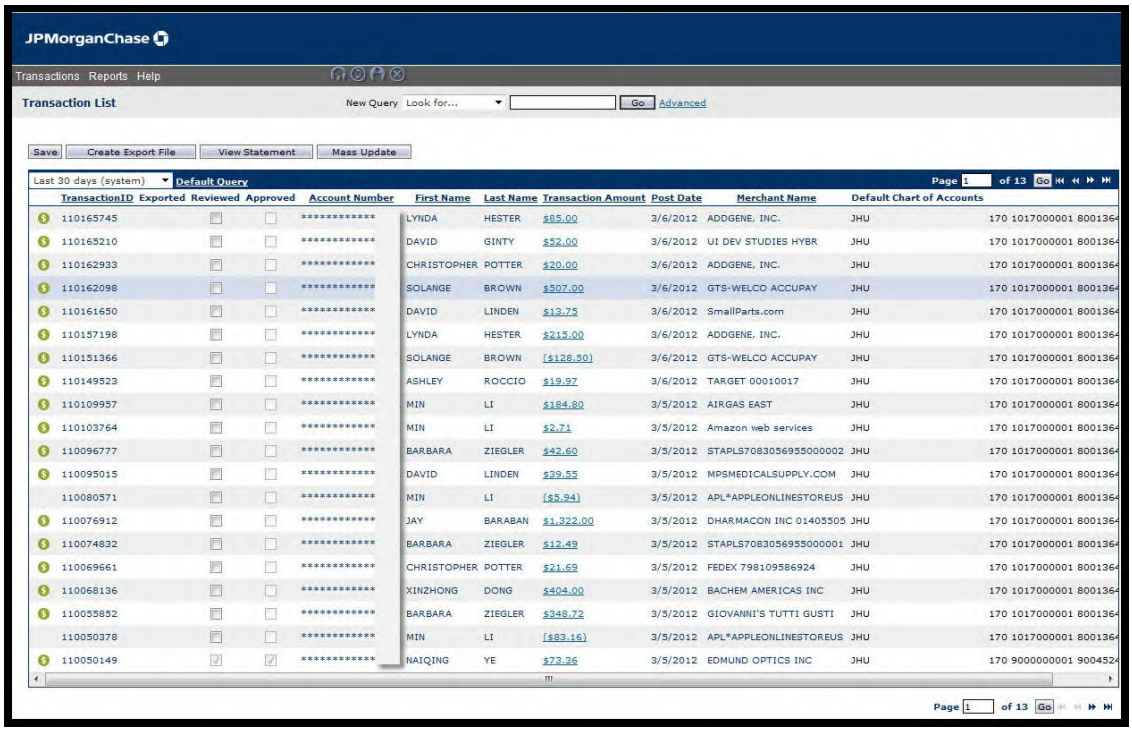
Procurement Card, it is not necessary to complete and forward a purchase request to Supply Chain Shared Services. The purchase transaction will be accomplished completely between the Cardholder and the supplier.

To maintain proper documentation, it is recommended that Cardholders compile a log of all transactions as purchases are made, preferably in an electronic document such as an Excel spreadsheet. An example of a Procurement Card Transaction Log can be found at:

`http://ssc.jhmi.edu/supplychain/secure/PCard/pcforms.html`

The log should include the date of purchase, vendor, amount and cost center/internal order. The log should be kept along with all receipts and packing slips provided by suppliers. Maintaining a log not only aids in reconciliation, but is also helpful to internal and external auditors.

Each month, the Cardholder will be provided with a statement from JP Morgan Chase summarizing all purchases made with the Procurement Card. This information will also be available online in the PaymentNet system.



Display 4-1. *PaymentNet*

Each Cardholder has an Approver whose job is to:

- ❑ verify charges made with the Procurement Card
- ❑ approve charges made with the Procurement Card
- ❑ assign charges made with the Procurement Card

As an internal control, the Cardholder and the Approver cannot be the same person. The Approver accesses PaymentNet, and using documentation supplied by the Cardholder, verifies that the charges are valid and assigns each charge to a designated University cost object and general ledger expense item. This process must occur approximately the 25th of each month, otherwise the charge will be automatically moved to a designated non-sponsored default account and general ledger expense account, G/L 632002. Regardless of when the transaction is approved, the transaction will not be expensed in SAP until after the statement's monthly closing, approximately the 25th of the following month.

Another item to keep in mind is that the transactions are posted to SAP on the approval closing date for the statement period. For example, for statement period April 26th through May 25th, PCard transactions will post to SAP on the approval closing of June 25th. Users will note that closing date for July is pushed up to meet end of fiscal year closing deadlines. For the list of specific monthly closing dates, see the calendar at:

`http://ssc.jhmi.edu/supplychain/PCard/calendar.html#calendar`

Whether the approver assigns the charge to the correct cost object and general ledger account or the charge is automatically assigned to the default account, the accounting transaction is:

```
Debit : Expense   (e.g., 632101 Other Research Supplies)
Credit: PCard Clearing Account (201089)
```

When JP Morgan Chase is paid, the transaction is:

```
Debit:  PCard Clearing Account (201089)
Credit: Cash
```

Recommended Reconciliation Procedures: PCard Statements and PaymentNet

If the approval deadline is missed, PCard expenses will post to the default account using GL 632002

1. Cardholders should give all receipts, packing slips and other documentation to the approvers on a weekly basis. This should include a transaction log, which identifies the budgets where charges should be allocated.
2. The Approver works in the PaymentNet system to match each transaction to the appropriate documentation and assign the charge to a designated University cost object and general ledger expense item.
3. The Cardholder gives the monthly JP Morgan Chase statement to the Approver, and the Approver should match all transactions with the supporting documentation. Documentation should be attached to the statement.
4. The Approver or the Cardholder should retain the statement and supporting documentation for seven years from the date the final

deliverables are submitted to the Sponsor. Document retention guidelines are discussed in Chapter 2.

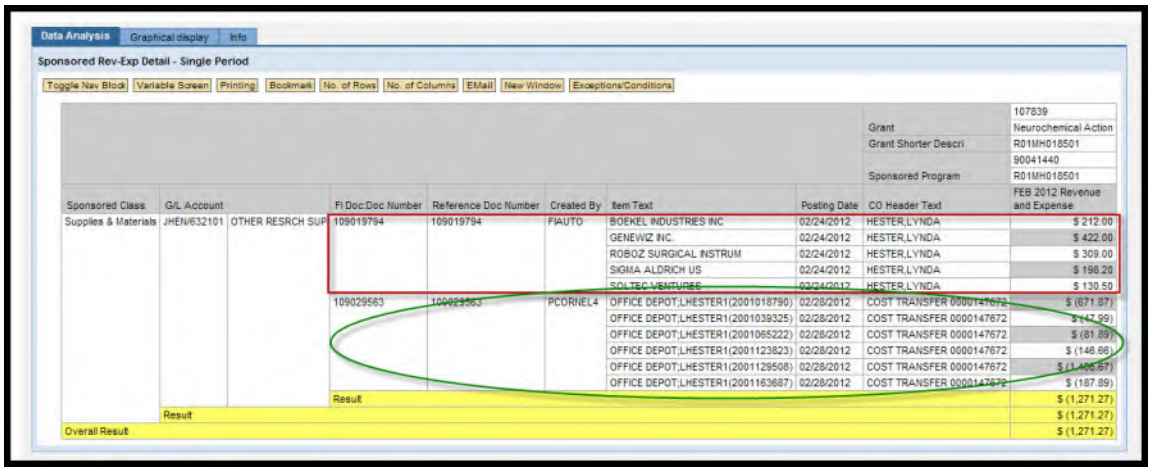
5. If the Approver misses the PaymentNet approval window and is no longer able to approve the credit card transactions in PaymentNet, the transaction will post to the designated default account and will be viewable on a monthly non-sponsored detail report. The Approver must still follow the procedures outlined above; additionally, the charges must be moved to the appropriate University cost object via a Non-Payroll Cost Transfer.
6. When allocating and approving PCard transactions in PaymentNet, the Approver may search for transactions by inputting beginning and ending transaction posting dates in an Advanced Query, or allow PaymentNet to default to the last 30 days.

Reviewing Procurement Card Transactions

Transactions in SAP – BW Reporting

Procurement Card transactions are identified in SAP with a 9-digit number beginning with "10." In this case the FI document number and the reference document number are the same.

Display 4-2 provides an example of a PCard transaction appearing on a sponsored detail report. This transaction was properly assigned to a sponsored cost object and general ledger item by the approver, note the posting to G/L 632101.



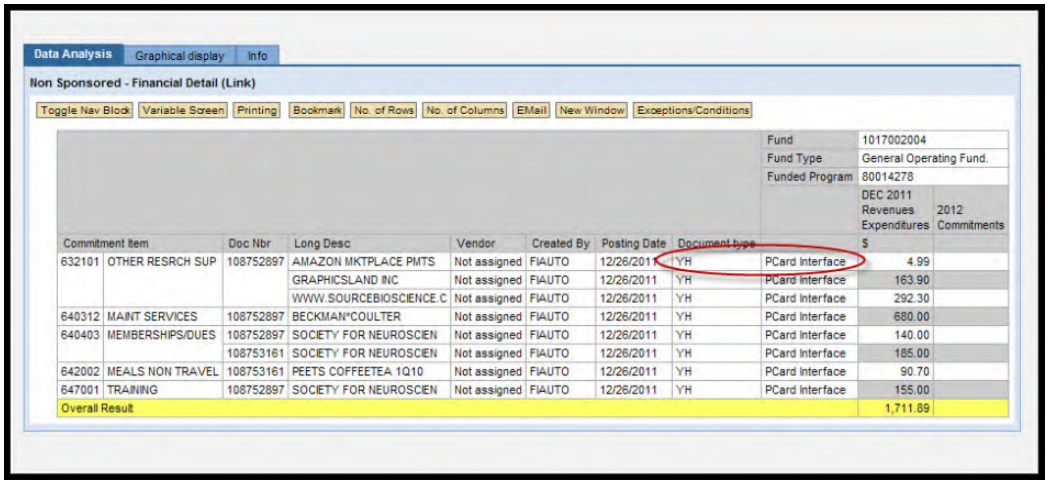
***Display 4-2**. Procurement Card - Sponsored Revenue and Expense Detail Report*

Note that the expenses found in the box in Display 4-2 are examples of procurement card transactions, while the expenses in the oval are examples of Non-Payroll Cost Transfers (Expense Only). Because both types of transactions have FI document numbers that start with a "10", and the person generating an

expense transfer can input text, these transactions can look very similar. To distinguish between the posting types, first, notice that the item text for PCard transactions will have the vendor name listed, while the item text for expense transfers could display anything.

Also note the "Created by" column. Expense transfers will have the JHED ID of the individual that created the transaction while PCard expenses will have SCCONV or FIAUTO (seen in later examples). An additional way to identify these types of transactions clearly, is to add the free characteristic, CO Header Text. Notice the PCard Expenses show the Cardholder's name in this field, while the Non-Payroll Cost Transfer shows the journal id number.

Display 4-3 is an example of PCard transactions appearing in a non-sponsored detail report where the transactions were *properly assigned* in the PaymentNet system to the correct non-sponsored cost object and general ledger item. Notice in the report that all of these postings were "Created by" FIAUTO with a Doc Type of YH, meaning the transaction posted using PaymentNet, the PCard interface.



Data Analysis | Graphical display | Info

Non Sponsored - Financial Detail (Link)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

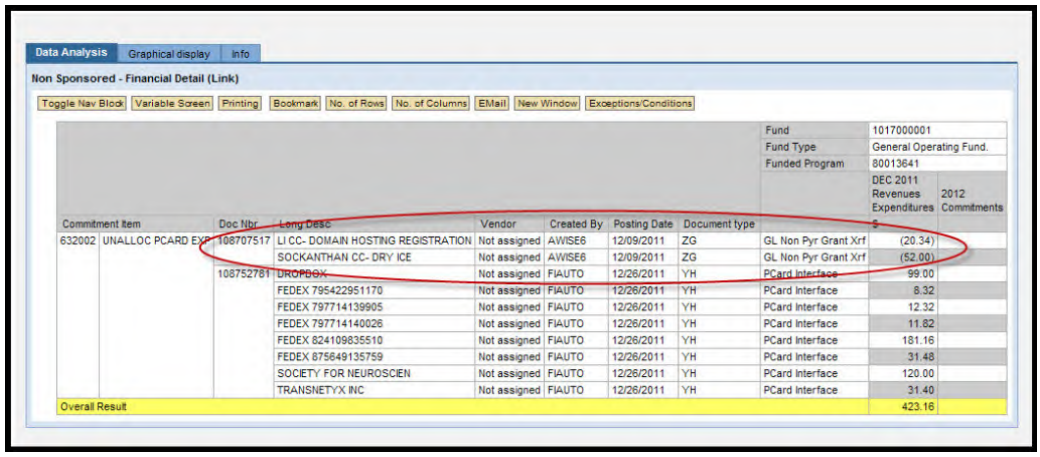
								Fund	1017002004	
								Fund Type	General Operating Fund.	
								Funded Program	80014278	
									DEC 2011 Revenues Expenditures	2012 Commitments
Commitment Item		Doc Nbr	Long Desc	Vendor	Created By	Posting Date	Document type		$	
632101	OTHER RESRCH SUP	108752897	AMAZON MKTPLACE PMTS	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	4.99	
			GRAPHICSLAND INC	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	163.90	
			WWW.SOURCEBIOSCIENCE.C	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	292.30	
640312	MAINT SERVICES	108752897	BECKMAN*COULTER	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	680.00	
640403	MEMBERSHIPS/DUES	108752897	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	140.00	
		108753161	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	185.00	
642002	MEALS NON TRAVEL	108753161	PEETS COFFEETEA 1Q10	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	90.70	
647001	TRAINING	108752897	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	155.00	
Overall Result									1,711.89	

***Display 4-3**. Procurement Card - Nonsponsored Posting Properly Assigned in PaymentNet System*

Display 4-4 provides examples of PCard transactions posting to the default account, 632002, from the PaymentNet system, with additional examples showing charges being moved off the account. As shown in the display, the YH document types posted to the non-sponsored default account, 632002, on 12/26/2011. Notice, again, the "Created by" field shows FIAUTO, which are PCard transactions.

The first two entries are examples of previous postings to the default account that were cleared on 12/9/2011. In these cases, you see the USERID (in this case AWISE6) of the person executing the cost transfer and you see the Doc Type ZG, for Non-Payroll Cost Transfer, rather than the standard Doc Type for PCards, YH.

.

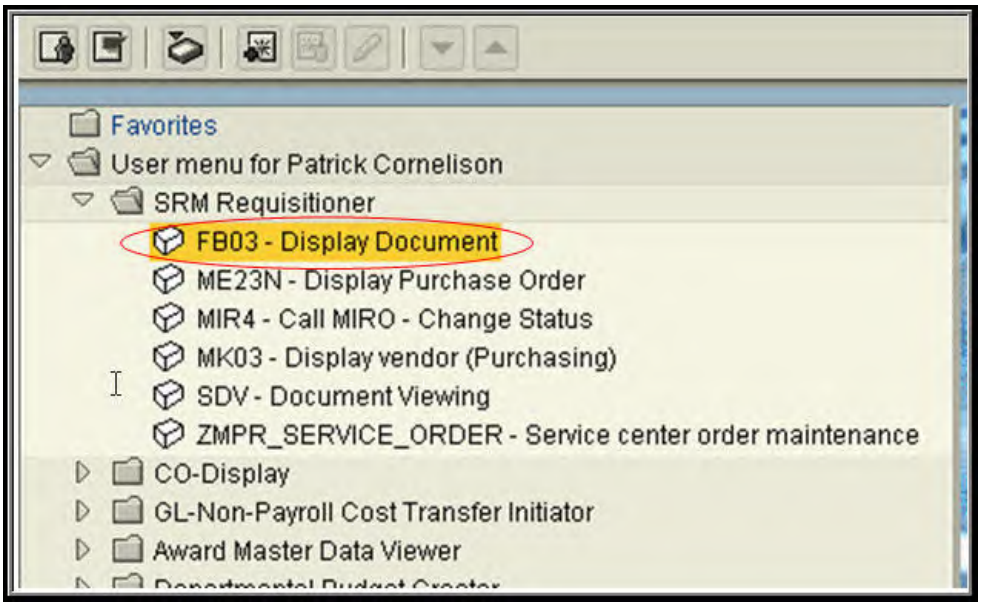


***Display 4-4**. Procurement Card - Posting to the Default Account*

Transactions in SAP – FB03

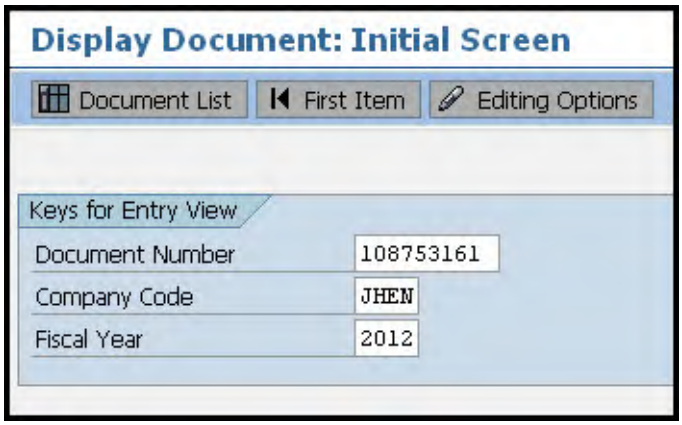
If you need additional information on your postings, PCard transactions can be reviewed with transaction code FB03 using the document number from the BW sponsored or nonsponsored report. The following steps will explain how to further research a PCard transaction using FB03.

1. Start by going into FB03 in ECC as shown in Display 4-5.



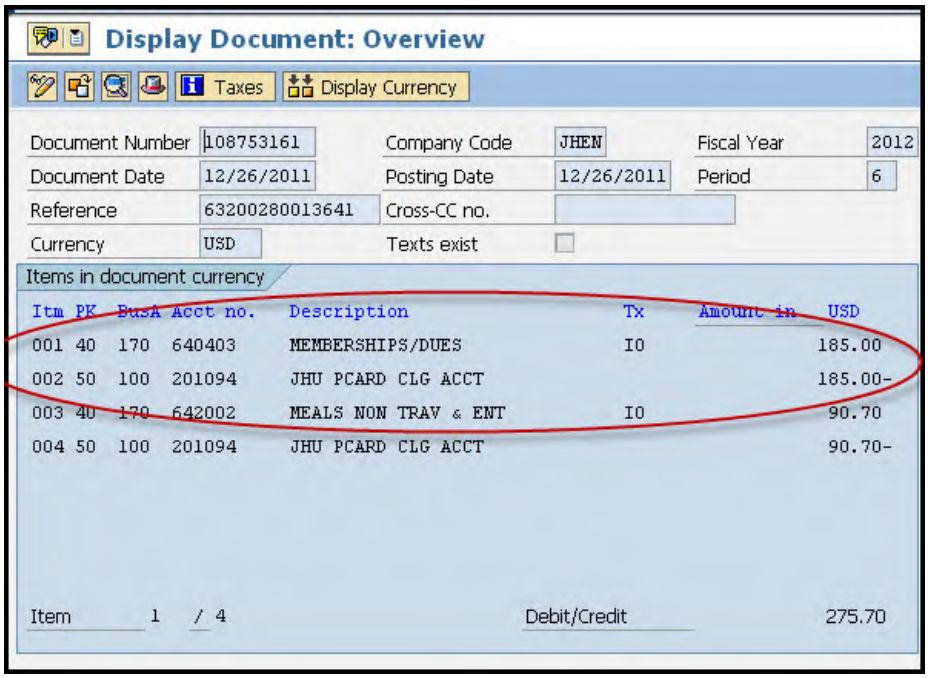
***Display 4-5**. Using the FB03 transaction to Review PCard Postings*

2. Enter your FI document number and fiscal year and hit enter as shown in Display 4-6.



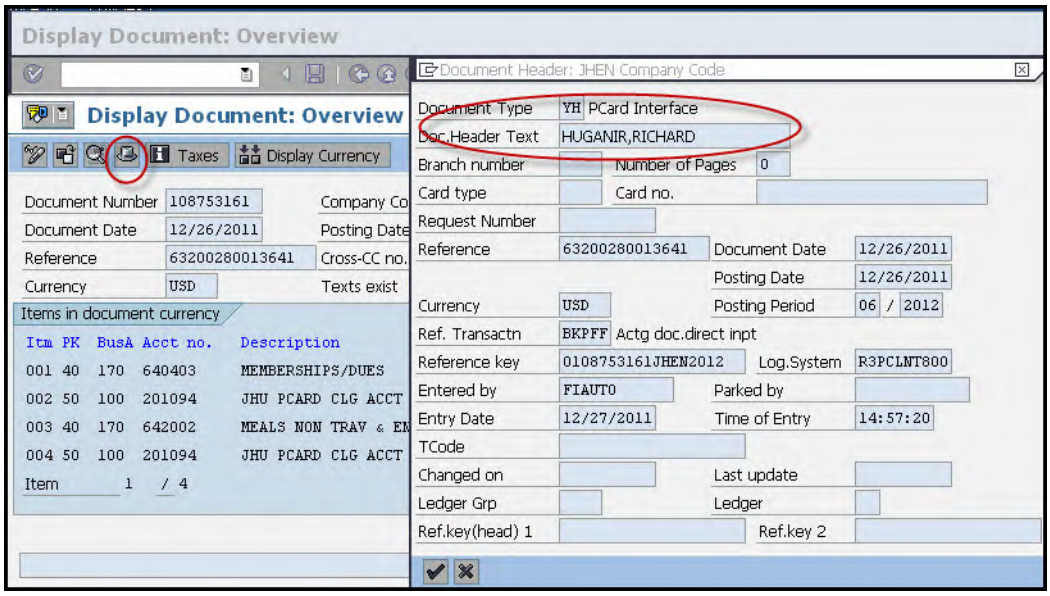
***Display 4-6**. FB03 - FI Document Number Entry*

3. When the detail for the FI document is displayed as shown in Display 4-7, you can clearly see that the account credited in this transaction is the "PCard Clearing Account." This means that the charge is in fact a PCard charge. In this example, the clearing account was credited for $-185.00, while the expense posted to Memberships/Dues 640403.



***Display 4-7**. Reviewing PCard Posting Documents in ECC*

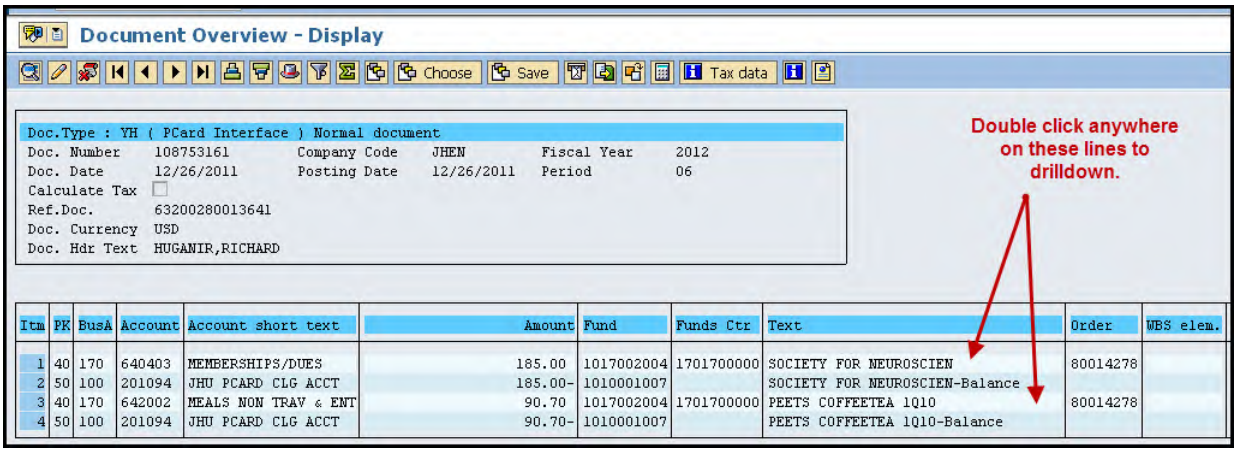
4. To display the name of the PCard account holder, click on the "Display document header" icon (Top hat icon).We can see in Display 4-8, that Richard Huganir is the holder of the PCard used in this example.



***Display 4-8**. Determining the PCard Holder for Specific FI Document Postings*

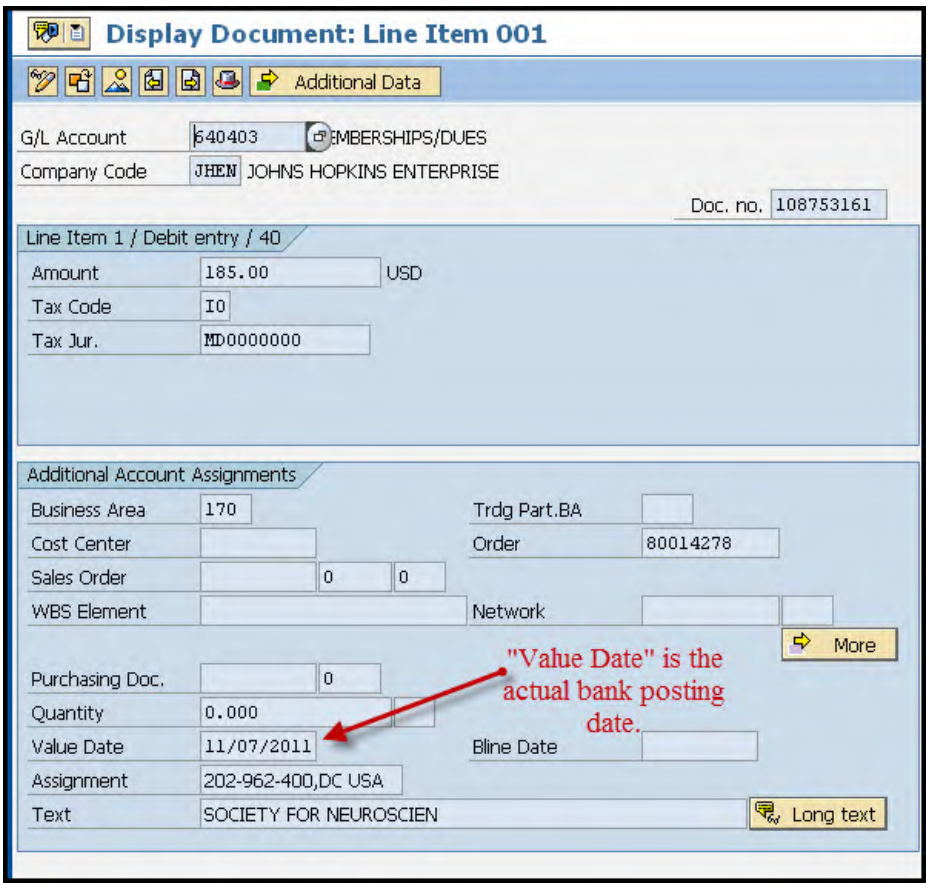
5. It is important to note the "Posting Date" field in FB03 is derived from activity between the bank's system and SAP. It is not the original posting from the bank statement. The actual bank posting date is the "Value Date" field in FB03. After displaying your document in FB03 you may drill down from a transaction line for additional information.

.



***Display 4-9**. Drilldown within the Transaction to Identify the Value Date*

The drilldown results will give you even more information. From the display, locate the "Value Date" field. The "Value Date" is the actual bank posting date, 11/7/2011 in this example.



***Display 4-10**. Value Date field in FB03 is the Actual Bank Posting Date*

Recommended Reconciliation Procedures

Purchases Properly Assigned to a University Budget in PaymentNet

Method #1

When a posting is identified as a PCard transaction, the reconciler can use FB03 to determine the name of the Cardholder. If the Cardholder is appropriate to the budget charged and the reconciler is confident that the documentation procedures outlined in *Recommended Reconciliation Procedures: PCard Statements and PaymentNet* on page 4-3 have been followed, the reconciler should check off the charge on the BW report. No further documentation is necessary.

Method #2

When a posting is identified as a PCard transaction, the reconciler can match the vendor and charge to the JP Morgan Chase statement and supporting documentation and check off the charge on the BW report.

Purchases Not Assigned to a University Budget in PaymentNet

When PCard transactions have not been allocated to the correct cost object using the PaymentNet system, the expenses will post to the default non-sponsored account (632002). When PCard transactions are posted to the default account, the reconciler must first validate the charges as described under *Recommended Reconciliation Procedures: PCard Statements and PaymentNet* on page 4-3, accumulate the documenting receipts and packing slips, match them to the charges and then match them to the JP Morgan Chase statement. The charges may be checked off on the BW report after they have been matched. Next, the reconciler must create a "Non-Payroll Cost Transfer" to move the charges to the appropriate University cost object and general ledger expense item. Chapter 11 of this guide has more detailed information about Non-Payroll Cost Transfers.

Additional Resources

Links to other resources you may find helpful:

Sample PCard Expense Log:

`http://ssc.jhmi.edu/supplychain/secure/pcard/pcforms.html`

Supply Chain Sponsored Shared Services, PCard Information:

`http://ssc.jhmi.edu/supplychain/pcard/index.html`

Chapter 5: Non-Purchase Order Payments

This chapter covers online payment requests, one-time vendor payments, and recurring payments. In this chapter you will learn:

- How to identify online payment requests, one-time vendor payments and recurring payments on your revenue and expense detail reports.
- Recommended procedures for reconciling these types of payments.
- How to use document numbers in ECC to drilldown on payment requests.
- How to determine if payment has been made.

Online Payment Requests

Overview of Online Payment Requests

Non-purchase order payments are made by using the Online Payment Request in the web portal and FV60 (Park Incoming Invoices) in ECC. Once the request is completed, a check is generated by Accounts Payable Shared Services (APSSC). This process replaces the legacy paper check request forms. Since JHU has moved to a more risk-based approach for reconciliation, *non-purchase order payments would be considered high risk transactions.* Our normal internal controls are not utilized in this process (i.e., formalization of agreements through written contractual purchase orders, competitive bidding, etc.). Due to this inherent weakness in internal control, check requests are subject to closer scrutiny by auditors.

Supplies, repairs and purchased services should be handled through the procurement process (SRM). The Purchase Order Exception List, located on the Accounts Payable Shared Services website, contains items that do not require a purchase order. Users not properly distinguishing between purchases requiring a purchase order and those that fall on the exception list is a possible weakness in the online payment request process. The Purchase Order Exception List is located online at:

`http://ssc.jhmi.edu/supplychain/exceptions.html`

Recommended Processing Procedures

The department creates an online payment request from the original vendor invoice. Scanning is the method for attaching the invoice to the SAP document. Original invoices and receipts must be retained for seven years by the department because A/P does not have the original.

When an online payment request is parked, the system verifies that a duplicate invoice does not exist in SAP. The system will issue a 'hard stop' error message if the entry looks like a duplicate payment of the same vendor invoice.

Example:

An example of correct use of the online payment process is ordering continental breakfast and coffee service from The Daily Grind to be delivered for a lab meeting. The breakfast and coffee are delivered with the invoice. The Daily Grind is on the approved PO exception list (miscellaneous catering/food services for a meeting). The invoice is scanned by the department and a parked document is created in SAP for payment. The parked document goes through the approval process and is posted for payment. A check is cut and mailed to The Daily Grind. The process is complete.

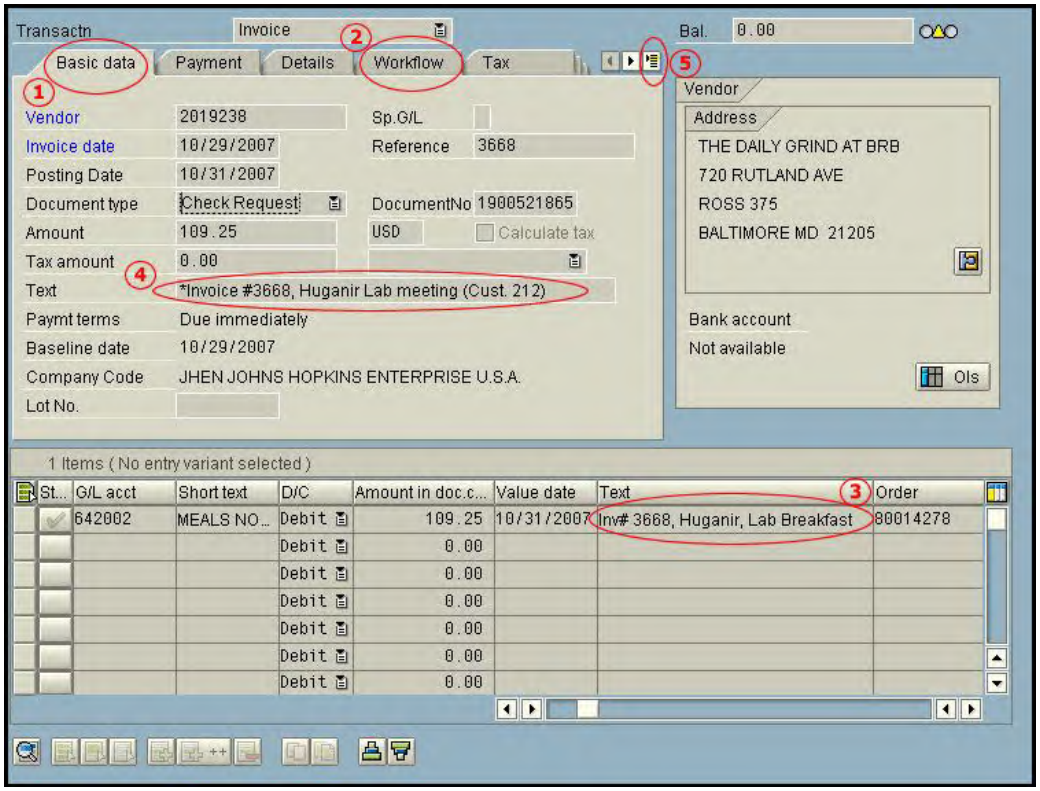
Although this purchase is on the Purchase Order Exception List, setting up a PO is still an option. The list does not preclude anyone from using a PO when it makes sense.

The Approval Process

Workflow is designed to route a transaction for approval prior to its execution. Transactions that are properly approved through Workflow on the front-end require less documentation on the back-end. Current workflow for Online Payments route based on the Initiator's home cost center. The approver opens the document in the Approver's Inbox and should perform the following steps:

1. Look at the "Basic Data" tab for vendor, dollar amount and text description for appropriateness (Display 5-1, Number 1).
2. Click on the "Workflow" tab to see who prepared the transaction (Number 2).
3. Review the "text" field in the lower detail section. Note that this is the field that will populate the BW report (Number 3). The field supports up to 50 characters and should include relevant information—invoice number provided by vendor, name of person ordering the item, and a brief description of the item.
4. The "Text" field in the upper section holds 34 characters max and if preceded by an asterisk will print on the payment advice to the vendor (Number 4).
5. Review the Internal Order or Cost Center for allowability and funds availability.

6. Check the invoice date entered by the initiator to verify it is not for a date in the future. If a future date is entered in the invoice field, the payment will not release until that date arrives. For example, if 12/31/12 is entered instead of 12/31/11, the payment will not be released until 12/31/12.
7. Click on the document tab in the upper right and then the attachment tab and review the attached documents to ensure that the vendor, item and dollar amount agree with the transaction (Number 5).
8. If everything is in order, hit the "release" button to indicate Approval.



***Display 5-1.** Online Payment Approval in ECC*

The Reconciliation Process

To begin, starting with the BW Sponsored or Non-Sponsored Detail report is most useful because only these provide the level of detail needed to reconcile. The reports received monthly via e-mail can be used or you may run a report from the pre-formatted options located at:

`http://finance.jhu.edu/H1/saved_favs.html`

To format your own report, run the standard monthly BW Sponsored or Non-Sponsored Detail Report used for reconciliation purposes including the following free characteristics: G/L Account/Commitment Item, FI Doc number, Reference

Doc number, Vendor, Item text, Posting date, Parked By. Online payment requests display on BW reports with 10 digit (FI) document numbers beginning with '19' and the example we will use is 1900521865 (Display 5-2, Number 1)

In viewing the BW report, it can be helpful to bring in the vendor number because a number that begins with 2 automatically tells you that the vendor was set up for online payment (and not as a PO vendor which begins with a 1). To change the fieldname format on the Vendor field, right click on the Vendor field. Then choose Properties, then Text and Key. You have added the vendor number to the report (see Display 5-2, Number 2).

You will remember that during creation of this online payment request, the user filled in the text field in the Item (lower) area of the payment request, and this text has now carried forward to populate the Long Description field in BW (Item Text field for sponsored accounts) Display 5-2, Number 3—a very helpful tool to the reconciler of the statement.

Non Sponsored - Financial Detail (Link)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Fund	1017002004
Fund Type	General Operating
Funded Program	80014278
Funds Center	1701700000
Pers.Resp.Name	E
	170
Business area	SCHOOL OF MEDIC
	NOV 2007 Revenues / Expenditures

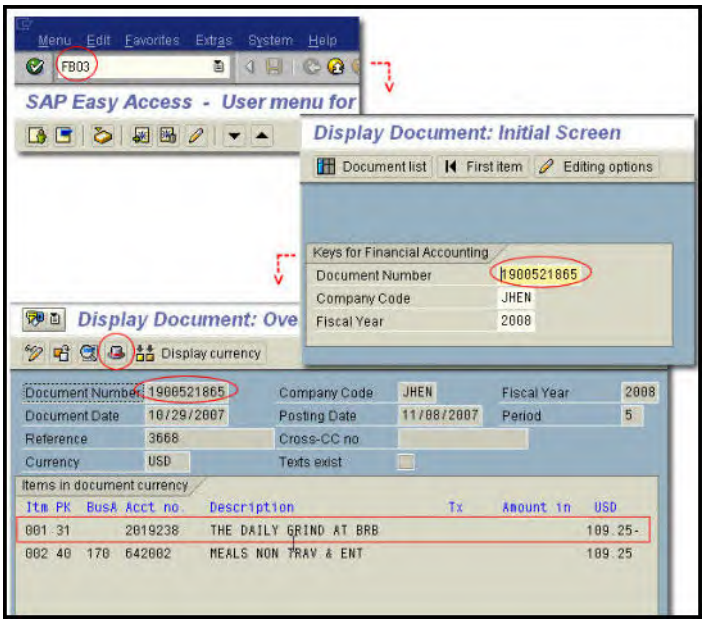
Commitment item		Commt/Actual Detail	Doc #	Long Desc.	Vendor		Posting date	Parked by User Name	$
642002	MEALS NON TRAVEL	Invoice	101279177	PEETS COFFEE/TEA #1000 5965	Not assigned	#	11/13/2007	#	39.18
			1900521862	INV# 3635, HUGANIR, LAB BREAKFA	THE DAILY GRIND AT BRB	201923	1/07/2007	PCORNEL4	109.25
			1900521865	INV# 3668, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/08/2007	PCORNEL4	109.25
			1900536981	INV# 3704, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/08/2007	PCORNEL4	109.25
			1900552020	INV# 3751, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/15/2007	PCORNEL4	109.25
			1900558184	INV# 3791, HUGANIR, LAB BREAKFAST	THE DAILY GRIND AT BRB	2019238	11/20/2007	PCORNEL4	109.25
Overall Result									585.43

***Display 5-2**. Online Payment Request - BW Report*

In reviewing the BW Sponsored or Non-sponsored Detail Report, check whether the "Parked by User Name" field is populated (Number 4). If this person is in your department, the transaction has already gone through the Workflow/Approval process on the front-end. It can be checked off on the report and no further research is necessary. If "Parked by" is not populated, or if the person is from another department the following sections will provide information on how to further research the charge.

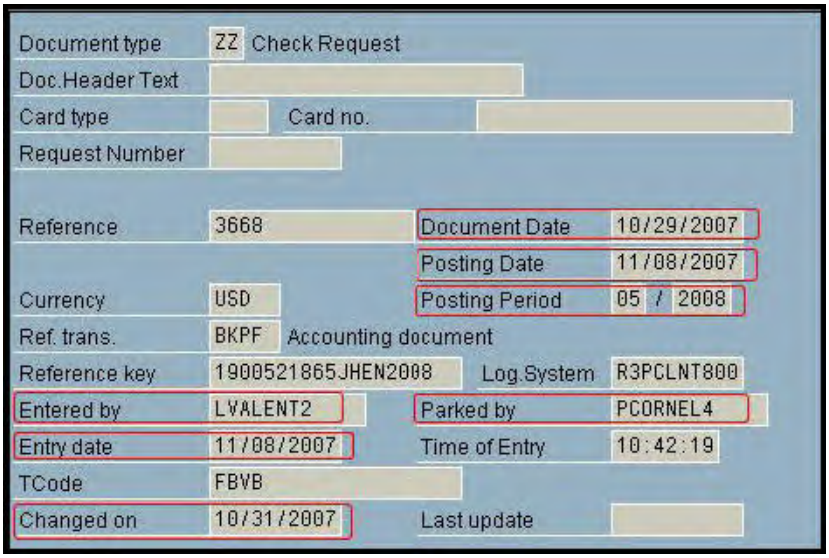
Further Research of Online Payments-FB03

If the reconciler wishes to research the online payment, the user can log into ECC and use transaction code FB03 (Display Document), and enter the Doc # found on the non-sponsored detail (or the FI Doc # found on the sponsored) and the fiscal year (Display 5-3).The document number will begin with a 19.



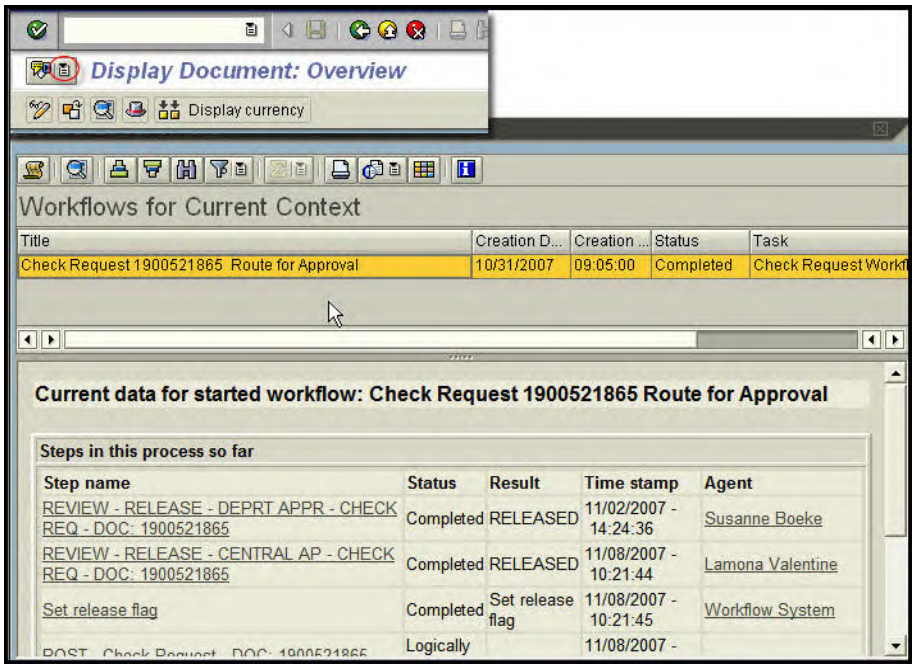
***Display 5-3**. FB03 Drilldown*

To find out who requested the online payment, click the hat icon (header) information at the top of the screen (see Display 5-3). We now see who created the document (Parked By), which AP staff member entered it (Entered by) and date information for various stages of processing. In Display 5-4 we see from the "Parked by" field that this payment request was created by Patrick Cornelison (PCORNEL4) in the department and entered by Lamona Valentine (LVALENT2) at APSSC. If the requester is appropriate to the budget charged and if the reconciler is confident that the charge is allowable to this particular budget, the reconciler should check off the charge on the BW report.



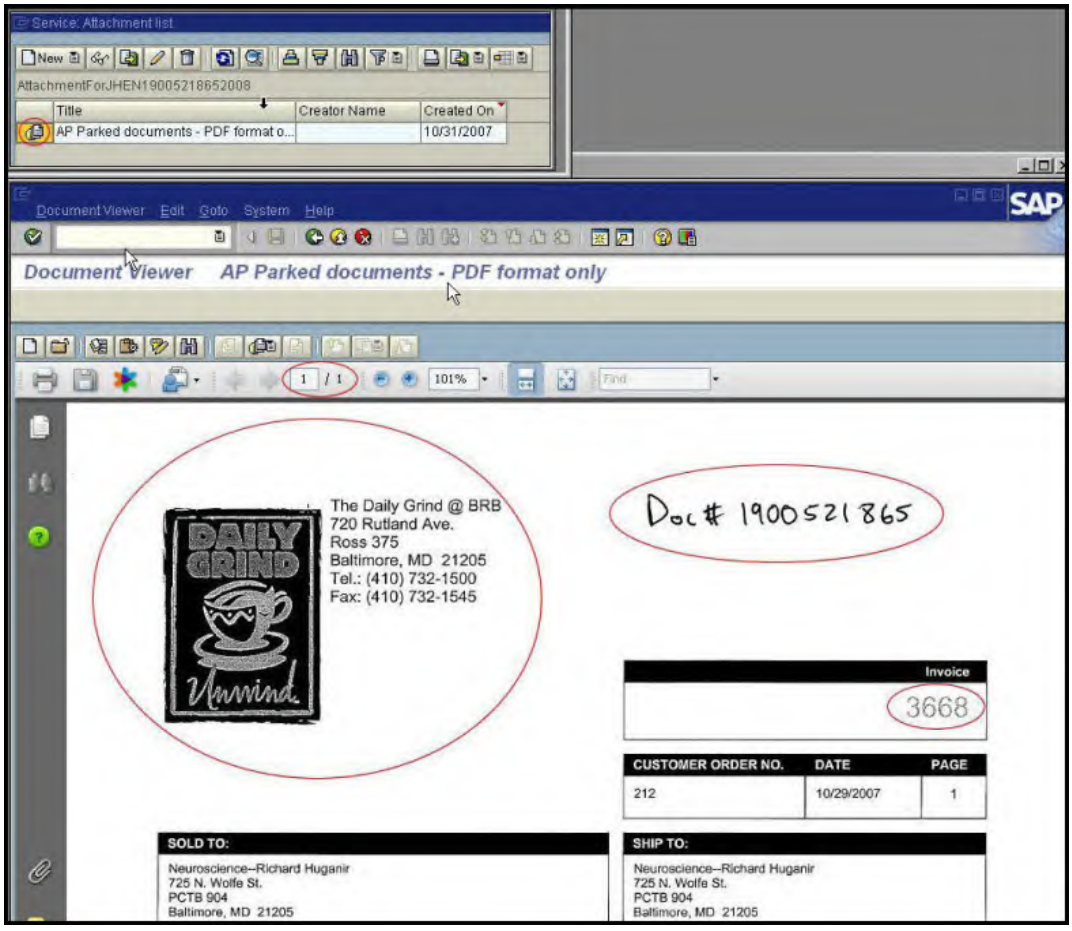
Display 5-4. *Using FB03 to Determine Initiator and Processor*

To view workflow and the various stages and dates of approval, click the white icon to the left of Display Document Overview, then choose Workflow, then Workflow Overview (Display 5-5).



Display 5-5. *Workflow view from FB03*

To see the original invoice, from the FB03 screen, again click the white icon to the left of Display Document Overview, then choose Attachment List and double click on the AP Invoices PDF (Display 5-6). When viewing the invoice (shown below), use the buttons in the toolbar to scroll through all pages.

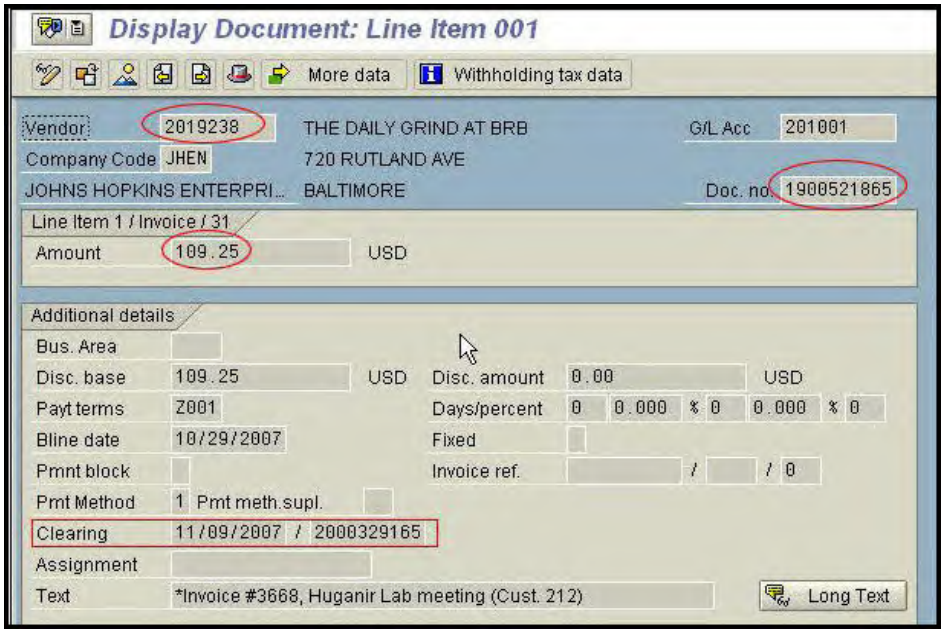


***Display 5-6**. Viewing Scanned Invoice from FB03*

Confirming Vendor Payments

Confirming Payment Using FB03

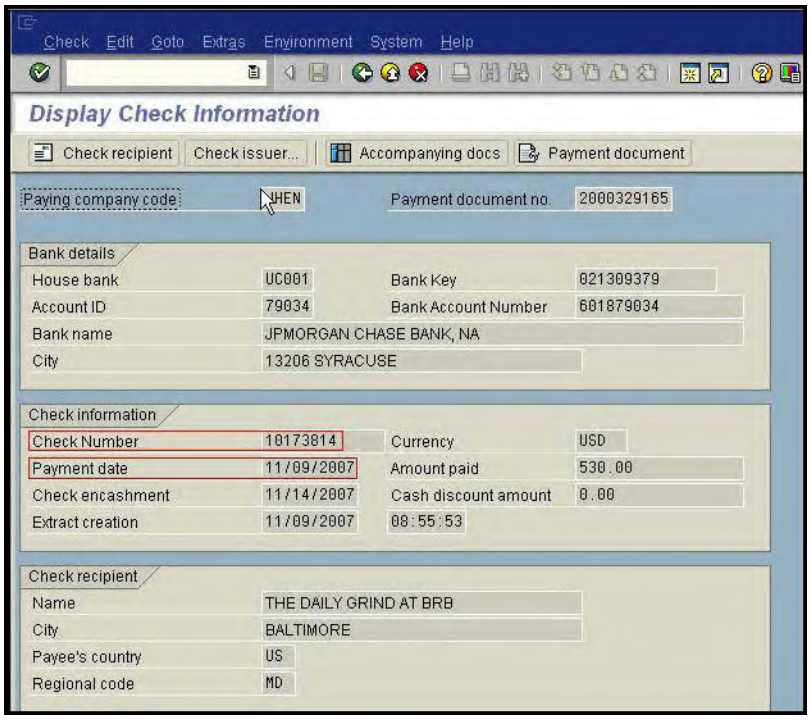
To confirm payment has been made to a vendor, from transaction code FB03, drill down on the vendor payment line item and a screen appears that has payment clearing information (Display 5-7).



Display 5-7. *Confirming Check Clearing Information Using FB03*

From this screen, the user can select Environment at the top of the screen and then Check Information (check number, date paid, date of encashment, etc.) will display as shown in Display 5-8.

Note that until the online payment request has been paid, you will not be able to see items such as the 'hat' (header) information on your screen. Additionally, if you were expecting an online payment to be posted in BW that is not reflected, you will want to contact A/P Shared Services with the SAP document number to inquire as to the status.



***Display 5-8**. Confirming Check Payment Using FB03*

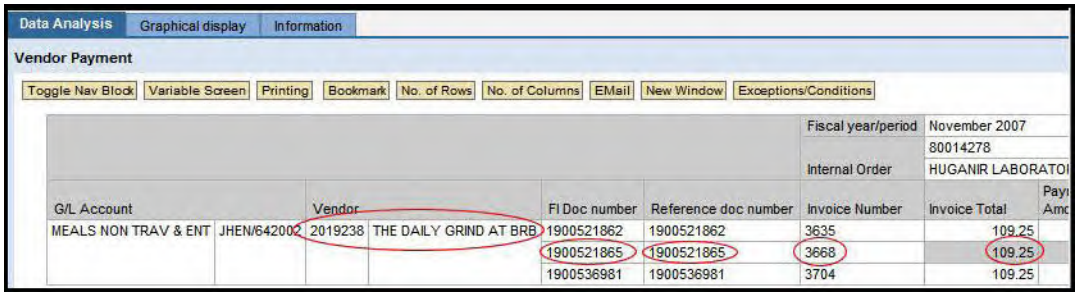
Confirming Payment Using BW Vendor Payment Report

The user also has the option of researching payments made to a particular online vendor for a particular time period. From the BW Report formats section of the Finance Office website located at:

```
http://finance.jhu.edu/H1/additional_fav.html
```

Select the Vendor Payment report found under the Additional Reports section. Using this report, you can generate a history of payments made to a particular vendor sorted by variants such as Business Area, G/L account, cost object, payment period, etc. For this example, payments to vendor 2019238 (The Daily Grind), for period 05/2008 from non-sponsored internal order 80014278 were selected and are shown in Display 5-9. You can see in the example that invoice number 3668 for $109.25 was paid to the Daily Grind during November 2007.

.



Data Analysis | Graphical display | Information

Vendor Payment

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

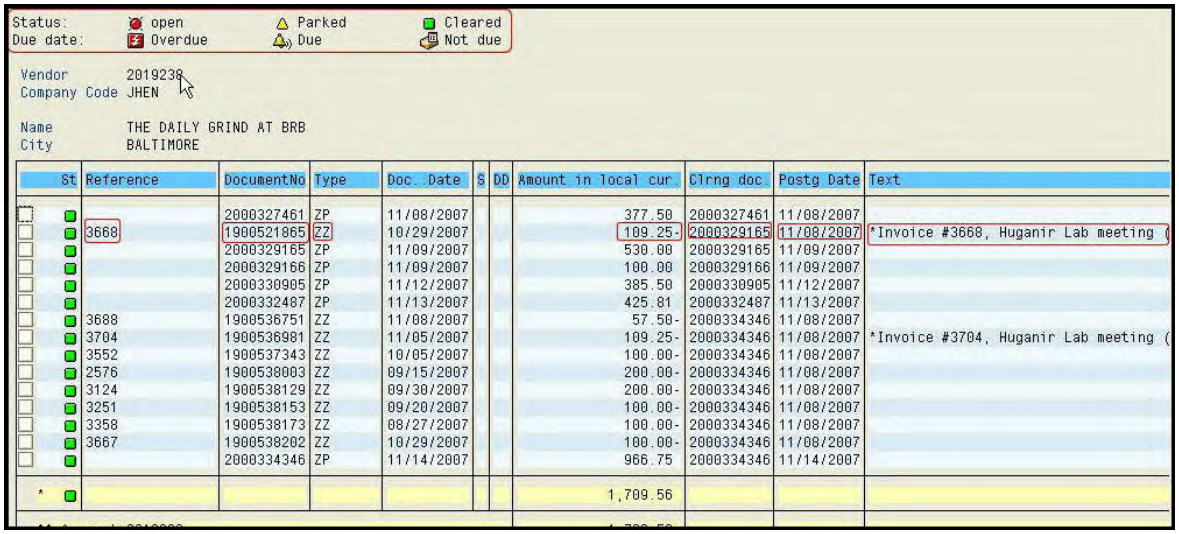
						Fiscal year/period	November 2007	
							80014278	
						Internal Order	HUGANIR LABORATOI	
G/L Account		Vendor		FI Doc number	Reference doc number	Invoice Number	Invoice Total	Payt Amc
MEALS NON TRAV & ENT	JHEN/642002	2019238	THE DAILY GRIND AT BRB	1900521862	1900521862	3635	109.25	
				1900521865	1900521865	3668	109.25	
				1900536981	1900536981	3704	109.25	

***Display 5-9**. Using the BW Vendor Payment Report to Confirm Vendor Payment*

Confirming Payment Using FBL1N

Another method of researching payments made to a particular vendor for a particular time period is ECC transaction FBL1N. The selection criteria vendor 2019238 showing all items for period 11/08/07 through 11/14/07 was used to run the report in Display 5-10. This report will give you status and due date information along with information such as Document No (the original FI Doc #), dollar amounts, clearing doc information and posting date and include any text the original requester added in the item area.

As you can see in Display 5-10 the online payment request for $109.25 to The Daily Grind was paid 11/8/07.



Status: open | Parked | Cleared
Due date: Overdue | Due | Not due

Vendor 2019238
Company Code JHEN

Name THE DAILY GRIND AT BRB
City BALTIMORE

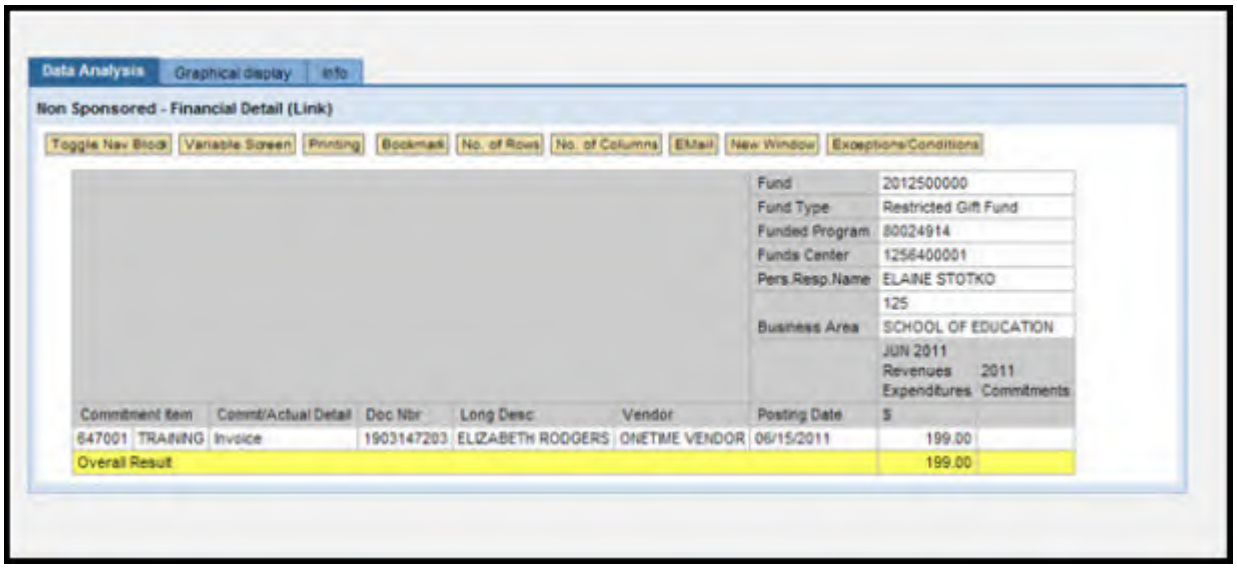
St	Reference	DocumentNo	Type	Doc. Date	S	DD	Amount in local cur.	Clrng doc.	Postg Date	Text
		2000327461	ZP	11/08/2007			377.50	2000327461	11/08/2007	
	3668	1900521865	ZZ	10/29/2007			109.25-	2000329165	11/08/2007	*Invoice #3668, Huganir Lab meeting (
		2000329165	ZP	11/09/2007			530.00	2000329165	11/09/2007	
		2000329166	ZP	11/09/2007			100.00	2000329166	11/09/2007	
		2000330905	ZP	11/12/2007			385.50	2000330905	11/12/2007	
		2000332487	ZP	11/13/2007			425.81	2000332487	11/13/2007	
	3688	1900536751	ZZ	11/08/2007			57.50-	2000334346	11/08/2007	
	3704	1900536981	ZZ	11/05/2007			109.25-	2000334346	11/08/2007	*Invoice #3704, Huganir Lab meeting (
	3552	1900537343	ZZ	10/05/2007			100.00-	2000334346	11/08/2007	
	2576	1900538003	ZZ	09/15/2007			200.00-	2000334346	11/08/2007	
	3124	1900538129	ZZ	09/30/2007			200.00-	2000334346	11/08/2007	
	3251	1900538153	ZZ	09/20/2007			100.00-	2000334346	11/08/2007	
	3358	1900538173	ZZ	08/27/2007			100.00-	2000334346	11/08/2007	
	3667	1900538202	ZZ	10/29/2007			100.00-	2000334346	11/08/2007	
		2000334346	ZP	11/14/2007			966.75	2000334346	11/14/2007	
*							1,709.56			

***Display 5-10**. Using the FBL1N Transaction to Confirm Vendor Payment*

OneTime Vendor Payments

A second type of online payment is the OneTime Vendor Payment, otherwise known as a Non-Employee Travel Reimbursement Expense. While these payments are similar to the regular online payment request, there are a few noteworthy differences listed below:

- OneTime Vendor payments are used for non-employee reimbursements, patient refunds and student refunds.
- Very few departments have access to enter these kinds of payments. Instead they are processed by APSSC staff members based on either a prior arrangment, or submission of the Non-Employee Travel Reimbursement Expense Report Form by the department.
- While these payments post with a ten digit "19" document number, the vendor will always reflect ONETIME VENDOR in the Vendor field in BW non-sponsored or sponsored financial detail reports, while the long description will reflect the vendor's name if referenced on the completed form.
- OneTime Vendor Payments can be researched and reviewed just like the typical online payment request.



Display 5-11. *OneTime Vendor Payment reflected in Non-Sponsored Financial Detail*

Recurring Payments

A third type of online payment is the recurring entry, which is a business transaction that is repeated regularly for scheduled payments, such as rent or insurance payments. A Recurring Entry is defined as an invoice that is for the same amount of money, charged to the same Company-Business Area-Cost Center/Internal Order/WBS Element-G/L Account for a specific period of time, which is paid to the same vendor.

Recurring payments are directly entered by APSSC management based on source documents—contractual and lease obligations—from other divisions (Real Estate, Purchasing, Accounting, departments, etc.) using ECC transaction FBD1. Recurring payments allow for an automatic payment process by the system for payments that occur on a frequent basis. These postings can be scheduled periodically or on a specific date.

To recognize and research these payments, there are only a few differences you should note. Because these payments are systematically generated once set up, the 10 digit (FI) document number will differ from online payment requests in that it will begin with '15' and not '19'. The example we will use is 1500005842 for $13,989.81 paid for rent from non-sponsored internal order 80000214 during November 2007. Note that the vendor number will still begin with '2'—this example using 2051491.

In viewing the BW Non-Sponsored Financial Detail for fiscal period 005/2008, we see that there will be no Long Description (Item Text field for sponsored) and the "Created by" field will always be SCAUTO. These postings are automatic payments, so there is no department end user creating them with an option to enter text. See Display 5-12.

Non Sponsored - Financial Detail (Link)

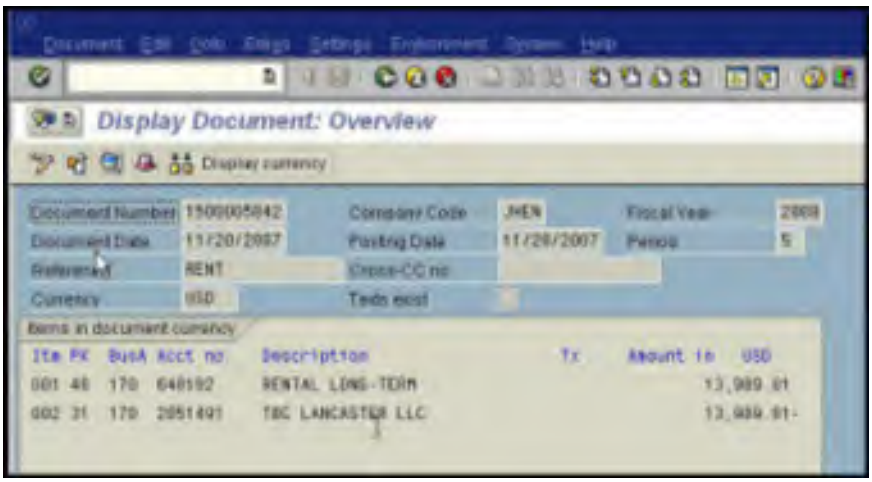
Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Fund	1017000001
Fund Type	General Operating Fund.
Funded Program	80000214
Funds Center	1700511001
Pers.Resp.Name	GRINNALDS JACK
	170
Business Area	SCHOOL OF MEDICINE
	NOV 2007 Revenues Expenditures

Commitment Item		Commt/Actual Detail	Doc Nbr	Long Desc	Vendor	Posting Date	Created By	$
640102	LEASED FAC- EXTERNAL	Invoice	1500005624	#	PGA ONE CHARLES CENTER	11/10/2007	SCAUTO	29,581.59
			1500005760	#	BROADWAY SERVICES *USE #2003866**	11/20/2007	SCAUTO	59.00
			1500005765	#	MDRE TIMONIUM II LLC	11/20/2007	SCAUTO	4,379.28
			1500005775	#	RTKL ASSOCIATES INC	11/20/2007	SCAUTO	275.00
			1500005815	#	BROWNS WHARF LLC	11/20/2007	SCAUTO	14,376.38
			1500005817	#	BOND STREET WHARF LLC	11/20/2007	SCAUTO	118,052.69
			1500005831	#	FSK LAND CORPORATION	11/20/2007	SCAUTO	105,901.00
			1500005842	#	TBC LANCASTER LLC	11/20/2007	SCAUTO	13,989.81
			1500005854	#	CORPORATE OFFICE PROPERTIES LP	11/20/2007	SCAUTO	88,522.21
			1500005856	*1909 S THAMES ST	UNION WHARF LLC	11/20/2007	SCAUTO	8,855.40
			1900542848	#	ADT SECURITY SERVICES INC	11/12/2007	KHAWKIN2	841.45
			8700077470	1784	Not assigned	11/02/2007	LHUX1	-240,161.00
Overall Result								144,672.81

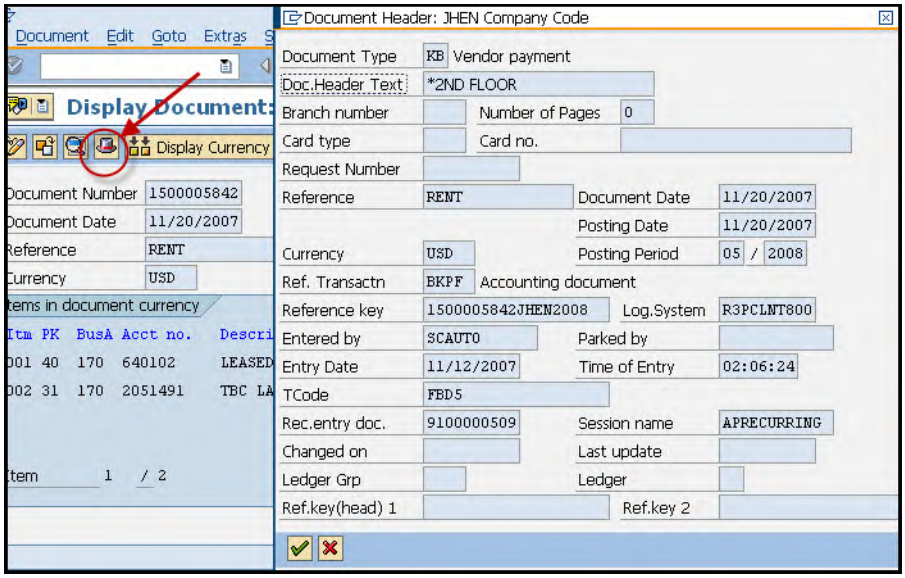
Display 5-12. *Recurring Payment - BW Report*

Although no research should be required as these postings are always valid, the reconciler can choose to confirm payment information through ECC transaction FB03—see Display 5-13.



***Display 5-13**. Recurring Payment - FB03 Drilldown*

When we click the hat icon (header information) at the top of the FB03 screen, we can see that recurring payments will not have the "Parked by" field completed, that "Entered by" will always be SCAUTO and if you look at the "Session name," it will tell you that this posting is for an A/P Recurring Payment, (Display 5-14).



***Display 5-14**. Recurring Payment - Using FB03 to Confirm Payment Type*

Additional Resources

■ Links to other resources you may find helpful:

Accounts Payable FAQ and General Procedures

`http://ssc.jhu.edu/accountspayable/FAQ`

Accounts Payable Shared Service Center Staff

`http://ssc.jhu.edu/accountspayable/contact.html`

Training Class: Processing Online Payments

`http://lms4.learnshare.com/l.aspx?CID=89&A=2&T=391087`

Chapter 6: Travel and Expense Reimbursement

This chapter covers Travel and Expense Reimbursement. In this chapter you will learn:

- How to identify travel and expense reimbursements from BW reports.
- Recommended procedures for reconciling travel and expense payments.
- How to use document numbers in ECC for detail about travel and expense postings.

Overview

The SAP Travel Management module streamlines the pre- and post-travel business/approval processes, and creates an audit trail through completion of the travel expense reimbursement request. This streamlined process yields significant savings and efficiencies in the area of processing reimbursement requests, and reduces the costs associated with the overall process.

Because Travel Management has been integrated with other key SAP modules, the problems associated with validations of data at the point of entry have been eliminated. Only those travelers authorized through HR master data to travel on behalf of Johns Hopkins may enter expenses. Likewise, travelers or travel assistant/designees are only able to enter expenses against those cost objects that they are authorized to charge at the time of the travel and as long as the budget exists.

SAP has been designed to incorporate relevant policies and limits for the various types of travel and expenses. Policies and procedures governing travel can be found at:

`http://finance.jhu.edu/policy/list.html`

Recommended Reconciliation Procedures

Workflow for TRIP transactions is designed to flow to an Approver, who is responsible for monitoring and approving travel and business expenditures against funds availability and allowability. The Approver is also charged with verifying that the travel is for legitimate business purposes.

Transaction workflow is based on cost object, not the person creating the transaction or the individual being reimbursed, meaning all transactions reflected in BW statements have been approved by the departmental approver. If TRIP transactions are properly controlled on the front-end in the department, the reconciler will recognize the name of the individual being reimbursed and/or remember approving the specific transaction, requiring no further research to approve the charge.

With the TRIP transaction, original receipts are required for any expenditure >$75 and for all hotel expenditures. As the TRIP transaction is workflowed through the approval process, the department is ultimately responsible for reviewing the attached receipts, matching them to the expense and the requester, and determining if the expense reimbursement is allowable.

Scanning is the method for attaching expense receipts to the TRIP transaction. Expense reports and receipts (unless under $75) are audited by APSSC. The receipts become a permanent part of the record.

Departments MUST retain all original receipts for TRIP transactions. It is recommended that these receipts are attached and filed with a printout of the TRIP transaction from ECC. Then, when reconciling TRIP commitments or transactions, the trip number can be matched to the reference document number in the BW detail report.

For any reimbursement charged to an account in your department that is created by another department, it is recommended that at least one department retain the original receipts, while the other retains some form of documentation. This can range from as little as an email explanation to as much as copies of all the original receipts.

Useful Reports and Transactions

To reconcile travel and expense postings, use the following reports and ECC transactions:

- Revenue and Expense Summary and Detail Reports in BW- the Sponsored and Non-Sponsored Revenue and Expense Summary and Detail reports provide inception-to-date and year-to-date totals and monthly detail for all travel related activty. Pre-formatted reports are available on-line at:

  `http://finance.jhu.edu/H1/saved_favs.html`

- FB03- this ECC transaction allows users to obtain detailed information using the FI document number from the BW report. This process is discussed in

greater detail in Chapter 5, *Further Research of Online Payments-FB03* on page 5-4.

- TRIP- this ECC transaction allows users to obtain specific detail about a particular travel and expense request and reimbursement.
- Vendor Payment Report- this BW report allows users to obtain specific detail regarding payments made to vendors during a set period of time.

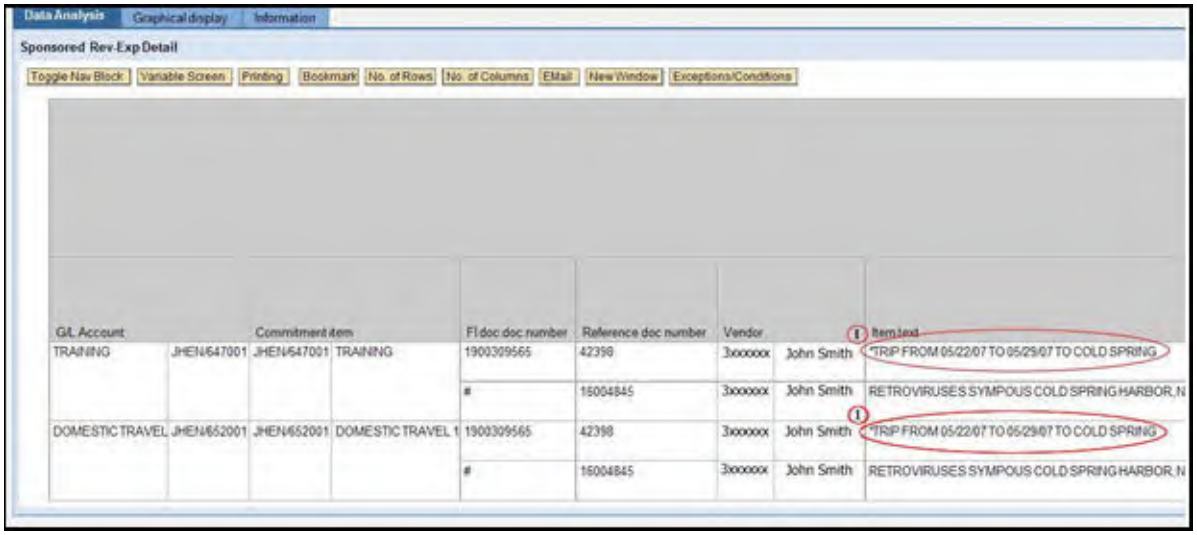
Further Research of Travel and Expense Reimbursements

The TRIP transaction, when saved, generates a Trip Number. The first two digits are designated by personnel area and the remaining are based on sequencing. For instance, a TRIP generated in the School of Medicine would be 130xxxxx and one generated by School of Arts and Sciences would be 180xxxxx. This number is used to track the document through the payment process and later to reconcile in BW.

Whether creating a travel or non-travel expense reimbursement, it is important for the end user to remember to always complete the "Comments" field, which will later provide more information when tracking a travel reimbursement by the original TRIP transaction.

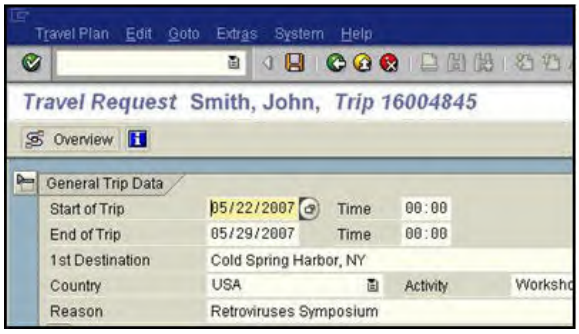
Using the Detail & Summary Reports in BW for Reconciliation

The Sponsored and Non-Sponsored Revenue and Expense Summary and Detail reports in BW provide inception-to-date and year-to-date totals and monthly detail for all travel related activity.



Display 6-1. *Item Text in Sponsored Rev-Exp Detail Report*

The "First Destination" text from the TRIP transaction later populates the Item Text field in BW and circled in Display 6-1. Users should note, however, only the first 12 characters are displayed. The Item Text field will also include the trip start and end date as reflected in Display 6-2.



Display 6-2. *TRIP Transaction in ECC*

Display 6-2 is from the actual TRIP transaction. Note which fields populate the BW report.

For non-travel business expense transactions there is no "First Destination" field in the TRIP transaction. Because of this, users do not have the option of entering descriptive text in the TRIP transaction. Only the SAP defaulted text of "Trip from (trip start date) to (trip end date)" will display in BW as shown in Display 6-3.

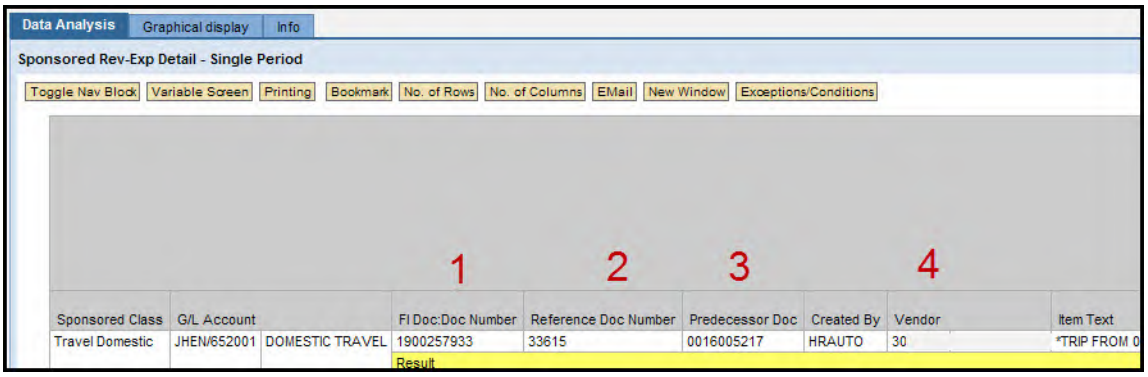
em	FI doc doc.number	Reference doc number	Vendor		Item text	Create
DOMESTIC TRAVEL 1	1900257933	33615	3xxxxxx	John Smith	*TRIP FROM 05/18/07 TO 05/18/07	HRAUT
	#	16005217	3xxxxxx	John Smith	SUPPLIES, LAB LUNC	THITZE

Display 6-3. *Item Text for Non-Travel Business Expenses*

Travel Detail in BW

An example of the key BW fields for tracking travel activity are shown in Display 6-4. These fields are as follows:

1. Doc # for Non-Sponsored accounts or FI Doc # for Sponsored
2. Reference Document Number
3. Predecessor Document Number will be the TRIP Number
4. Vendor Number/Name (will always begin with a 3)



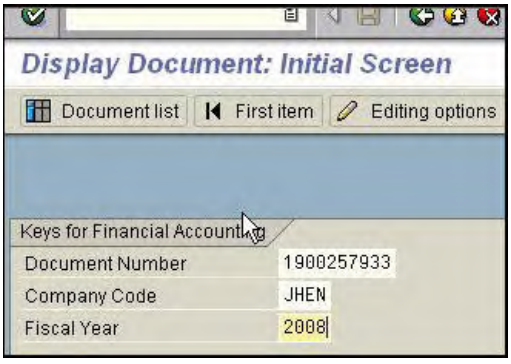
Display 6-4. *Travel Detail in BW*

Travel and expense disbursements will begin with doc type "19" and are 10 digits in length. Expense reimbursements where the traveler owes money back to the university begin with doc type "17" and are 10 digits in length. To reconcile, either match the original number with the original paper documents or the user can view the payment using FB03.

Using FB03 to Research Expenses

To research an expense reimbursement from BW further, log into ECC and open up the SRM Requisitioner folder (if available). Choose FB03 (Display Document) and enter the Doc # (or FI doc # for the sponsored account) found in the BW report. The document number will begin with a 19. The number in the "Reference" field will be used to match the expense in BW with the original TRIP transaction.

The example below uses the Doc # (or FI doc # for sponsored accounts) found in the BW report~1900257933 is our example. This is field #1 from Display 6-4.



Display 6-5. *FB03 Display with Document Number*

Display 6-6. *FB03 Display with Doc # and Ref Number (TRIP Number)*

The number in the "Reference Field" (#2) will be used to match the expense in BW with the original TRIP transaction. The vendor's name is helpful if the PERNR is unknown.

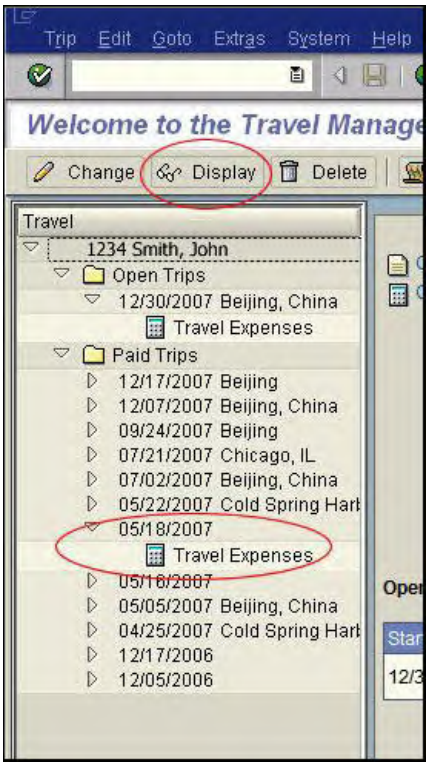
Using the TRIP Transaction to Find the Original Document

Go into the TRIP transaction to find the original document.

Display 6-7. *Travel Manager is located under Human Resources/Travel Management*

- From the SAP Easy Access menu, choose Travel & Business Expense Request Assistant and select TRIP– Travel Manager. This is located under Human Resources/Travel Management.
- Click on Change Personnel Number icon and enter the PERNR for the individual, or start a name search. Double click on the name. Click on List of All Trips to see all paid or open TRIP transactions for the individual.

- Highlight the Travel Expenses line to be researched (the line with the calculator), then click on the Display icon. See display 6-8.



***Display 6-8**. Overview of Travel Manager*

Note that all of the trips for the employee are displayed. Open TRIP transactions are also listed. Click on travel expenses and the display icon at the top of the screen. Display 6-9 is the detail of the travel expenses.

The TRIP number matches the Reference Number found in FB03 and from BW. If text had been entered in the "Comments" text box during the original TRIP transaction, it would display later in "Additional Trip Information."

.

Name John Smith
Personnel Nbr: 1234
Trip Nbr: 16005217 School of Public Health

I T I N E R A R Y

Trip Destination	Reason/Country	Activity
05/18/2007 00:00 -	supplies, lab lunch/dinne	
05/18/2007 00:01	No Distinction	

I T E M I Z A T I O N

Date	RNo	Receipt	Amount in USD
05/18/07	001	Lunch	195.85
05/18/07	002	Supplies	68.76
05/18/07	003	Lunch	62.90
05/18/07	004	Supplies	109.22
05/18/07	005	Supplies	25.49
05/18/07	006	Supplies	118.82
05/18/07	007	Dinner	245.20
05/18/07	008	Other	12.69
05/18/07	009	Dinner	46.07
05/18/07	010	Supplies	81.06
05/18/07	011	Supplies	230.98
05/18/07	012	Supplies	107.83
05/18/07	013	Supplies	76.93
05/18/07	014	Lunch	115.80
05/18/07	015	Supplies	118.14
05/18/07	016	Lunch	183.35
05/18/07	017	Lunch	192.17
05/18/07	018	Supplies	60.00
05/18/07	019	Supplies	107.22

***Display 6-9**. Travel Expense Statement*

Using the Vendor Payment Report in BW

Employees who travel on behalf of JHU or JHHS are assigned a seven digit vendor number, which begins with a 3. Only employees and non-employees with travel privileges are assigned a vendor number, indicated by Infotype 0017.

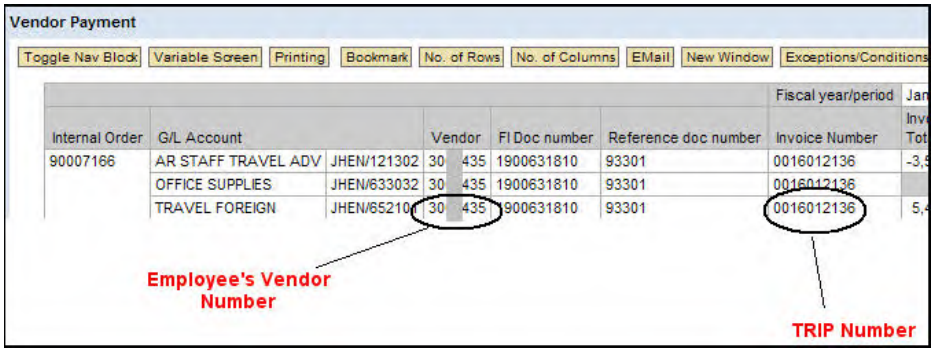
In addition to using the Travel Manager in ECC, there is a Vendor Payment Report available in BW. This report gives detailed information about a particular vendor's reimbursements. This report can be accessed in BW under Supply Chain/Accounts Payable or it can be accessed using the formatted reports located online at:

`http://finance.jhu.edu/H1/additional_fav.html`

To run this report, enter:

- ❑ Business Area
- ❑ Time Period
- ❑ Vendor Number

The report will return a listing of all paid transactions to the vendor. In this case, the vendor is the employee who travelled.



***Display 6-10.** BW Vendor Report*

Additional Resources

Links to additional resources you may find helpful:

Accounts Payable Shared Services- JHU & JHHS Travel Policies

`http://ssc.jhu.edu/accountspayable/policies.html`

Accounts Payable Shared Services- Travel Forms

`http://ssc.jhmi.edu/accountspayable/forms.html`

Training Class: Travel & Business Expense Reimbursement

http://lms4.learnshare.com/l.aspx?CID=89&A=2&T=391087

Chapter 7: Equipment and Fixed Assets

This chapter covers Equipment and Fixed Assets. In this chapter you will learn:

- The definition of equipment.
- The processes for fixed assets and equipment setup in SAP.
- The shopping cart document type for capital purchase orders is CAPP.
- Which BW reports are most useful in identifying equipment and fixed assets.

Overview of Fixed Assets and Equipment

What is Equipment?

Equipment is defined as an article of non-expendable, tangible property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. The Fixed Asset Shared Service Center (FASSC) is responsible for maintaining an inventory of all of the University's equipment assets. Additionally, any questions or problems related to the purchase or capitalization of equipment can be directed to the FASSC.

Review of the Basic Process for Equipment Setup

The basic process for fixed assets and equipment setup is as follows:

1. User creates a SRM shopping cart to purchase the desired items. If the equipment is capital (as defined above), the user selects shopping cart document type CAPP, capital purchase order. Users should be aware when purchasing equipment that the default Document Type setting is the ECPO or Expense Purchase Order. Selecting the CAPP document type lets SAP know the purchase order is for equipment.
2. The CAPP PO will reflect commitment item 631099, EQ-SRM Only. If you are creating a Purchase Order with a PROJ doc type, G/L 651633 should be used.

3. After the appropriate department approvals are received, the shopping cart is routed to Fixed Assets Shared Services, where it is evaluated for a capital equipment purchase, and an asset shell is established with an asset number (a seven digit identifier beginning with 4XXXXX), cost object, commitment item and G/L account. No dollar amounts are assigned to the asset shell.
4. FASSC will then forward for additional approval if required (e.g., SOM purchases over $50K per unit.)
5. If no additional approval is necessary, the shopping cart is routed to Purchasing. A purchase order is created which references the asset shell, and the order is placed.
6. When a goods receipt is completed, the expense posts using the cost object, commitment item and GL account on the purchase order.

In limited circumstances, equipment may be purchased using the Online Payment Request. This option is utilized when the item is not available on the SAP shopping cart. An on-line payment request is initiated once an invoice is received from the vendor. The commitment item used will be 631113, JHU Only Equip>5k. This practice is discouraged because equipment acquisitions other than through purchase orders are not easily identified.

Even when using purchase orders, there are situations when capital equipment is incorrectly purchased as regular expense (e.g. 633032, Office Supplies). This presents problems for the university with calculation of F&A Cost Recovery Rates and with calculation of depreciation. Not correctly classifying a purchase as equipment may be recognized by the department buying the equipment, by General Accounting in the Office of Finance, or by FASSC as they routinely review purchases over $5,000, which use certain G/L accounts.

If it is determined that equipment was purchased incorrectly, FASSC will create the asset shell and assign an asset number using the cost object, funds center and fund from the purchase order. FASSC will then transfer the equipment from the expense GL/Commitment Item to GL 180202 and then notifies the user that the purchase was made incorrectly and that a transfer was made.

Reconciliation of Equipment and Fixed Asset Expenses

Equipment purchases are reconciled in the same manner as other valuated purchase orders, meaning the three-way match of PO, invoice receipt and goods receipt is needed for the expense to be recognized. This process is outlined in “Purchase Order Categories” on page 3-2. Equipment and fixed asset expenses will post to sponsored class 653400, Equipment for sponsored accounts, and commitment item 653406, Major Movable Equipment, for non-sponsored.

As our process of reconciliation has moved toward a more risk-based approach, an equipment purchase using the SRM shopping cart method has become a lower risk transaction. This is because of the multiple levels of approval needed in the equipment and fixed asset purchasing process.

End users should realize that while equipment expense is recognized in full at the time of purchase in both the GM or FM modules, the equipment itself is depreciated over its useful life. Depreciation of equipment posts to the Special Ledger (SL) reports and if necessary, can be tracked using BW Controlling reports, such as the *Controlling* > *Actual Trend* report. More information about asset purchases and treatment can be found on the website of FASSC.

`http://ssc.jhu.edu/fixedassets/index.html`

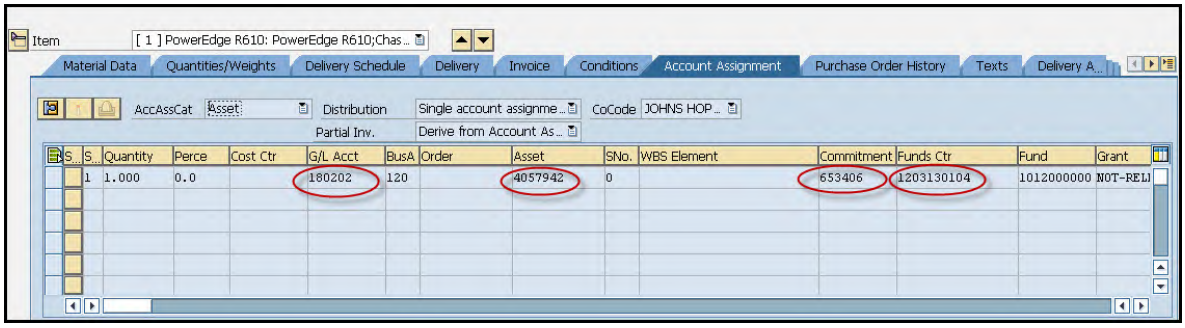
Reconciliation Examples

Tracking an Equipment Purchase Order using BW Reports

The example below shows an equipment purchase using non-sponsored funds (1203130104). Display 7-1 shows the CAPP PO was approved on June 15, 2010. On June 23, 2010, the invoice was received as indicated by the 51 doc and it was valuated with a goods receipt as indicated by the 50 doc on the 29th of June. The user will be able to track this purchase through SAP beginning with ME23N as shown in Display 7-1.

Display 7-1. *CAPP PO 2000951846 for Equipment in ME23N*

The Account Assignment tab shown in Display 7-2 in ME23N shows the asset tag number (# 4057942) assigned to the equipment. You'll notice the purchase posted to G/L 180202 and commitment item 653406, Major Movable Equipment, indicating the equipment was charged to non sponsored funds.



***Display 7-2**. Account Assignment tab showing the Asset Tag Number*

On the BW Non-Sponsored Financial Summary report in Display 7-3, we can see the goods receipt posting the expense of $8,185.18, the third part of the three way match (PO, IR, GR) needed for CAPP PO's. So, the full purchase price of the capital equipment was recognized in Funds Management at the time of purchase. The same holds true for equipment purchases posting in the Grants Management module..

Non Sponsored - Financial Summary

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

	Fund	1012000000 GENERAL FUNDS
	Fund Type	General Operating Fund.
	Funded Program	# JHEN/Not assigned
	Funds Center	1203130104 COMP SCIENCE
	Pers.Resp.Name	Alison Milligan
	Business Area	120 WHITING SCHOOL OF ENGINEERING

Commitment Item		2010 Opening Balance	JUN 2010 Current Budget	MAY 2010 YTD Revenues/ Expenditures	JUN 2010 Revenues/ Expenditures	Total YTD	2010 Commitments	Tot Recog/ Committed	Unrecog/Uncom Bdgt Balance	Ending Balance
					$	$		$	$	$
653406	MAJOR MOVABLE EQUIP				8,185.18	8,185.18	0.00	8,185.18	(8,185.18)	8,185.18
Overall Result					8,185.18	8,185.18	0.00	8,185.18	(8,185.18)	8,185.18

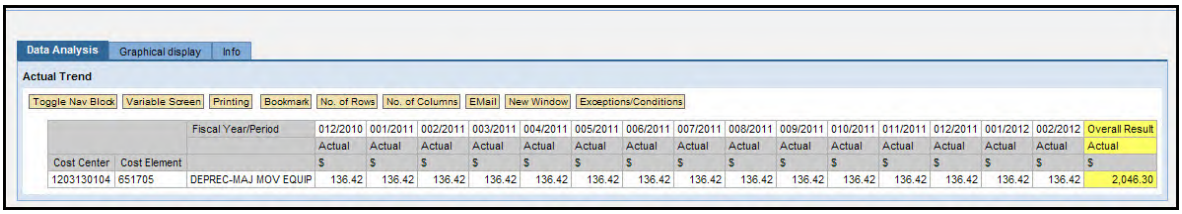
***Display 7-3**. Non-Sponsored Financial Summary showing Expense Recognized*

And, again, depending on its useful life, or length of time the depreciable asset is expected to be usable, an asset will have an associated posting of depreciation in the Special Ledger (S/L). For example, in running a BW *Controlling > Actual Trend* report (Display 7-4) from the date the equipment was purchased and expensed (period 012/2010) through the end of the month just closed (period 008/2012), we can deduce that the equipment has a useful life of five (5) years,

because if we divide the purchase price, $8,185.18 by the rate of monthly depreciation $136.42, we come up with 60 months. The net book value remaining on this equipment based on current recorded value (as of period 008/12) is $2,864.82.

Although it is not necessary to track depreciation, it is helpful to know how far into the useful life of the asset you are. Equipment will remain open or active in the university's records until action is taken by the purchasing department, such as donating, transferring, selling, or otherwise disposing of it. Non-sponsored accounts used to purchase equipment that have a remaining net book value cannot be inactivated unless the department works with FASSC to resolve.

Depreciation is determined at the time of purchase based on the asset class assigned to the equipment. For more information, contact FASSC with your purchase order number and/or asset tag number..


Data Analysis | Graphical display | Info

Actual Trend

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

		Fiscal Year/Period	012/2010	001/2011	002/2011	003/2011	004/2011	005/2011	006/2011	007/2011	008/2011	009/2011	010/2011	011/2011	012/2011	001/2012	002/2012	Overall Result
			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Cost Center	Cost Element		$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
1203130104	651705	DEPREC-MAJ MOV EQUIP	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	136.42	2,046.30

***Display 7-4**. Controlling>Actual Trend Report Showing Depreciation*

Keep in mind that depreciation on equipment purchased with either sponsored funds or with a non-sponsored internal order, is recorded at the cost center. Please contact staff at FASSC for more information regarding capitalization of equipment.

Duplicate Charge Example

The following example demonstrates how a duplicate expense posting can occur when a goods receipt is done on a purchase order, but the vendor is paid via online payment request, instead of using an invoice which references the purchase order. We will track this example from shopping cart through problem resolution.

1. This piece of equipment was purchased through SRM, with the shopping cart being created on 1/22/07. The purchase order was created as a valuated PO, meaning goods receipt is required and expense posts at the time of goods receipt.
2. A goods receipt was completed on 1/28/07, causing an expense of $10,372.51 to post to sponsored class 653400.
3. An online payment request was submitted separately, without referencing the original PO, causing an additional $10,372.51 to be charged to the cost object.

So, we have seen that the cost object has been charged twice for this freezer, the first time upon goods receipt, and the 2nd time when an online payment request was submitted and paid. (As noted above, the problem resulted from the online payment request being submitted for payment. Because the online payment request does not reference the purchase order, payment of the invoice caused a duplicate expense to post. Additionally, it left a hanging goods receipt that will need to be addressed.)

In this situation, instead of submitting an online payment request, the user should have notified Accounts Payable Shared Services to inform them that an invoice needed to be paid for this Purchase Order.

To correct the duplicate payment, the following steps will be followed.

1. The department deletes the goods receipt. This removes the asset shell and clears one of the $10,372.51 expense postings.
2. Purchasing deletes the purchase order.
3. The department deletes the shopping cart.
4. The department processes an Equipment, Non-Payroll Cost Transfer crediting sponsored class 637000, and debiting sponsored class 653406 for $10,372.51. This effectively moves the charge to the correct G/L and re-establishes the dollar value of the asset at $10,372.51. The cost transfer is routed to Financial Research Compliance (if charging a sponsored account) and FASSC for approval.

Additional Resources

Here are links to other resources you may find helpful:

Fixed Asset Shared Service Center Website:

`http://ssc.jhu.edu/fixedassets/index.html`

Supply Chain Shared Service Center Website, PO Information:

`http://ssc.jhu.edu/supplychain/index.html`

Section III

Payroll and Related Transactions

Chapter 8: Payroll

This chapter covers Human Resources and Payroll. In this chapter you will learn:

- All salary info types have validity dates and their importance.
- How retroactive Eforms can be completed to correct charges to control salary and other cost objects.
- The timing and process for reconciling payroll.
- The importance of monitoring the default cost center after each pay period for control salary expenses.

Reconciliation Overview

Reconciliation involves ensuring payroll expenses posted to an account are allowable per OMB Uniform Guidance 2 CFR 200 Subpart E - Cost Principles for sponsored awards or accurately charged to non-sponsored accounts. At a minimum, reconciliation of payroll should occur monthly. The following points should be reviewed when performing reconciliation of payroll:

- ❑ Salary charges have posted to the cost objects correctly
- ❑ Labor distribution is accurate per employee as it relates to effort expended
- ❑ Identify individuals near their labor distribution end dates that will be charged to control salary in a future pay period
- ❑ Individuals charged to control salary have been transferred to the appropriate accounts
- ❑ Fringe benefits have posted correctly
- ❑ Overpayments have not occurred

Using BW Reports for Payroll Reconciliation

From a broad perspective, the reconciler wants to review payroll charges at the Summary level and Detail level, looking for individuals paid and total dollar amounts charged. Are the overall charges this month in line with last month? If not, have staff been added? Have staff dropped off? Have Eforms to change salary been processed? Once the reconciler is comfortable with these questions, the actual detail for payroll charges should be reconciled.

There are a variety of BW reports that can be utilized for reconciliation purposes, depending on preference or access. Pre-formatted report templates are available at:

`http://finance.jhu.edu/H1/saved_favs.html`

BW Human Resources > Finance Admin Reports

All of the BW payroll reports located under Human Resources > Finance Admin are secured by cost object, meaning these reports will show all employees who are charged to your cost object, even when they are outside of your Personnel Area/Org Unit. Most of these reports also allow the user to review both sponsored and non-sponsored cost objects.

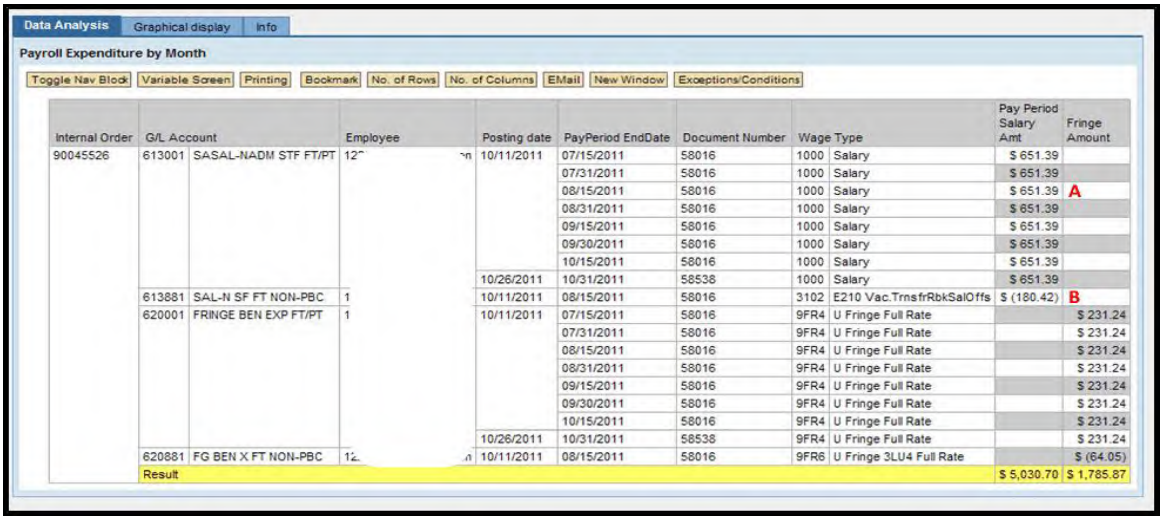
Adding free characteristics, such as Employee, End of Pay Period or Payroll Period End Date, and Wage Type to any of these reports provides information helpful in reconciliation. Wage type for example, allows users to clearly differentiate Salary (wage type 1000) from E210 Vacation Credits (wage type 3102), and adding both posting date and End of Pay Period allows the reconciler to identify all Eform transactions.

Payroll postings have FI document numbers beginning with 4

Display 8-1 shows the Payroll Expenditure by Month report for a sponsored program with helpful free characteristics added. Notice that the report provides detail on retroactive Eforms processed (A) (discussed later in this chapter in Payroll Transfers) and displays E210 vacation credits (B) (explained in Chapter 9). Run this or another of the reports in BW for all of the cost objects in your area. Once printed, the reconciler can review each payroll charge by individual on each cost object to make a determination of allowability. This may involve:

- Reviewing Uniform Guidance 2 CFR Part 200 (e.g. Administrative Salaries)
- Reviewing the approved budget for the award to determine if the payroll amount or person is an allowable charge to the award
- Reviewing the report with the Principal Investigator to ensure it reflects a reasonable estimate of effort provided
- Ensuring non-sponsored salaries are correctly charged

Since our focus during reconciliation has become more risk-based, payroll transactions originating outside of the department should be reviewed and scrutinized in greater detail. This includes reviewing Eforms to ensure that amounts being charged to cost objects are appropriate.



Data Analysis | Graphical display | Info

Payroll Expenditure by Month

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

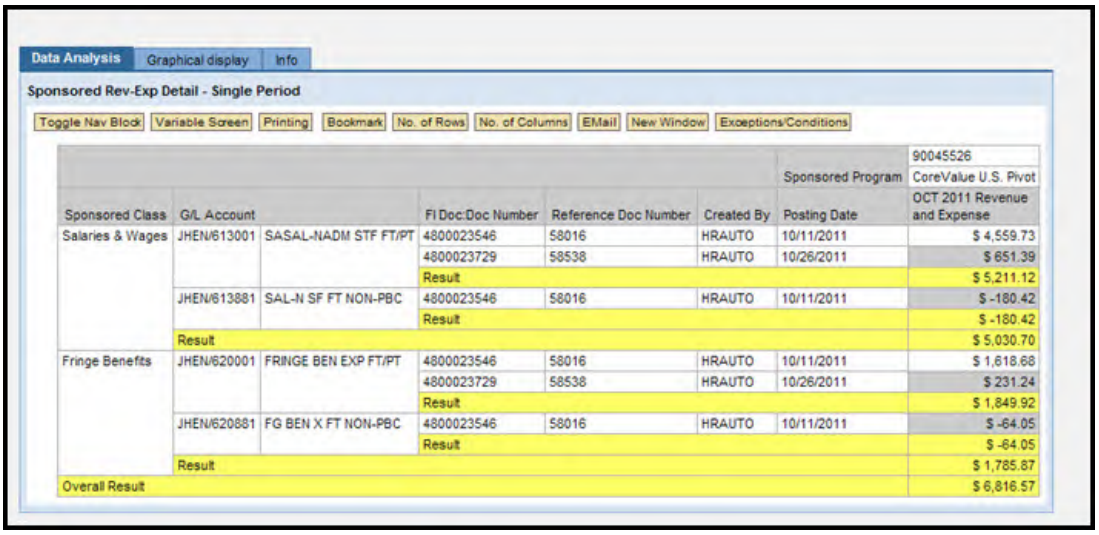
Internal Order	G/L Account		Employee	Posting date	PayPeriod EndDate	Document Number	Wage Type		Pay Period Salary Amt	Fringe Amount	
90045526	613001	SASAL-NADM STF FT/PT	12[illegible]	10/11/2011	07/15/2011	58016	1000	Salary	$ 651.39		
					07/31/2011	58016	1000	Salary	$ 651.39		
					08/15/2011	58016	1000	Salary	$ 651.39		A
					08/31/2011	58016	1000	Salary	$ 651.39		
					09/15/2011	58016	1000	Salary	$ 651.39		
					09/30/2011	58016	1000	Salary	$ 651.39		
					10/15/2011	58016	1000	Salary	$ 651.39		
				10/26/2011	10/31/2011	58538	1000	Salary	$ 651.39		
	613881	SAL-N SF FT NON-PBC	1	10/11/2011	08/15/2011	58016	3102	E210 Vac.TrnsfrRbkSalOffs	$ (180.42)		B
	620001	FRINGE BEN EXP FT/PT	1	10/11/2011	07/15/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					07/31/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					08/15/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					08/31/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					09/15/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					09/30/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
					10/15/2011	58016	9FR4	U Fringe Full Rate		$ 231.24	
				10/26/2011	10/31/2011	58538	9FR4	U Fringe Full Rate		$ 231.24	
	620881	FG BEN X FT NON-PBC	12[illegible]	10/11/2011	08/15/2011	58016	9FR6	U Fringe 3LU4 Full Rate		$ (64.05)	
	Result								$ 5,030.70	$ 1,785.87	

***Display 8-1**. Payroll Expenditure by Month (showing A-Retroactive Eform & B-E210 Vacation Credits)*

Monthly Detail Reports

The Sponsored Revenue-Expense Detail report, Display 8-2, can be helpful in payroll reconciliation as well. The report, located under *Sponsored Projects > Transactions* in BW, or from the BW Saved Favorites link, provides totals for payroll charges by sponsored class and can be used in conjunction with the Payroll Expenditure by Month report.

Although the employees are not listed by name on the *Sponsored Revenue-Expense Detail* report shown in Display 8-2, the reconciler can easily match the totals by Sponsored Class and G/L Account, along with the "Reference Doc Number" to the "Document Number" in the Payroll Expenditure by Month report (shown in Display 8-1).



Data Analysis | Graphical display | Info

Sponsored Rev-Exp Detail - Single Period

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

						Sponsored Program	90045526 CoreValue U.S. Pivot
Sponsored Class	G/L Account		FI Doc.Doc Number	Reference Doc Number	Created By	Posting Date	OCT 2011 Revenue and Expense
Salaries & Wages	JHEN/613001	SASAL-NADM STF FT/PT	4800023546	58016	HRAUTO	10/11/2011	$ 4,559.73
			4800023729	58538	HRAUTO	10/26/2011	$ 651.39
			Result				$ 5,211.12
	JHEN/613881	SAL-N SF FT NON-PBC	4800023546	58016	HRAUTO	10/11/2011	$ -180.42
			Result				$ -180.42
	Result						$ 5,030.70
Fringe Benefits	JHEN/620001	FRINGE BEN EXP FT/PT	4800023546	58016	HRAUTO	10/11/2011	$ 1,618.68
			4800023729	58538	HRAUTO	10/26/2011	$ 231.24
			Result				$ 1,849.92
	JHEN/620881	FG BEN X FT NON-PBC	4800023546	58016	HRAUTO	10/11/2011	$ -64.05
			Result				$ -64.05
	Result						$ 1,785.87
Overall Result							$ 6,816.57

***Display 8-2**. Sponsored Rev-Exp Detail*

Because fringe benefits charges are based on a person's classification (faculty, staff, student & wage type), it is a good idea to be sure when adding someone new to payroll, that fringe benefits are charged accordingly. The link for Cost Analysis at JHU's Office of Finance, where the current fringe benefits rates can be found is:

`http://finance.jhu.edu/depts/cost/index.html`

Note that reconciliation of non-sponsored cost objects should be approached in the same manner as sponsored, instead pulling the monthly Non-Sponsored - Financial Detail report from BW located under Finance > Funds Management, or from the pre-formatted Saved Favorites.

Default Cost Center (Control Salary) Reconciliation

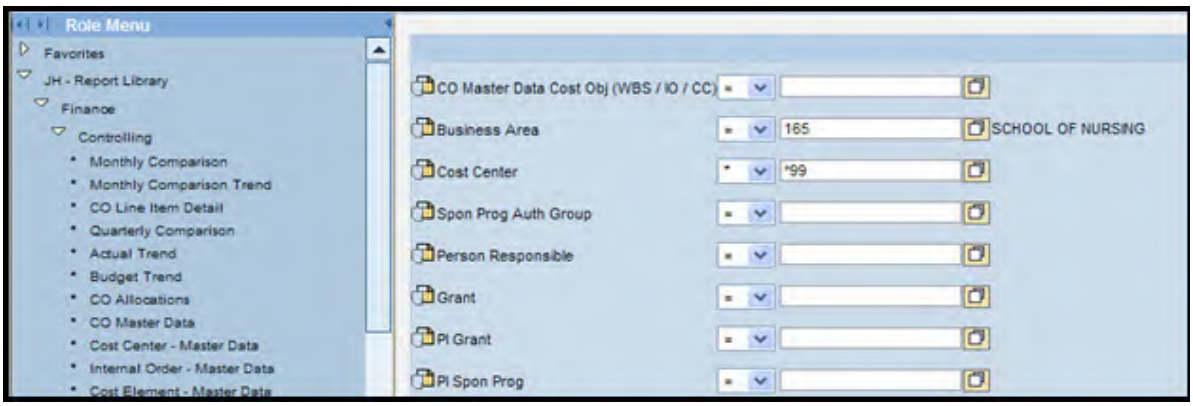
Reconciling the default cost center (control salary) on a regular basis ensures errors are corrected in a timely manner and can reduce the administrative burden of processing payroll cost transfers at Effort certification.

Divisions and departments should at a minimum review their control salary balance monthly, although it is recommended that it be viewed each pay period. Individuals being charged to the default cost center should be reviewed to identify the correct cost object to charge.

All infotypes within SAP have validity periods. For instance labor distribution (infotype 9027) has a start and end-date for each cost object. If the labor distribution passes the end-date for a given cost object, salary is charged to the control salary account, ensuring that the employee continues to be paid. This occurs most often when a grant end-date has passed.

Control Salary cost centers end in 99

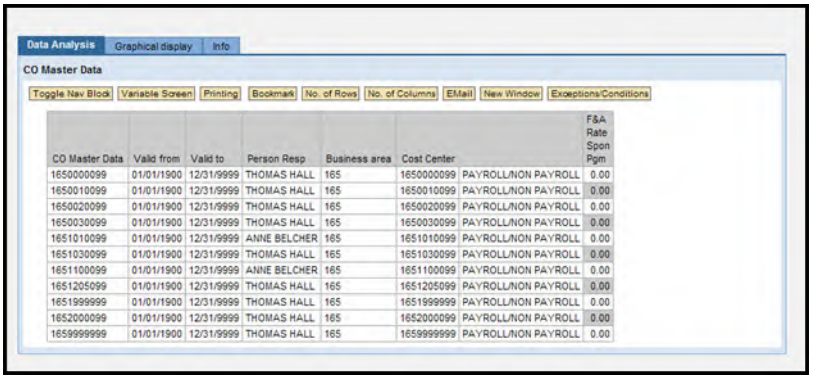
The employee's labor distribution should be changed prior to the budget end-date by Eform. Reviewing the default cost center each pay period will ensure salary is being charged appropriately and control salary is kept to a manageable level. All Control Salary cost centers end in 99.



Display 8-3. *CO Master Data showing wild card (*99) used in variable screen*

If you do not know the default cost center(s) for your department, from BW, under Finance > Controlling, select CO Master Data. The variable screen allows users to pull a list of control salary cost centers based on BW security, by using an asterisk as a wildcard selection. For example, if a department is within the School of Nursing (BA 165), users can input Business Area 165, selecting * from the Cost Center drop down box and *99 in the Cost Center field (as shown in Display 8-3), and BW will provide a list of control salary cost centers in business area 165.

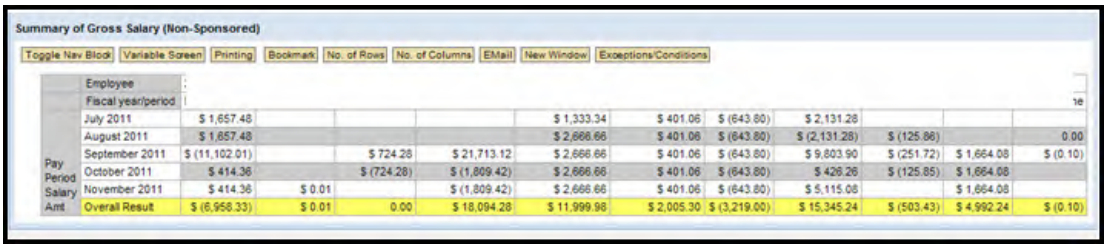
The name of all cost centers ending in 99 is Payroll/Non-Payroll and this can be seen by adding the free characteristic, Cost Center, to the report, as shown in example 8-4.



CO Master Data	Valid from	Valid to	Person Resp	Business area	Cost Center		F&A Rate Spon Pgm
1650000099	01/01/1900	12/31/9999	THOMAS HALL	165	1650000099	PAYROLL/NON PAYROLL	0.00
1650010099	01/01/1900	12/31/9999	THOMAS HALL	165	1650010099	PAYROLL/NON PAYROLL	0.00
1650020099	01/01/1900	12/31/9999	THOMAS HALL	165	1650020099	PAYROLL/NON PAYROLL	0.00
1650030099	01/01/1900	12/31/9999	THOMAS HALL	165	1650030099	PAYROLL/NON PAYROLL	0.00
1651010099	01/01/1900	12/31/9999	ANNE BELCHER	165	1651010099	PAYROLL/NON PAYROLL	0.00
1651030099	01/01/1900	12/31/9999	THOMAS HALL	165	1651030099	PAYROLL/NON PAYROLL	0.00
1651100099	01/01/1900	12/31/9999	ANNE BELCHER	165	1651100099	PAYROLL/NON PAYROLL	0.00
1651205099	01/01/1900	12/31/9999	THOMAS HALL	165	1651205099	PAYROLL/NON PAYROLL	0.00
1651999999	01/01/1900	12/31/9999	THOMAS HALL	165	1651999999	PAYROLL/NON PAYROLL	0.00
1652000099	01/01/1900	12/31/9999	THOMAS HALL	165	1652000099	PAYROLL/NON PAYROLL	0.00
1659999999	01/01/1900	12/31/9999	THOMAS HALL	165	1659999999	PAYROLL/NON PAYROLL	0.00

Display 8-4. *CO Master Data report in BW*

After identifying the control salary cost center to reconcile, run the Summary of Gross Salary - Non Sponsored report in BW to view individuals and amounts charged to control salary. This report is located under Human Resources > Finance Admin, or you may choose from the pre-formatted Saved Favorites, which populates with Employee, Fiscal Year/Period and sub-totals.



Summary of Gross Salary (Non-Sponsored)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

	Employee	:										
	Fiscal year/period	:										te
Pay Period Salary Amt	July 2011	$ 1,657.48				$ 1,333.34	$ 401.06	$ (643.80)	$ 2,131.28			
	August 2011	$ 1,657.48				$ 2,666.66	$ 401.06	$ (643.80)	$ (2,131.28)	$ (125.86)		0.00
	September 2011	$ (11,102.01)		$ 724.28	$ 21,713.12	$ 2,666.66	$ 401.06	$ (643.80)	$ 9,803.90	$ (251.72)	$ 1,664.08	$ (0.10)
	October 2011	$ 414.36		$ (724.28)	$ (1,809.42)	$ 2,666.66	$ 401.06	$ (643.80)	$ 426.26	$ (125.85)	$ 1,664.08	
	November 2011	$ 414.36	$ 0.01		$ (1,809.42)	$ 2,666.66	$ 401.06	$ (643.80)	$ 5,115.08		$ 1,664.08	
	Overall Result	$ (6,958.33)	$ 0.01	0.00	$ 18,094.28	$ 11,999.98	$ 2,005.30	$ (3,219.00)	$ 15,345.24	$ (503.43)	$ 4,992.24	$ (0.10)

***Display 8-5**. Summary of Gross Salary (Non Sponsored) from Finance Office Saved Favorites*

Users are also encouraged to review the control salary account from a Summary view, because although most charges posting to the account are salary, occasionally there are other types of charges that post to the account in error.

Commitment Reporting in BW

Another concern during the reconciliation process is determining which employees are charged to cost objects that are about to expire. Monitoring commitments and proactively processing EForms will prevent employees' salaries from posting to control salary cost centers. The review of commitments can be completed monthly by using the Commitment Reporting Detail report in BW. This report is available under Human Resources > Finance Admin.

To execute the report, enter the control salary cost center you are reconciling on the variable screen. Once the report is executed, add the free characteristic "Commitment thru Date" to the rows on your report.

The results returned will be listed by employee, PERNR and salary G/L number. Again, the Finance Office Saved Favorites has a 'saved favorite' already formatted, shown in Display 8-6.

Commitment Reporting Detail

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Cost center	Employee	Fiscal year/period	Commitment Amt
1652000099		December 2011	$ 828.74
		January 2012	$ 828.74
		February 2012	$ 828.74
		March 2012	$ 828.74
		April 2012	$ 828.74
		May 2012	$ 828.74
		June 2012	$ 828.74
		December 2011	$ 6,294.74
		January 2012	$ 6,294.74
		February 2012	$ 6,294.74
		March 2012	$ 6,294.74
		April 2012	$ 6,294.74
		May 2012	$ 6,294.74
		June 2012	$ 6,294.74

Display 8-6. *Commitment Reporting Detail with Employees on Control Salary*

Effort Certification

Payroll reconciliation allows the PI and administrators to continually review payroll to ensure it is in line with effort provided to sponsored and non-sponsored activities for themselves and the individuals they are required to certify. When timely payroll reconciliations are performed, errors in labor distribution are identified earlier, late payroll cost transfers (Eforms) are reduced, and timelier submission of financial status reports and effort certifications are performed.

Payroll Transfers

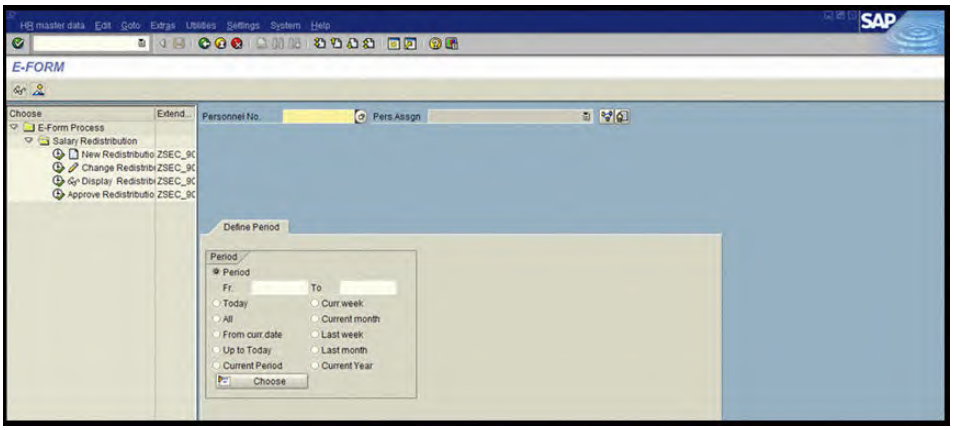
Overview

After payroll reconciliation is complete, the need to process cost transfers will arise. Payroll cost transfers are requested by the department via the Eform. This process is only used for JHU Semi-Monthly employees and supports both sponsored and non-sponsored cost objects.

Payroll cost transfers, also known as Eforms, occur when there is a need to change a salaried employee's labor distribution, or to match effort expended, or to correct an error, without changing the base pay. The change in distribution can be either retroactive or prospective.

Processing Eform Transfers

The transaction used to process an eForm is located under Unit Cost Maintenance Approver on the ECC menu. The transaction is ZHPA_EFORM. This transaction can be typed into the command box.



Display 8-7. *Transaction ZHPA_EFORM in ECC*

There are 4 sub-processes within the eForm transaction:

1. New Redistribution.
2. Change Redistribution - used to update a redistribution record or complete one on hold.
3. Display Redistribution - used to display history of a labor distribution for any employee.
4. Approve Redistribution - used by SPSS to approve a redistribution.

A reason code is required for all Eform transactions stating why the transaction is occurring. In addition, there are comments fields for further explanation. This is necessary as OMB Uniform Guidance 2 CFR 200 Subpart E requires that amounts charged to sponsored accounts be solely to advance the work under the sponsored agreement. In the cases of transfers, the department must justify why the transfer is allocable to the cost object being charged and why the salary was not charged there in the first place.

The cost transfer workflow process requires one approval, at a minimum, at the department level. Eform transfers impacting sponsored awards require the final approval of Financial Research Compliance in Sponsored Projects Shared Services.

It is important to note that eForms cannot be processed while payroll is being processed. Transfers can be initiated, but not approved and processed.This functionality is actually disabled during the semi-monthly payroll run. The Office of Finance's Monthly Newsletter provides Key JHU Closing Dates, which includes dates Eforms will not be processed.

When an Eform transaction has been completed from creation to final approval, it updates the employee's basic pay and labor distribution record (IT9027) with the new labor distribution. It also triggers a retro-calculation if necessary.

Retro Cost Transfers

Retro cost transfers adjust the payroll amounts charged to cost objects in previous periods. Although the transfer is created and approved, it will not appear in BW until the next period's payroll is processed. This can cause delays in the ability to view the postings, sometimes up to two weeks.

For example, if an Eform is processed on November 1, 2011 to redistribute salary for prior periods, the salary redistribution will not post until the semi-monthly payroll runs for the November 15th pay. This posting will generally be completed two days prior to the semi-monthly paydate. An additional complication, however, is that the current BW load schedule has payroll loading on Wednesdays and Sundays only, so it is possible that the retro-posting information will not be available in BW until several days after the actual paydate. The Effort Reporting System, however, is updated daily with the previous day's completed forms, and the change to an employee's record can be viewed using PA9027 or PA9030 from the ECC menu.

Position Budget Control and Encumbrances

Position Budget Control (PBC) is used to encumber employee salary and fringe benefits. It links the funds available in Funds Management (FM) and Grants Management (GM) to semi-monthly paid employee salaries and fringe benefits. Nightly commitment runs are processed in the system using the PBC function. Commitment runs analyze the impact of all transactions that were processed the previous day and affect employee payroll and finance data. As positions are filled or updated, an employee's salary distribution is established and the PBC commitment processor generates a commitment against the relevant cost object.

When Eforms are approved, commitments are created allocating the salary redistribution to the respective cost objects. These commitments are created after the Eform is approved. Although the PBC function is run nightly to update commitments for PERNRS affected by Eforms, due to a known issue in SAP, a small percentage of commitment updates are not reflected. Note, these are the exception and not the rule, and a manual clearing of these commitments is processed by the EBS Team at the end of each month.

PERNR and Concurrent Employment

A personnel number (PERNR) is a unique set of numeric characters that identifies a University employee.The use of PERNR numbers have replaced the need to refer to employees by social security number for reference.

When an employee is hired for a position, the system searches to see if the employee is currently active. If they are active, the new position is linked to the existing individual in the system so that master data can be shared across multiple positions. Therefore, a single individual may have multiple positions and subsequently have multiple personnel numbers in SAP. However, the employee will have only one person ID, which is the first position number the individual had in the system.

For example, concurrent employment is a situation in which a person has more than one position. An employee who is concurrently employed occupies two or more positions in SAP. Concurrent employment is broken down into four categories:

- Multiple assignments, all with JHU
- Multiple assignments with JHHS that span across employers
- Multiple assignments within one JHHS entity
- Multiple assignments that span JHU and JHHS

Note that Effort is rolled up by the Person ID to include all concurrent PERNRs.

Overpayment Report

At any given time, JHU may have millions of dollars in outstanding overpayments to employees, which is why it is so important for the reconciler to review the Overpayment report in BW.

Processing timely ISR's prevents overpayments and the administrative burden associated with having to collect overpayments from employees. When overpayments do occur, departments should seek to identify the overpayment as soon as possible so that the employee can be notified in a timely manner and collection procedures can begin. The longer an overpayment remains outstanding, the less likely it is to be collected.

Overpayments occur for various reasons, such as an employee's pay is reduced retroactively, an employee is placed on Leave of Absence without Pay retroactively, or an employee is terminated retroactively. Overpayments are avoided by timely or advanced (future dated) processing of ISR's. Overpayments are recorded as salary and repayments are recorded as salary reductions to offset the overpayments. The amount is charged to the default salary account (cost center ending in 99) if the amount was charged to a grant.

It is recommended that the Overpayment report from BW be reviewed at a minimum once a month, and preferably after each pay period. In BW, the Overpayment report can be viewed from both a person perspective, or a cost object perspective. If the reconciler selects HR > Payroll Admin > Payroll Overpayment Report, security is Personnel Area and Org Unit; if the reconciler selects HR > Finance Admin > Finance Overpayment Report, security is by cost object.

Detailed instructions for running these overpayment reports, along with forms, policies, and strategies for collecting overpayments can be found on the Payroll Shared Service Center's (PRSSC) website.

http://ssc.jhmi.edu/hr_payroll/salary_overpayment.html

Additional Resources

Links to other resources you may find helpful:

Sponsored Funds Procedures for processing Internal Service Requests (ISRs)

http://ssc.jhu.edu/humanresources/DataFiles/Sponsoredfunds.pdf

Effort Reporting Policies and Procedures

http://apps.finance.jhu.edu/policy/list.html#FRC

Eform Reference Documents

http://ssc.jhmi.edu/humanresources/DataFiles/E_Form.pdf

JHU Finance Monthly Newsletter for Key JHU Closing Dates

http://finance.jhu.edu/pubs/newsletter/index.html

Chapter 9: E210 Vacation Credits

This chapter covers Payroll Cost Transfers and E210 Vacation Credits. In this chapter you will learn:

- How vacation credits post under normal circumstances.
- How previously posted vacation credits are redistributed when retroactive salary transfers are processed.
- How to generate a BW report summarizing all vacation credits by cost object.
- How to interpret vacation credit postings at fiscal year end.

E210 Vacation Credits

Overview of E210 Business Process

The Electronic Time and Leave System (E210) was created in 1998 following the University's fringe benefits agreement with the Department of Health and Human Services, where we agreed to pay vacation benefits from a single fringe benefit pool. That agreement was the driving force behind the development and implementation of the E210 timekeeping system. By recording vacation in the E210 system, we can easily identify the amount of vacation taken and transfer the vacation salary from individual accounts to the common fringe pool.

Questions frequently arise regarding the E210-related cost transfers on departments' revenue and expense statements. The following explains these entries, and will help you understand and reconcile the E210-related transactions on your reports.

How the system works:

- Vacation time is submitted and approved in the E210 system monthly.
- On the 20th of each month, a file is uploaded to SAP containing employee vacation days and hours for all vacation days submitted and approved during the previous month.
- When semi-monthly payroll runs at the end of the month, vacation credits are posted using the labor distribution, salary and fringe rates as of the day the vacation was taken.

■ Vacation credits post to both salary and fringe codes using wage type 3102.

Vacation Credit Posting and Reconciliation Example

In the following scenario, an employee took vacation during April, 2007. At the time, their salary was funded completely from a Non-sponsored cost center, so the entire credit posted to this cost center when April vacation credits were processed during the final May semi-monthly payroll.The employee's salary was subsequently redistributed during September, 2007 with 26% of salary being funded retroactively from a sponsored account.

Display 9-1. *Vacation Days in E210 System*

In the examples below, we will explain the original salary and vacation credit postings, as well as the redistribution of salary, fringe and vacation credits as a result of the retroactive salary transfer. The examples will demonstrate how the vacation credits post, and also show how the credits *always* follow labor distribution for the pay period. This is different from the pre-SAP process when users could transfer vacation credits after the original posting. In SAP, any change in the labor distribution for prior periods results in a complete reposting of salary, fringe and vacation for the pay period.

Posting Initial Vacation Credits

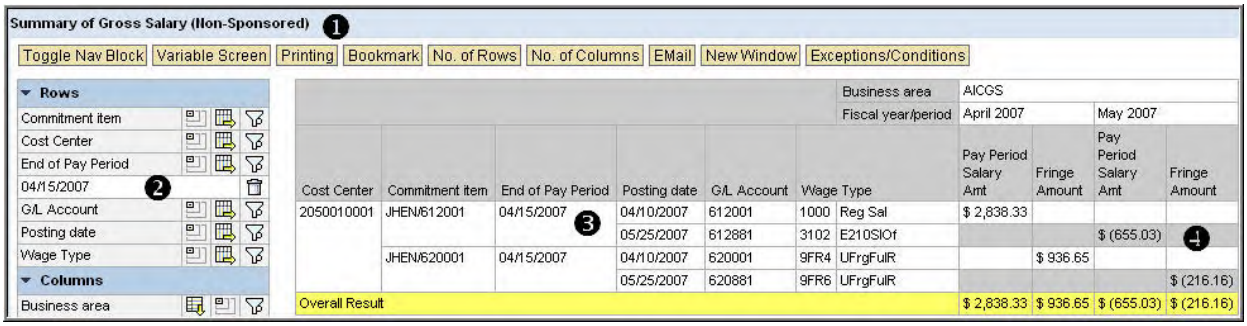
As shown in Display 9-1, during the month of April, 2007 the employee took 2 1/2 days vacation during the first semi-monthly payroll period. The vacation was submitted and approved on 4/30/07, and was processed during May, 2007 when the E210 vacation information was interfaced to SAP. Note, if the vacation days had been submitted during April but not approved by a supervisor or timekeeper, the vacation time would not have been processed. Only approved vacation days are interfaced to SAP.

The posting of the vacation credits to the salary and fringe codes is shown in Display 9-2 and explained below.

❶ Using the *Summary of Gross Salary (Non-Sponsored)* report, we can isolate an employee's salary by pay period to review their salary, fringe and vacation credit postings.

❷ Note, in the display we have filtered the report to list only activity related to pay period ending 4/15/2007, which is the period the employee used vacation days. To include both April and May activity for the 4/15/2007 pay period, make sure you include both months on the initial BW query screen (10/2007 and 11/2007). Also, to filter the BW report on a specific field value,

users may highlight the field in the report, right-click to activate the dropdown menu, and select *Fix Filter Value to Axis*.



Summary of Gross Salary (Non-Sponsored) ❶

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Rows: Commitment item; Cost Center; End of Pay Period; 04/15/2007 ❷; G/L Account; Posting date; Wage Type

Columns: Business area

							Business area	AICGS			
							Fiscal year/period	April 2007		May 2007	
Cost Center	Commitment item	End of Pay Period	Posting date	G/L Account	Wage	Type		Pay Period Salary Amt	Fringe Amount	Pay Period Salary Amt	Fringe Amount
2050010001	JHEN/612001	04/15/2007 ❸	04/10/2007	612001	1000	Reg Sal		$ 2,838.33			
			05/25/2007	612881	3102	E210SlOf				$ (655.03)	❹
	JHEN/620001	04/15/2007	04/10/2007	620001	9FR4	UFrgFulR			$ 936.65		
			05/25/2007	620881	9FR6	UFrgFulR					$ (216.16)
Overall Result								$ 2,838.33	$ 936.65	$ (655.03)	$ (216.16)

***Display 9-2.** Vacation Credit Initial Posting - Salary and Fringe*

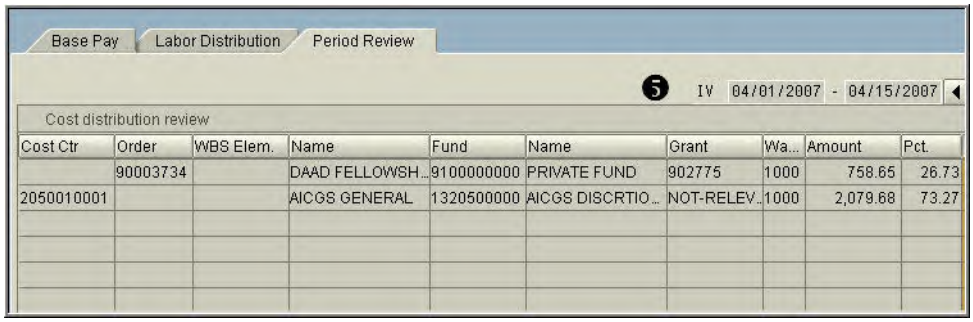
❸ As you can see on the report, on 4/10/2007 salary of $2,838.33 and fringe of $936.65 posted to cost center 2050010001 for the 4/15/2007 pay period.

❹ On 05/25/2007, credits for April vacation posted to the account, with a credit of $(655.03) posting to the salary G/L and $(216.16) posting to fringe. Note that salary credits can be identified using wage type 3102. In most situations, you may also identify the salary credit by the G/L Account, with salary credits always posting to the 61x881 G/L account. For example, if the salary posted to commitment item 612001, the vacation credit will post to G/L 612881. Vacation credits are not the only items that post to 61x881, however, as in some instances other payroll activity such as over-payments post using these 612881 G/Ls. Vacation credits for fringe will always post to 620881, regardless of the salary G/L (612001, 613001, etc.)

The example in Display 9-2 shows how vacation credits post under normal circumstances. If retroactive payroll cost transfers are processed, however, the vacation credit is redistributed as explained in the following sections.

How Retroactive Salary Transfers Affect Vacation Credits ❺

During September, 2007 an Eform was processed for this employee changing labor distribution so 26.73% of the salary for pay period ending 4/15/07 is charged to sponsored program 90003734. The payroll cost transfer was submitted early in September. The resulting postings occurred during September's first semi-monthly payroll run, and show on the reports with a posting date of 9/11/2007. We will look at the *Summary of Gross Salary* reports for both cost objects affected here, 2050010001 and 90003734, to show how the payroll cost transfer causes the vacation credit to be redistributed.



Base Pay | Labor Distribution | Period Review

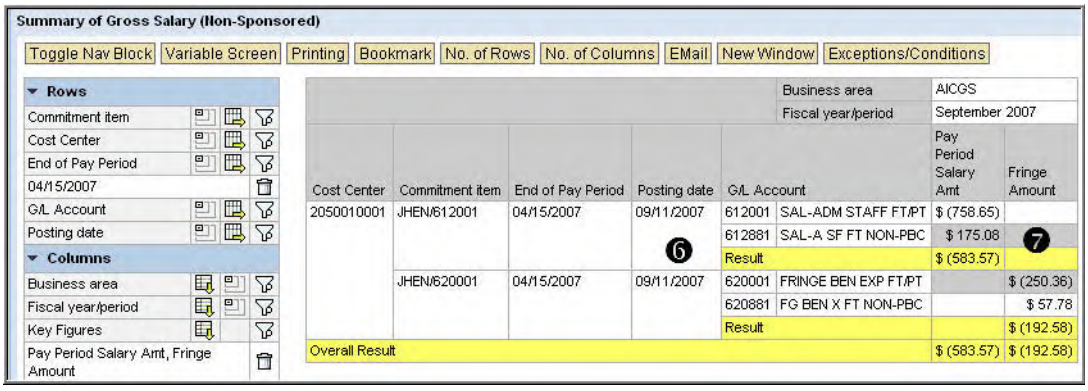
❺ IV 04/01/2007 - 04/15/2007

Cost distribution review

Cost Ctr	Order	WBS Elem.	Name	Fund	Name	Grant	Wa...	Amount	Pct.
	90003734		DAAD FELLOWSH...	9100000000	PRIVATE FUND	902775	1000	758.65	26.73
2050010001			AICGS GENERAL	1320500000	AICGS DISCRTIO...	NOT-RELEV...	1000	2,079.68	73.27

***Display 9-3**. Salary Redistribution - 9027*

Retroactive Salary Adjustments and Related Vacation Credit Reductions (Debits)
When the first semi-monthly payroll ran during September, 2007 the retroactive salary adjustment was processed. The related postings to cost center 2050010001 are shown in Display 9-4.



Summary of Gross Salary (Non-Sponsored)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Rows: Commitment item; Cost Center; End of Pay Period; 04/15/2007; G/L Account; Posting date

Columns: Business area; Fiscal year/period; Key Figures; Pay Period Salary Amt, Fringe Amount

Business area: AICGS
Fiscal year/period: September 2007

Cost Center	Commitment item	End of Pay Period	Posting date	G/L Account		Pay Period Salary Amt	Fringe Amount
2050010001	JHEN/612001	04/15/2007	09/11/2007 ❻	612001	SAL-ADM STAFF FT/PT	$ (758.65)	
				612881	SAL-A SF FT NON-PBC	$ 175.08	❼
				Result		$ (583.57)	
	JHEN/620001	04/15/2007	09/11/2007	620001	FRINGE BEN EXP FT/PT		$ (250.36)
				620881	FG BEN X FT NON-PBC		$ 57.78
				Result			$ (192.58)
Overall Result						$ (583.57)	$ (192.58)

***Display 9-4**. Retro Salary Transfer - Reduce Salary and Fringe Charges, Reduce Vacation Credits*

❻ As shown in the report, the posting date for the retroactive cost transfer is 09/11/2007, but the transfer applies to the 04/15/2007 pay period. Although the debits and credits post in the September fiscal period (0803), the employee's salary and the fringe rates as of the pay period, April 15th, 2007, are used to calculate the posting amounts.

❼ The salary postings are as follows:

- ❑ As expected, cost center 2050010001 receives a $(758.65) credit posted to salary commitment item 612001, and a $(250.36) credit to fringe commitment item 620001 to reflect the change in labor distribution. Corresponding debits will post to cost object 90003734, effectively moving 26.73% of the salary and fringe from 2050010001.
- ❑ Because vacation credits *always* follow labor distribution, the original vacation credit is reduced to reflect the change in labor distribution, and a percentage (26.73%) of the original credit is moved from cost object

2050010001 to 90003734. You can see this in the display, where the E210 salary and fringe G/L accounts are debited for $175.08 and $57.78, respectively.

```
Salary Debit: 655.03 * 26.73% = $175.08
Fringe Debit: 216.16 * 26.73% = $ 57.78
```

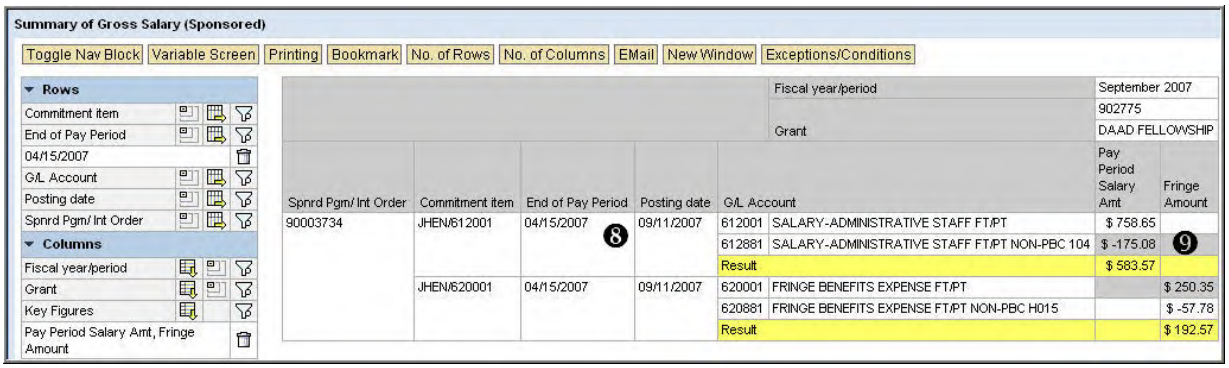
Reducing vacation credits in this manner is correct, as it ensures that credits are distributed in accordance with the labor distribution for the pay period.

Retroactive Salary Adjustments and Related Vacation Credit Increases/Transfers

To reconcile the final step of the process, we will look at sponsored program 90003734, which is the cost object receiving a percentage of the salary costs for pay period 4/15/2007.

❽ As shown in Display 9-5, the posting date for the salary transfer is 09/11/2007, and the transfer applies to the 04/15/2007 pay period. All debits and credits post to fiscal period 0803 (September, 2007).

❾ As shown in Display 9-5, cost object 90003734 is debited for salary costs of $758.65 and fringe costs of $250.35. This represents 26.73% of the salary and fringe costs for this employee for pay period 4/15/2007. Note also that vacation credits of $(175.08) and $(57.78) were also transferred as part of the retroactive cost transfer. This is the correct posting, as vacation credits for the pay period are transferred when salary is moved, and both cost objects, 2050010001 and 90003734, receive vacation credits in the same percentages as the salary distribution for the pay period.



Summary of Gross Salary (Sponsored)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Rows: Commitment item; End of Pay Period; 04/15/2007; G/L Account; Posting date; Spnrd Pgm/ Int Order

Columns: Fiscal year/period; Grant; Key Figures; Pay Period Salary Amt, Fringe Amount

					Fiscal year/period		September 2007
					Grant		902775
							DAAD FELLOWSHIP
Spnrd Pgm/ Int Order	Commitment item	End of Pay Period	Posting date	G/L Account		Pay Period Salary Amt	Fringe Amount
90003734	JHEN/612001	04/15/2007 ❽	09/11/2007	612001	SALARY-ADMINISTRATIVE STAFF FT/PT	$ 758.65	
				612881	SALARY-ADMINISTRATIVE STAFF FT/PT NON-PBC 104	$ -175.08	❾
				Result		$ 583.57	
	JHEN/620001	04/15/2007	09/11/2007	620001	FRINGE BENEFITS EXPENSE FT/PT		$ 250.35
				620881	FRINGE BENEFITS EXPENSE FT/PT NON-PBC H015		$ -57.78
				Result			$ 192.57

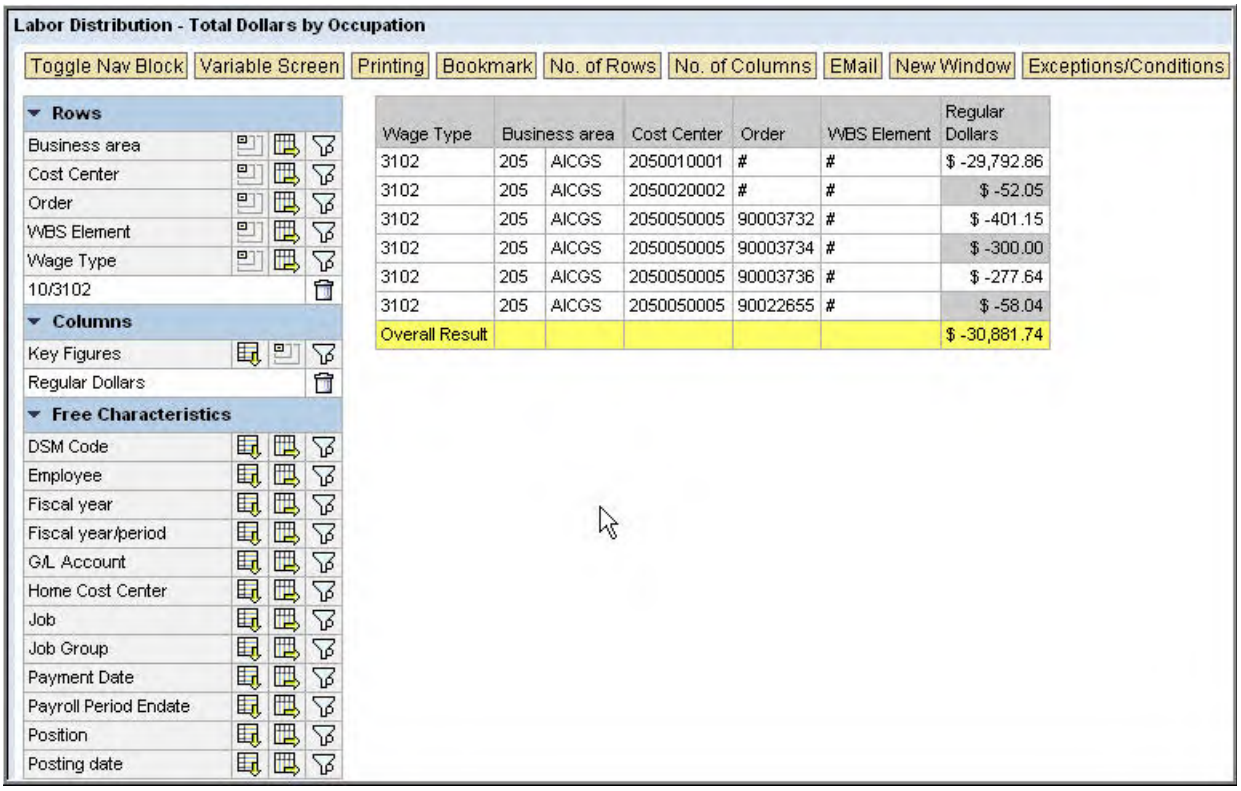
***Display 9-5**. Retro Salary Transfer - Increase Salary and Fringe Charges, Increase Vacation Credits*

Summary of Vacation Credits For a Business Area

If you want a quick summary of all vacation credits for a given business area, cost object or employee over a specific time-period, you can use the *Labor Distribution - Total Dollars by Occupation* BW report. In Display 9-6, we have used this report to show vacation credit totals by cost object for business area 205. Note that the report has been filtered to show only E210 postings (wage type 3102) and also to only display regular dollars. This report covers sponsored and non-sponsored cost

objects, although WBS elements are currently not included. This report provides a usable format for review of vacation credit totals by cost object, and it can be used to create vacation credit sweeps by business area if a division wants to move their non-sponsored credits to a central cost center. For a saved report format that can be used to view E210 totals by cost object for a business area, please see *E210 Wage Report* at:

`http://finance.jhu.edu/H1/payroll_fav.html`



Wage Type	Business area		Cost Center	Order	WBS Element	Regular Dollars
3102	205	AICGS	2050010001	#	#	$ -29,792.86
3102	205	AICGS	2050020002	#	#	$ -52.05
3102	205	AICGS	2050050005	90003732	#	$ -401.15
3102	205	AICGS	2050050005	90003734	#	$ -300.00
3102	205	AICGS	2050050005	90003736	#	$ -277.64
3102	205	AICGS	2050050005	90022655	#	$ -58.04
Overall Result						$ -30,881.74

Display 9-6. *Labor Distribution Report - Vacation Credit Summary by Cost Object*

Overview of the FY08 Year-End Accrual

Because E210 vacation credits post to the fiscal period where payroll is posting, at the beginning of each fiscal year, the vacation credits for June post to the July fiscal period, resulting in the vacation credits posting to the wrong FY. For each fiscal year since the SAP conversion, this has been addressed by processing a journal voucher which moves vacation credits from the new FY to the previous FY. To accurately reconcile statements, users should understand this process, which is explained below for the period between FY2008 and FY2009 (calendar years June 2008 and July 2008)

Original Posting

As noted above, E210 vacation credits post to GL accounts 611881, 612881, 613881, 614881 and to 620881, the fringe benefits account. To reverse these credits and move them to the prior fiscal year, a journal voucher uses special general ledger accounts 611991, 612991, 613991, 614991 and the fringe benefits general ledger account 620991.

As shown in Display 9-7, when 7/31/2008 payroll was completed, vacation credits posted to fiscal period 001/2009 for vacation approved between June 20, 2008 and July 18, 2008 as per our usual process. These vacation credits are reflected in the BW HR/Payroll reports as wage type 3102 posting to GL's 6xx881 in period 001/2009).

Data Analysis | Graphical display | Information

Summary of Gross Salary (Combined)

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns

Fiscal year/period		G/L Account		Pay Period Salary Amt	Fringe Amount
July 2008	001/2009	612881	SAL-A SF FT NON-PBC	$ (4,036.19)	
		620881	FG BEN X FT NON-PBC		$ (1,372.30)
		Result		$ (4,036.19)	$ (1,372.30)

***Display 9-7**. Original Posting for Period 001/2009, BW Summary of Gross Salary-Combined*

Moving Vacation Credits to Previous FY

Display 9-8 shows that the vacation credits posted to FY09 (001/2009) are cleared by a journal voucher entry, and moved to FY08 (013/2008) on July 31, 2008. As noted, the vacation credits are cleared using the corresponding GLs 6xx991.

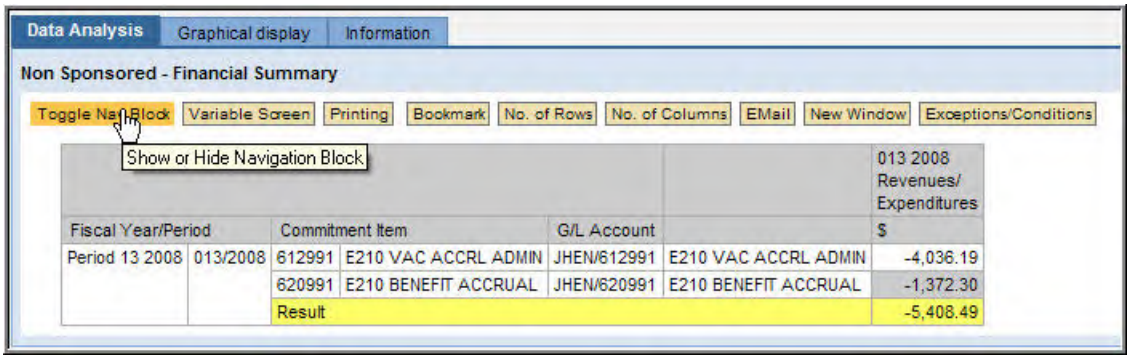
Data Analysis | Graphical display | Information

Non Sponsored - Financial Summary

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

						JUL 2008 Revenues/ Expenditures
Fiscal Year/Period		Commitment Item		G/L Account		$
July 2008	001/2009	612001	SAL-ADM STAFF FT/PT	JHEN/612881	SAL-A SF FT NON-PBC	-4,036.19
		612991	E210 VAC ACCRL ADMIN	JHEN/612991	E210 VAC ACCRL ADMIN	4,036.19
		620001	FRINGE BEN EXP FT/PT	JHEN/620881	FG BEN X FT NON-PBC	-1,372.30
		620991	E210 BENEFIT ACCRUAL	JHEN/620991	E210 BENEFIT ACCRUAL	1,372.30
		Result				0.00

***Display 9-8**. Reversal of the Credits in Non Sponsored-Financial Summary*



***Display 9-9**. Posting of Credits to Prior Fiscal Year Reflected in Non Sponsored Financial-Summary Report*

As shown in Display 9-9, the credits have been re-posted into period 13/2008.

Special Notes

- HR/Payroll reports will not show the reversal in period 001/2009 since the journal voucher was a finance posting, not a payroll posting. When running HR/Payroll reports for 001/2009, keep in mind that vacation credits in this period have been reversed.
- To simplify the posting, beginning FY08/09, the year-end vacation accrual posted at the cost object and GL level, which differed from the FY07/08 accrual, which moved the entries at the individual employee level. To view detail by employee, run HR/Payroll reports for period 001/2009 and identify wage type 3102.
- Due to rounding, there may be instances where fringe calculations differ by several cents.
- When salary was moved from a cost object during the posting of 7/31/2008 payroll, vacation credits were moved off the cost object. In these situations, the above entries will be reversed, with the original posting to 01/2009 being a debit and the clearing entry to 001/2009 is a credit, with the subsequent posting to 013/2008 as a debit.
- As of the transition from FY10 to FY11, E210 vacation credits are only moved to the prior fiscal year for non-sponsored cost objects. Effective FY11, vacation credits for all sponsored accounts remain in the fiscal period where the E210 credit originally posted, simplifying BW reporting for users.

Additional Resources

Links to other resources you may find helpful:

E210 Login Portal

https://e210.johnshopkins.edu

E210 Year-End Accruals for FY08 - FY11

http://finance.jhu.edu/pubs/bulletin/2008/08bulaug.html
http://finance.jhu.edu/pubs/bulletin/2009/09bulaug.html
http://finance.jhu.edu/pubs/bulletin/2010/10bulaug.html
http://finance.jhu.edu/pubs/newsletter/2011/August_2011.pdf

Section IV

Internal Allocations and Postings

(Non-Payroll)

Chapter 10: Internal Cost Allocations

This chapter explains secondary cost elements and internal cost allocations. In this chapter you will learn:

- What secondary cost elements are and how they are used to track internal postings such as service center purchases, transactions within JHU, and transactions between JHU and JHHS.
- How cost element numbering conventions may be used to identify service center, intra- and inter-entity transactions.
- Which BW reports and ECC transaction codes are most useful when reconciling secondary cost elements (SCE's).

Overview of Secondary Cost Elements

Secondary Cost Elements Explained

At Johns Hopkins, there are many situations where business units purchase services or supplies from another unit, or where costs are initially paid by one unit and redistributed across many business units. For example, you may purchase services from Design and Publications or supplies from the Core Store. You may be charged for telephone expenses, for post docs' medical insurance or to fund sponsored cost overruns. In situations such as these, where financial transactions occur within and between Hopkins entities, the postings are recorded using *secondary cost elements*, as opposed to primary cost elements. By posting JH internal activity to secondary cost elements instead of primary cost elements, the SAP system simplifies annual financial statement preparation and allows us to easily exclude internal activity from the ledgers.

To reconcile postings to secondary cost elements, you should understand the following:

- types of business activity that post to secondary cost elements.
- numbering conventions used when posting to secondary cost elements.
- SAP transactions that may be used to post secondary cost allocations.

Types of Business Activity Posting as Secondary Costs

At the Johns Hopkins institutions secondary cost elements are used for postings related to:

1. Service Center purchases.
2. Revenue and expense transfers *within* JHU business areas (intra-entity).
3. Revenue and expense transfers *between* JHU and JHHS (inter-entity)
4. Overhead allocations

Numbering Conventions for Secondary Cost Postings

Understanding the numbering conventions used when posting secondary costs will simplify the account reconciliation process. There are distinct numbering conventions for Intra-entity transfers, Inter-entity transfers, and Service Center postings.

Table 1. *Intra-Entity - Secondary Cost Elements*

Number	Description and Blocking Ranges
94xxxx	**Intra-Entity Revenue** ■ 940000 - 940099 Patient ■ 940100 - 940199 Tuition ■ 940200 - 940299 Sponsored ■ 940300 - 940399 Contrib.Rev ■ 940400 - 940499 Investment ■ 940500 - 940599 Other Rev. ■ 940600 - 940699 Affiliates
96xxxx	**Intra-Entity Expense** ■ 960100 - 960199 Salaries ■ 960200 - 960299 Fringe Benefits ■ 960300 - 960399 Supplies ■ 960400 - 960799 Services ■ 960800 - 960810 Bad Debt ■ 960820 - 960829 Depreciation ■ 960830 - 960834 Interest Expense ■ 960835 - 960839 Prinicpal Expense ■ 960840 - 960849 Travel ■ 960900 - 960949 Other ■ 960950 - 960999 Other1
90xxxx	Other Revenue and Expenses

Intra-Entity Cost Allocations

Intra-entity allocations are those transactions that occur entirely *within* either the Johns Hopkins University or the Johns Hopkins Health System legal entities. The Johns Hopkins University is comprised of business areas 100-399, and business area 920, while the Health System consists of business area 400-926, excluding 920. Intra-entity postings use number ranges for revenue transfers (94*), expense transfers (96*) and miscellaneous transfers (90*).

Additionally, each number range contains sub-ranges to provide further granularity. For example, the range 940100-940199 is used to record tuition related intra-entity revenue transfers.

Inter-Entity Cost Allocations

Inter-entity allocations are those transactions such as the Joint Administrative Agreement or other "billings" within the Hopkins enterprise that occur *between* the Johns Hopkins University and the Johns Hopkins Health System legal entities.

Table 2. *Inter-Entity Secondary Cost Elements Ranges*

Number	Description and Blocking Ranges
981xxx	**JHU Payment to JHHS - JAA** ■ 981000 - 981099 Payout Endowment ■ 981100 - 981199 Purchased Svcs. - Salaries ■ 981200 - 981299 Purchased Svcs. -Fringe Benefits ■ 981300 - 981399 Purchased Svcs. - Supplies ■ 981400 - 981499 Purchased Services ■ 981500 - 981599 Interest ■ 981925 - 981949 Other Revenue
985xxx	**JHU Payment to JHHS - Billed, Non JAA** ■ 985000 - 985002 Other Revenue ■ 985100 - 985199 Purchased Svcs. - Salaries ■ 985200 - 985299 Purchased Svcs. - Fringe Benefits ■ 985300 - 985399 Purchased Svcs. - Supplies ■ 985400 - 985499 Purchased Services ■ 985900 - 985924 Subgrant to JHHS ■ 985925 - 985949 Other Revenue
991xxx	**JHHS Payment to JHU -JAA** ■ 991000 - 991099 Payout Endowment ■ 991100 - 991199 Purchased Svcs. - Salaries ■ 991200 - 991299 Purchased Svcs. - Fringe Benefits ■ 991400 - 991499 Purchased Services

***Table 2**. Inter-Entity Secondary Cost Elements Ranges*

Number	Description and Blocking Ranges
995xxx	**JHHS Payment to JHU - Billed, Non JAA** ■ 995000 - 995025 JHHS Pay JHU Other Revenue ■ 995100 - 995199 Purchased Svcs. - Salaries ■ 995200 - 995299 Purchased Svcs. - Fringe Benefits ■ 995300 - 995399 Purchased Services ■ 995400 - 995499 Purchased Services ■ 995900 - 995999 Purchased Svcs., Subaward
97xxxx	**Miscellaneous Revenue/Expense** ■ 970000-970002 Utilities ■ 970003-970008 Telephone - Telesoft (JHHS) ■ 970009 Utilities - Leases ■ 970010 HEBCAC ■ 970012-970014 Facilities - Maximo (JHHS) ■ 970015 Rent ■ 970016-970019 Intrastaff ■ 970020-979999 Other

Internal Service Providers (Service Centers)

An Internal Service Provider provides materials and services to internal JHU customers using rate schedules established at the start of each fiscal year. Purchases made from internal service providers post to G/L accounts in the **92**xxxx number range. As shown in Table 3 numbering conventions exist to distinguish between purchases of services and supplies, as well as purchases made from JHU and JHHS service centers. Purchases made from JHU service centers fall within the **921**000-**922**999 range, with supplies being allocated to the 921000-921199 range, and service purchases falling into the 921200-922999 range.

Service Center purchases will *always* flip to a revenue (492*) or expense (692*) commitment item in BW reports (shown later in Displays 10-1 and 10-5). In these cases, the SAP G/L value will be 92*, and the commitment item will always be 492xxx or 692xxx.

***Table 3**. Secondary Cost Elements for Internal Service Center Purchases*

Number	Description	Debits & Intra-Entity Credits	Inter-Entity Credits
	Purchases from JHU		**Revenue to JHU**
921xxx	921000 - 921199 JHU Supplies	692300 - Supplies	492600 - Affiliates
922xxx	921200 - 922999 JHU Services	692400 - Services	492600 - Affiliates
			Supplies Expense to JHU
	Purchases from JHHS		
924xxx	924000 - 924199 JHHS Supplies	692300 - Supplies	692300 - Supplies
	924200 - 924899 JHHS Services	692400 - Services	692400 - Services
	924900 - 924950 JHHS Other	692400 - Services	692400 - Services

Note, in some instances, converted balances were posted to commitment items using the 49xxxx or 69xxxx numbering convention. These are not secondary cost postings, as they always use a number range other than 492xxx and 692xxx.

For more information on the secondary costs element blocking ranges, and to get a list of current secondary cost elements, please see *Secondary Cost Elements in SAP (as of 12/31/2011)* at:

`http://www.sapathopkins.org/support/finance-2/`

Transactions Used to Post Secondary Costs

KB15N Uploads

Transfers via KB15N uploads are the most frequently used method for posting secondary charges. In this format, users submit Excel spreadsheets to the Accounts Receivable Inter-Entity Shared Services unit detailing the transfers. Inter-Entity reviews, approves and processes all transfers between JHU and JHHS and JHU Service Centers using the 92xxxx Secondary Cost Element Range. The e-mail contains both the sender and receiver contacts so that both parties are aware of the transaction being processed. Inter-Entity posts approved transfers to SAP using the KB15N transaction in SAP.

Users can identify these postings when the document number is 14xxxxxxxx and the "Created By" person is an Accounts Receivable Inter-Entity staff member. A listing of the AR shared service staff members can be found at:

`https://apps.finance.jhu.edu/staff/phone_book/phone_ga.jsp`

If the transfer is between University cost objects and the secondary cost element is in the 94xxxx or 96xxxx series, the KB15N should be sent to JHU General Accounting. The KB15N should never be used for correcting charges on Sponsored accounts. See Chapter 11, *Expense Transfers* for more information.

Non-Recurring Cost Allocation, Intra-Entity

The non-payroll cost transfer transaction (ZSGM_COST_TRANSFER) is used to process transfers in SAP. Users may initiate four types of transfers using this transaction. Expense, revenue and equipment transfers all post to primary cost elements, while *non-recurring cost allocations post to secondary cost elements.*

Non-recurring cost allocations may be used by: 1) service centers to post original charges for services such as copier, fax, telephone or van charges, or 2) to redistribute expenses to another cost object when, for example, one department purchases all lab supplies and then disburses the expenses to appropriate departmental cost objects.

All postings using this transaction have a 10-digit document number of the format 14xxxxxxxx. Postings to sponsored accounts are approved by the Financial Research Compliance department in the JHU Finance Office. Postings involving

sponsored accounts can be identified by reviewing the "Created By" field in the Revenue and Expense detail report. The user name of the Research Compliance staff who approved the transfer will be listed in the "Created By" fields. A current listing of Research Compliance staff members is available at:

http://ssc.jhu.edu/sponsoredprojects/contact.html

Postings that do not involve sponsored accounts are approved within each division. These transfers involving non-sponsored accounts will have "Created By" values of the divisional/departmental users who submitted and/or approved the transfers. The exception to this would be 94xxxx, revenue postings. If these are initiated through KB15N's, on the CO Allocations report, you will see the name of a staff member from JHU Finance, General Accounting. If a non-recurring cost allocation involving a 94xxxx SCE is processed at the divisional level, it will generally route to General Accounting staff for approval.

The non-recurring cost allocation allows users to enter descriptive text explaining the transfer. Users are encouraged to use this functionality whenever possible as it will simplify account reconciliation in the future.

For additional information explaining how to enter descriptive text so that it displays on your BW reports, please see the Non-Payroll Cost Transfer job aid located at:

http://orchid.hosts.jhmi.edu/hopkinsone/welcome/non-payrollcost.ppt

Internal Service Providers

There is a custom SAP transaction that was created as an online replacement to the legacy M&S form. This transaction may be used by service center staff to process charges for purchases made from the service center. Secondary postings created using this transaction can be identified as follows:

- Document number is of the format 14xxxxxxxx.
- Created by the person placing the order, or by Service Center staff
- This transaction is managed by ARSS Inter-Entity.

School of Medicine Costing Sheets

Costing sheets are processed each month by JHU General Accounting staff to record clinical revenue, clinical trials and gift taxes to cost objects in the School of Medicine business areas (170-175 and 920). This activity may be identified as follows:

- Document number is of the format 13xxxxxxxx.
- Posts to secondary cost elements 940201, 940007, 940305, 940306, 960919
- Maintained by School of Medicine Divisional Business Office (DBO)
- Questions regarding flagging of cost objects for costing-sheet related taxes should be directed to School of Medicine DBO, and not General Accounting.

Essential Information for Reconciliation of Secondary Cost Elements

Useful BW Reports and ECC Transactions

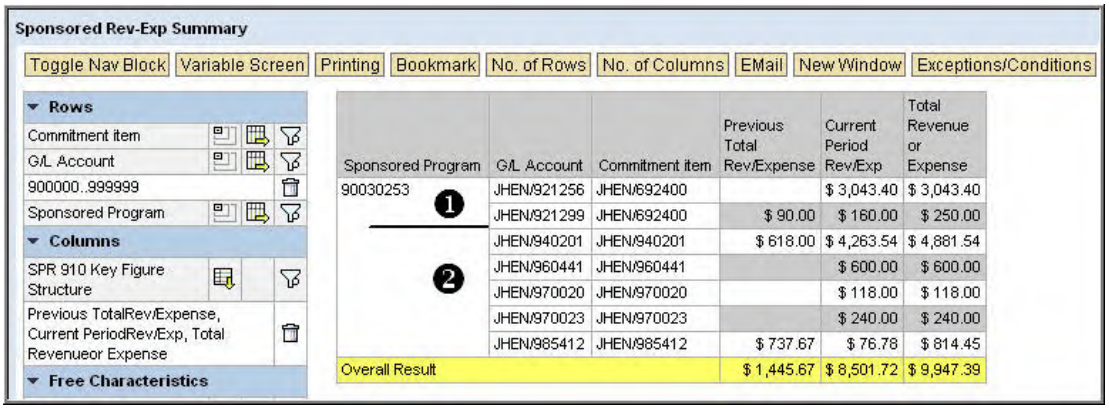
To reconcile secondary cost allocations, use the following BW reports and ECC transactions.

- **BW Revenue & Expense Summary and Detail Reports** - the sponsored and non-sponsored revenue and expense summary and detail reports provide inception-to-date and year-to-date totals and monthly detail for all activity, including secondary cost postings. The sponsored and non-sponsored detail reports are quite helpful in reconciling secondary cost elements provided certain Free Characteristics, which aid in reconciliation, are added.
  - In the case of Service Center charges, the Commitment Item in non-sponsored or Sponsored Class in the sponsored, will start with a 6, while the G/L Account will begin with a 9. You will not be able to reconcile and/or transfer these kinds of charges without seeing the G/L account.
  - In the detail reports (both sponsored and non-sponsored) adding free characteristics, such as *CO Header Text* and *Created By* will supply needed information. Used in conjunction with fields such as *Reference Doc Number* and *Item Text*, many times users are able to get the information needed without pulling the *CO Allocations* report.
- **CO Allocations Report** - this BW report includes the sending and receiving cost objects, the transfer amount, descriptive header text and the userid of the person who initiated the transfer. This report is very useful when reconciling non-recurring cost allocations for the following reasons:
  - the report includes, if added as a Free Characteristic, the sending and receiving cost object, which can be helpful in identifying where/how the charge originated.
  - the report includes the userid of the person who initiated the transfer, while the detail report lists the userid of the person who approved the transfer. This can be very useful, as it allows users to identify transfers initiated by their own staff, as opposed to those initiated by other units.
- **KSB5** - this ECC transaction allows users to obtain detail for a specific transaction using the reference document number from the BW report.
- **ZSGM_COST_TRANSFER** - this ECC command allows users to drill to specific detail and explanatory text related to cost transfers.

Account Reconciliation Example - Sponsored

Sponsored Summary Report

Reconciling monthly activity for sponsored cost objects can begin by reviewing the *Sponsored - Financial Summary* report. Display 10-1 shows this report as of August, 2007 for a specific sponsored program. The report has been filtered to show only secondary cost elements, and it clearly shows the different types of secondary cost postings. To filter in this manner, right-click on the G/L account label and enter the range 900000-999999 as shown in Display 10-2.



Display 10-1. *Sponsored Summary - Filtered for Secondary Cost Elements*

On this report, we see examples of the various types of secondary postings, with examples of service center purchases where the G/L account "flips" to an expense commitment item, and intra- and inter-entity transactions where the G/L account field label and the commitment are identical.

❶ The two entries shown in this section are for purchases made from service centers. Notice in the display that the G/L accounts fall within the 92xxxx range as expected, and that the commitment items have "flipped" to an expense category, 692400.

❷This section shows totals for a variety of secondary postings. These are all intra- or inter-entity postings, so the G/L account and commitment item numbers are identical. The first entry, for G/L 940201, reflects intra-entity revenue transfer totals, while the $600 to 960441 is for intra-entity expense transfers. Postings to 970020 and 970023 reflect miscellaneous inter-entity expenses, while the $814.45

on 985412 reflects inter-entity billings for purchases from JHHS. To view detail for the month's secondary cost postings, right click on the G/L Account label, and select *Goto >Sponsored - Financial Detail*.

***Display 10-2**. Filtering for Secondary Cost Elements*

Monthly Detail and CO Allocations Reports

Using the sponsored summary information displayed above is more for informational purposes to demonstrate the 'flip' that occurs when SCE's are used for postings. To reconcile the postings, one could run either a sponsored detail report from BW or a CO Allocations report, each of which provides users the transaction detail needed to reconcile internal cost allocations. Display 10-3 shows a more recent monthly detail report for a sponsored program. You can see that there are a variety of postings to SCE's for the month of February, 2012.

Take me to BW Report Center

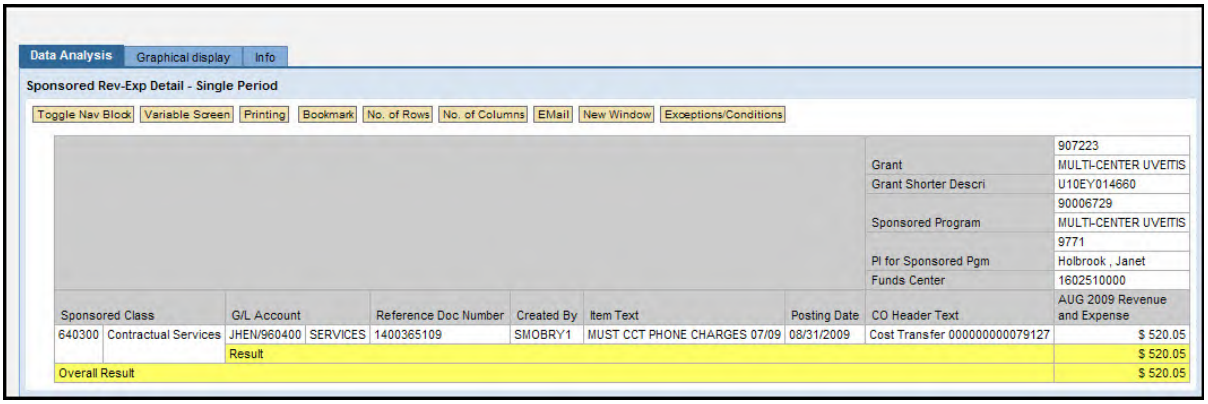
The following report has been sent to you:

								Sponsored Program	90039477 DP20D006492
								PI for Sponsored Pgm	16615 Jain , Sanjay
								Funds Center	1705311801
Sponsored Class		G/L Account		Reference Doc Number	Created By	Item Text	Posting Date	CO Header Text	FEB 2012 Revenue and Expense
641400	Telecommunications	JHEN/970003	UTIL TELEPHONE LOCAL	1400679982	FIAUTO	LOCAL CALLS	02/25/2012	ALLOCATIONS FROM TELESOFT	$ 0.30
		JHEN/970004	UTIL TELEPH LONG DST	1400679982	FIAUTO	LONG DISTANCE	02/25/2012	ALLOCATIONS FROM TELESOFT	$ 0.33
		JHEN/970005	UTIL TELEPH NETWORK	1400679982	FIAUTO	NTS CHARGES	02/25/2012	ALLOCATIONS FROM TELESOFT	$ 16.00
		JHEN/970008	UTIL TELEPHONE EQPT	1400679982	FIAUTO	COMMON TELECOM CHARGES	02/25/2012	ALLOCATIONS FROM TELESOFT	$ 4.80
						VERIZON EQUIPMENT CHARGES	02/25/2012	ALLOCATIONS FROM TELESOFT	$ 48.50
		Result							$ 69.73
654014	Student Health Insur	JHEN/960306	STUDENT MEDICAL INS	1400682385	MELLIS1	MED INS - ORDONEZ ALVARO	02/29/2012	170 883 MEDINSCHGBK 0212 C. WILLIAMS	$ 256.00
				1400682391	MELLIS1	0202UHSFEE-ORDONEZ ALVARO	02/29/2012	170 887 UHS FEES AND ADJS 0212 C.WILLIAMS	$ 37.50
		Result							$ 293.50
691500	Service Center	JHEN/921200	DESIGN & PUBLICATION	1400675936	SMOBRY1	ADDITIONAL 9.5 DELIVERY CHARGES FOR EACH FDG	02/14/2012	COST TRANSFER 000000000146622	$ 19.00
				1400675937	SSTEWAR6	REMAINING CHARGES FOR IMAGING SERVICES	02/14/2012	COST TRANSFER 000000000146624	$ 900.00
		JHEN/921271	CORE BIOPRODUCTS	1400674124	FIAUTO	P838994 - CORE STORE 2/1-2/3/2012 CUST#P102065	02/03/2012	CORE STORE	$ 19.05
				1400677782	FIAUTO	L8640433 - CORE STORE 2/13-2/17/2012 CUST#P102065	02/17/2012	CORE STORE	$ 54.40
				1400679867	FIAUTO	P842408 - CORE STORE 2/20-2/24/2012 CUST#P102065	02/24/2012	CORE STORE	$ 19.05
		JHEN/921294	RESEARCH HISTOL	1400672903	YZHOU14	CRAIN HISTOLOGY CHARGES JAN 2012	02/03/2012	COST TRANSFER 000000000145705	$ 26.40
		JHEN/921316	CRB II	1400676159	SSTEWAR6	ANIMAL CARE CRB2 JAN2012 JAIN	02/16/2012	COST TRANSFER 000000000146811	$ 798.56
		JHEN/921317	BSL3	1400676113	YZHOU14	JAIN ANIMAL CARE BSL3 JAN 2012	02/14/2012	COST TRANSFER 000000000146595	$ 53.36
		Result							$ 1,889.82
Overall Result									$ 2,253.05

***Display 10-3**. Sponsored Revenue and Expense Detail - Non-Recurring Cost Allocations*

Transaction detail from the sponsored detail report is shown in Display 10-3 while the CO Allocations report for the same transactions is shown in Display 10-5. Let's first review the internal cost allocations posted to the Sponsored Detail report and later compare this report to the CO Allocations report, to demonstrate how both are useful during reconciliation.

1. First, we'll note that the field CO Header Text has been added to the report, which is very useful because it provides more insight as to origination of the posting. For example, while the reconciler would know (by using the Inter-Entity Secondary Cost Elements Ranges table) that transactions posting to 97XXXX were Miscellaneous Revenue/Expense postings from JHHS, the user would see that these are for telecom charges from the Item Text, but would not know that Telesoft was the originator of the charges, unless the CO Header Text field had been added.
2. Typically 14 docs uploaded by ARSSC Inter-Entity staff members are initiated by the department using KB15N's and are for services. The Student Medical Insurance charges (G/L 960306/Sponsored Class 654014) are an example of this. Normally, 96xxxx charges on Sponsored accounts are initiated through Non-Recurring Cost Allocations, as shown below in Display 10-4. The CO Header Text shows the cost transfer number and because it is a sponsored account, it was approved by Sam Mobry from Financial Research Compliance.



Data Analysis | Graphical display | Info

Sponsored Rev-Exp Detail - Single Period

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

	907223
Grant	MULTI-CENTER UVEITIS
Grant Shorter Descri	U10EY014660
	90006729
Sponsored Program	MULTI-CENTER UVEITIS
	9771
PI for Sponsored Pgm	Holbrook , Janet
Funds Center	1602510000

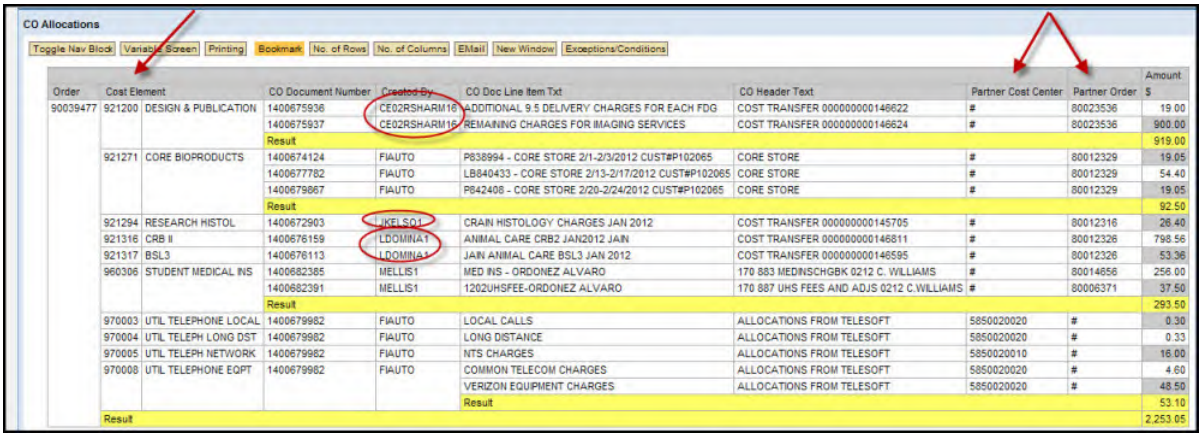
Sponsored Class		G/L Account		Reference Doc Number	Created By	Item Text	Posting Date	CO Header Text	AUG 2009 Revenue and Expense
640300	Contractual Services	JHEN/960400	SERVICES	1400365109	SMOBRY1	MUST CCT PHONE CHARGES 07/09	08/31/2009	Cost Transfer 000000000079127	$ 520.05
		Result							$ 520.05
Overall Result									$ 520.05

***Display 10-4**. Typical Intra-Entity 96xxxx Charges are posted by NPCT (Non-Recurring Cost Allocation)*

3. Now, going back to Display 10-3, we will look at postings to 921200, 921294, 921316, and 921317. These postings can be processed through 92xxxx interfaces, or KB15n's. These particular Service Center charges have been posted through non-recurring cost allocations. Again, we know this because the CO Header Text field allows us to see the cost transfer/journal transfer number that originated the charges, and we see the JHED ID in the *Created By* field are all names of staff in Financial Research Compliance. The cost transfer numbers will allow us to drill down using transaction code ZSGM_COST_TRANSFER for further research.
4. Charges to 921271 are also Service Center Charges, but are processed directly by the Core Store, as referenced in the CO Header Text field, through a 92xxxx interface. We know this is an interface by the FIAUTO in the Created By field.

So, postings created by FIAUTO are typically done by a service center using an interface, whereas postings that show Created By ARSSC Inter-Entity Staff members are posted by KB15N's, and postings showing Cost Transfer numbers, along with Financial Research Compliance staff members as *Approvers* are non-recurring cost allocations (these to a sponsored internal order), which route to Compliance as part of workflow.

If you are reconciling a non-sponsored cost object, you will not see the names of Financial Research Compliance staff as they are not a part of workflow for non-sponsored accounts. Keep in mind that the Created By field in Sponsored Detail populates with the *Approver* and not the actual *Initiator*.



CO Allocations

Toggle Nav Block | Variable Screen | Printing | Bookmark | No. of Rows | No. of Columns | EMail | New Window | Exceptions/Conditions

Order	Cost Element		CO Document Number	Created By	CO Doc Line Item Txt	CO Header Text	Partner Cost Center	Partner Order	Amount $
90039477	921200	DESIGN & PUBLICATION	1400675936	CE02RSHARM16	ADDITIONAL 9.5 DELIVERY CHARGES FOR EACH FDG	COST TRANSFER 000000000146622	#	80023536	19.00
			1400675937	CE02RSHARM16	REMAINING CHARGES FOR IMAGING SERVICES	COST TRANSFER 000000000146624	#	80023536	900.00
			Result						919.00
	921271	CORE BIOPRODUCTS	1400674124	FIAUTO	P838994 - CORE STORE 2/1-2/3/2012 CUST#P102065	CORE STORE	#	80012329	19.05
			1400677782	FIAUTO	LB840433 - CORE STORE 2/13-2/17/2012 CUST#P102065	CORE STORE	#	80012329	54.40
			1400679867	FIAUTO	P842408 - CORE STORE 2/20-2/24/2012 CUST#P102065	CORE STORE	#	80012329	19.05
			Result						92.50
	921294	RESEARCH HISTOL	1400672903	JKELSO1	CRAIN HISTOLOGY CHARGES JAN 2012	COST TRANSFER 000000000145705	#	80012316	26.40
	921316	CRB II	1400676159	LDOMINA1	ANIMAL CARE CRB2 JAN2012 JAIN	COST TRANSFER 000000000146811	#	80012326	798.56
	921317	BSL3	1400676113	LDOMINA1	JAIN ANIMAL CARE BSL3 JAN 2012	COST TRANSFER 000000000146595	#	80012326	53.36
	960306	STUDENT MEDICAL INS	1400682365	MELLIS1	MED INS - ORDONEZ ALVARO	170 883 MEDINSCHGBK 0212 C. WILLIAMS	#	80014656	256.00
			1400682391	MELLIS1	1202UHSFEE-ORDONEZ ALVARO	170 887 UHS FEES AND ADJS 0212 C.WILLIAMS	#	80006371	37.50
			Result						293.50
	970003	UTIL TELEPHONE LOCAL	1400679982	FIAUTO	LOCAL CALLS	ALLOCATIONS FROM TELESOFT	5850020020	#	0.30
	970004	UTIL TELEPH LONG DST	1400679982	FIAUTO	LONG DISTANCE	ALLOCATIONS FROM TELESOFT	5850020020	#	0.33
	970005	UTIL TELEPH NETWORK	1400679982	FIAUTO	NTS CHARGES	ALLOCATIONS FROM TELESOFT	5850020010	#	16.00
	970008	UTIL TELEPHONE EQPT	1400679982	FIAUTO	COMMON TELECOM CHARGES	ALLOCATIONS FROM TELESOFT	5850020020	#	4.60
					VERIZON EQUIPMENT CHARGES	ALLOCATIONS FROM TELESOFT	5850020020	#	48.50
					Result				53.10
	Result								2,253.05

***Display 10-5**. CO Allocations Report*

The CO Allocations report is simply another view of the same transactions, which users may find more helpful. The differences are the Created By field shows the JHED ID of *Initiator,* along with the sending and receiving cost objects, if added as free characteristics.

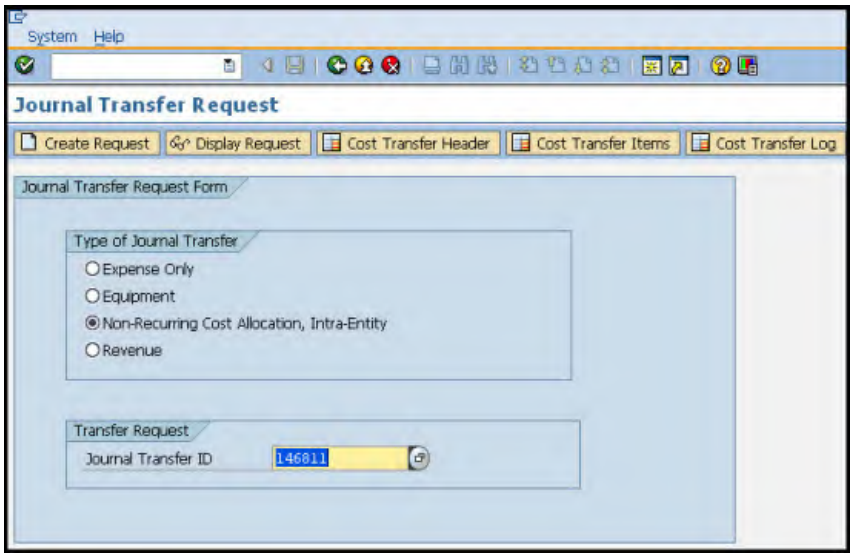
- CO Document Number is the same as Reference Doc Number from the Sponsored Detail. Item Text has become CO Doc Line Item Text, Created By field is now the *Initiator* and not the *Approver* of the transaction, and you can see Partner Cost Center and Partner Order.
- By using JHED to research the JHED ID's in the Created By field, you can now contact the initiator if the charge is unfamiliar, or if additional documentation is needed. If the animal charges to 921316 and 921317, for instance, are unfamiliar, you can use the JHED ID, LDOMINA1, in JHED, to see that the contact is Laura Domina, an Administrative Program Coordinator, with Financial Management for Oncology, and contact her. If you are familiar with these charges, have backup documentation, and recognize this as a typical monthly posting, you can check it off as a valid expense during reconciliation.
- From the CO Allocations report, you can also see the Partner Cost Center, or Partner Internal Order, or the other side of the transaction. While the

sponsored program 90039477 is being charged (is the receiver), the credit is going to (the sender) 80012326..

Using ECC to Research Internal Cost Allocations

Whether you choose to reconcile internal cost allocations with the monthly detail report or the CO Allocations report, you may want more information about the original transaction. If you do not bring in some of the Free Characteristics referred to earlier in the reporting section, you may not have all of the information that you need in order to validate the expense. Another method of researching these postings, is to drill down on the original transaction, using either the ZSGM_COST_TRANSFER or KSB5 tcodes in ECC.

- ZSGM_COST_TRANSFER - this tcode can be helpful in seeing more information about the non-recurring cost allocation. If, for example, you want more information about Doc Number 1400676159, for Animal Care charges in the amount of $798.56, you could use the Cost Transfer number (146811) to find out more details (see Display 10-6 below). You will only find this number from CO Header Text in BW or while using KSB5 in ECC.

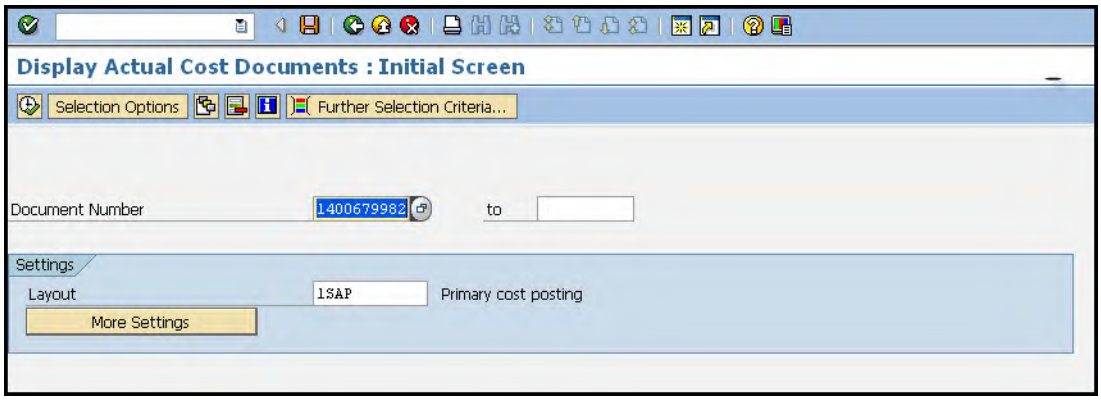


***Display 10-6**. Using ZSGM_COST_TRANSFER to Drill Down in ECC*

In Display 10-7 you can clearly see the explanation given by the originator is Oncology Animal Care Billing CRB2 January 2012. You also see that LDOMINA1 initiated the non-recurring cost allocation, and that it was approved in the department by KWOLFE3, and because it is posting to a sponsored program, it ended with approval in Financial Research Compliance with SSTEWAR6.

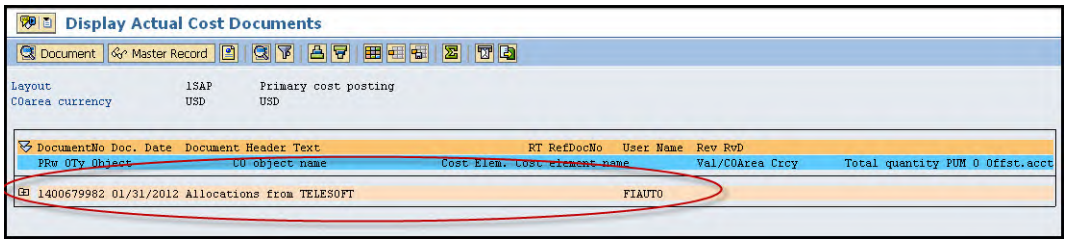
Display 10-7. *Further Explanation shown on Journal Transfer*

- KSB5 - Assume, for example, you are not familar with any of the Telecommunications charges (97xxxx) and wanted to know who to contact regarding them. If you had not pulled CO Header Text into the report you were using to reconcile (Monthly Detail report or CO Allocations report), you could enter the Doc Number 1400679982 using KSB5 as shown below in Display 10-8.



Display 10-8. *Using KSB5 from ECC*

From here, you can see the charge (completed by FIAUTO) was actually an interface by Telesoft.

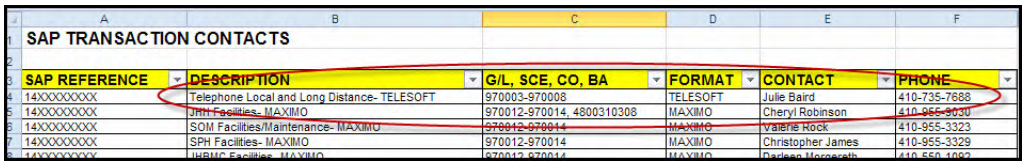


***Display 10-9**. Allocations from TELESOFT uploaded through an interface*

If you need contact information about this, or other transactions that are uploaded through an interface, you can go to the Transaction Contact List found on the ARSSC Inter-Entity website:

`http://ssc.jhmi.edu/accountsreceivable/transaction_contacts.html`

Telesoft is the first contact listed with the a name and telephone number for a Julie Baird.



SAP TRANSACTION CONTACTS

SAP REFERENCE	DESCRIPTION	G/L, SCE, CO, BA	FORMAT	CONTACT	PHONE
14XXXXXXX	Telephone Local and Long Distance- TELESOFT	970003-970008	TELESOFT	Julie Baird	410-735-7688
14XXXXXXX	JHH Facilities- MAXIMO	970012-970014, 4800310308	MAXIMO	Cheryl Robinson	410-955-9030
14XXXXXXX	SOM Facilities/Maintenance- MAXIMO	970012-970014	MAXIMO	Valerie Rock	410-955-3323
14XXXXXXX	SPH Facilities- MAXIMO	970012-970014	MAXIMO	Christopher James	410-955-3329
14XXXXXXX	UHBMC Facilities- MAXIMO	970012-970014	MAXIMO	Darleen Morgereth	410-550-1092

***Display 10-10**. Contact Information for Telesoft using Transaction Contact List*

Additional Resources

Links to other resources you may find helpful:

Accounts Receivable Shared Service Center: Inter-entity team

`http://ssc.jhu.edu/accountsreceivable/inter_entity.html`

Inter-entity FAQ

`http://ssc.jhu.edu/accountsreceivable/faq_inter.html`

Chapter 11: Expense Transfers

This chapter covers Expense Transfers. In this chapter you will learn:

- Which expenses may be transferred using the Expense Only option of the Non-Payroll Cost Transfer application.
- How to identify expense transfers on BW reports.
- How to use document and JV numbers in ECC to drilldown on your expense transfers.

Processing Non-Payroll Cost Transfers (Expense Only)

Overview of Expense Transfers

Non-Payroll Cost Transfers are created to transfer intra-entity expenses or revenue between cost objects (i.e., from one internal order to another internal order), or within cost objects (i.e., from one G/L account to another G/L account within the same internal order). These transactions are created by using ZSGM_COST_TRANSFER in ECC. There are four different types of transfers that can be processed using this transaction:

- Expense Only
- Equipment
- Non-Recurring Cost Allocation (Intra-Entity)
- Revenue

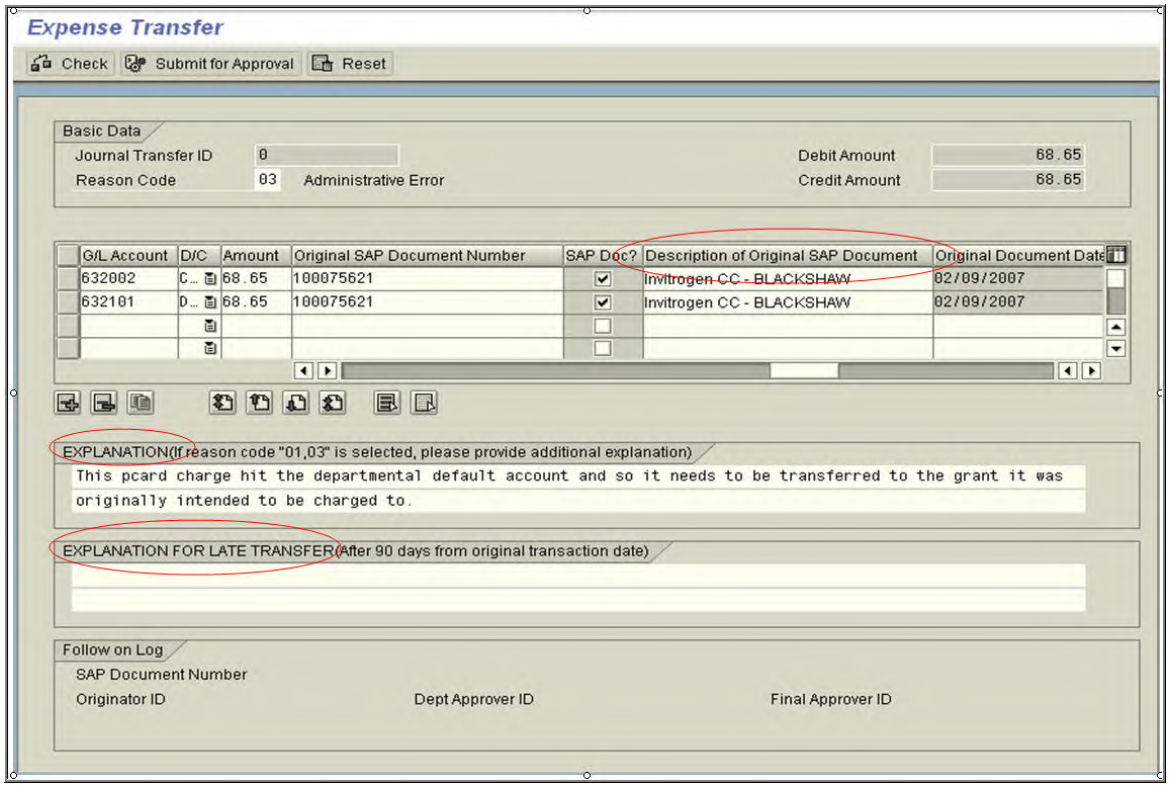
In this chapter, we focus on reconciling Expense Only cost transfers. For an expense to be considered an expense only item, it must meet the following requirements:

1. The expense must have a G/L account, commitment item, or sponsored class that begins with a 6XXXXX.
2. The expense cannot be any type of salary, wage, stipend or fringe benefit. Specifically, the expenses that belong to G/L accounts, commitment items, or sponsored classes that start with a 61XXXX or a 62XXXX. The only exception is G/L 616003, which is for overseas salary that is not paid in

SAP. Fellowship expenses are also included in this group and show up in G/L account 654001, commitment item 654001, and sponsored class 654000.

3. Cannot be any type of capital equipment expense. These types of expenses most often are found in the G/L Accounts and commitment items 180202, 631099, 651633, and 653406. The sponsored class for capital equipment is 653400. More detailed information concerning equipment and fixed assets is in *Chapter 7: Equipment and Fixed Assets.*

4. Cannot be any type of internal service center charges. Some examples are Animal Services, the Core Store, DNA Sequencing, and Networking Offices. These types of expenses will have a G/L Account, commitment item, or sponsored class that starts with a 69XXXX. There are other expenses found that start with 69XXXX that are not service centers, but are Non-Recurring Cost Allocations. These also cannot be moved through expense only transfers. Most often these types of transactions will also have a Secondary Cost Element. Anything that shows in a CO report, or has a G/L starting with a 9XXXXX, cannot be moved using the expense only transaction. Either the source documents of the posting will need to be reversed or a Non-Recurring Cost Allocation (Intra-Entity) transfer can be initiated. For more information on secondary cost elements see *Chapter 10: Internal Cost Allocations*.



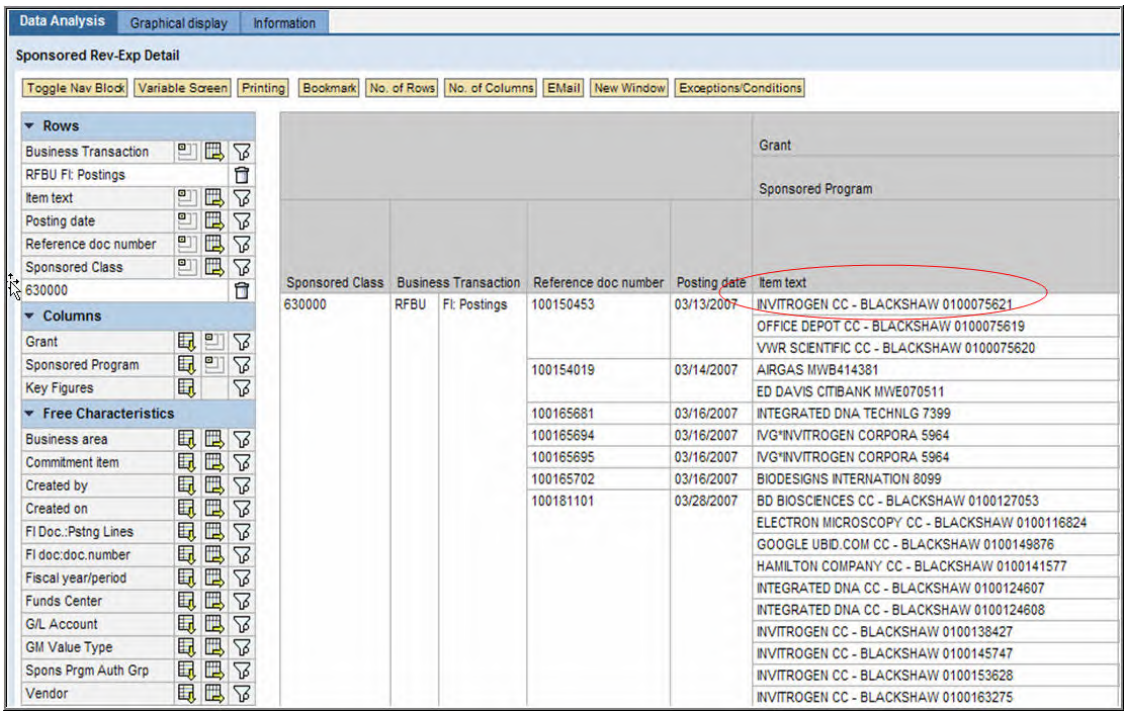
Display 11-1. *Expense Transfer Screen showing Item Text in ECC*

Typical items that can be moved through the expense only Non-Payroll Cost Transfer include, but are not limited to, supplies, repairs and maintenance, contractual services, and travel expenses.

Why Transfer an Expense?

When reconciling a University account, expenses may be unallowable on that particular account, or expenses may be deemed to be more appropriately charged to another account. Expense items can also be more appropriately allocated amongst multiple cost objects or correct G/L account mistakes. Most often expense transfers are posted as a correction of an error. Regardless of the reason, it is important to provide proper documentation in the *Explanation*, *Explanation for Late Transfer*, and *Description of Original SAP Document* text fields (see Display 11-1).

The *Explanation* and *Explanation for Late Transfer* (if applicable) text fields should provide a concise but informative explanation for why expenses are being transferred. Why the transfer is being completed after the 90 day window is very important also. These fields are reviewed by first and second level approvers of these transactions. Even more importantly, these text fields may be reviewed in instances of both internal and external audits.



Display 11-2. *Sponsored BW Report showing Expense Transfer Item Text*

The *Description of Original SAP Document* field may be the most helpful in reconciling accounts, however. This is the text field that carries over to the *Sponsored Rev-Exp Detail*, and the *Non Sponsored - Financial Detail* reports. As shown

in Display 11-1 and 11-2, the Item text field was populated in this Sponsored Rev-Exp Detail report directly from the Description of Original SAP Document text field.

Notice the item text has the exact text that was input into the original cost transfer, followed by a ten digit number. This number is automatically provided by the reporting system and represents the Original SAP Document Number (as seen in the original cost transfer - Display 11-1). This number will only display if enough characters are left following the text entered in the Description of Original SAP Document field (item text allows 50 characters)

Reconciling Non-Payroll Cost Transfer Transactions

Sponsored and Non-Sponsored BW Reports

Expense Only Non-Payroll Cost Transfers display on BW detail reports with 9 digit FI document numbers beginning with a 10XXXXXXX. Users should note that there are other types of transactions that have similar FI document numbers.

As described above, providing an adequate description of an expense can make deciphering BW detail reports easier. This, along with adding the "Created by" free characteristic can make the reconciliation process more efficient. Display 11-3 shows another example of an expense only cost transfer, but this time reflected in a *Non-Sponsored - Financial Detail* report.

					Funded Program	80013641	
					Fund	1017000001	
					Funds Center	1701700000	
						JUN 2007 Revenues Expenditures	2007 Commitments
Commitment item	Doc #	Long Desc.	Vendor	Created by	Posting date	$	
632002	100470271	SPEAKEASY 4814	Not assigned	FIAUTO	06/07/2007	53.46	
	100470665	JAY S RESTAURANT GROUP 5811	Not assigned	FIAUTO	06/08/2007	209.23	
	100486156	SCI*STAMPS-PHOTOSTAMPS 7399	Not assigned	FIAUTO	06/12/2007	6.15	
	100486637	JAY'S RESTAURANT CC - SEARCY 0100470665	Not assigned	PCORNEL4	06/12/2007	-209.23	
	100504982	CAROLINA BIOLOGICAL SU 5047	Not assigned	FIAUTO	06/19/2007	218.50	
	100504984	NATIONAL BAND & TAG 7399	Not assigned	FIAUTO	06/19/2007	58.55	
	100504985	SURGIPATH MEDICAL INDU 5999	Not assigned	FIAUTO	06/19/2007	228.04	
	100504986	AIRGAS EAST 5169	Not assigned	FIAUTO	06/19/2007	30.00	
	Result					594.70	0.00

***Display 11-3**. Non-sponsored BW Report showing Expense Transfer Item Text*

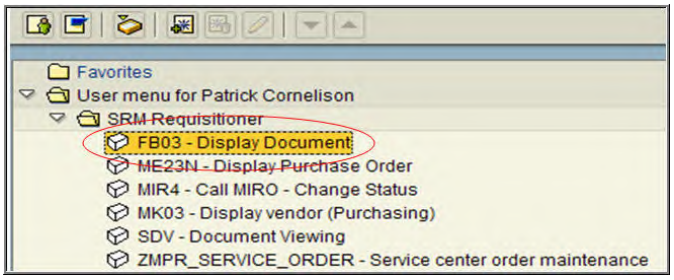
The line item circled above is a cost transfer amongst several procurement card expenses. Notice that the Created by field helps differentiate between the two different transactions. Procurement card expenses will either be created by FIAUTO or SCCONV. Expense only cost transfers will be created by the JHEDID of the user who originally created the cost transfer. Also, notice that the nine digit document number of the original expense (100470665) follows the text provided by the creator.

It is conceivable at this point that this charge could be marked off as being valid and checked for reconciliation purposes. We are able to understand the description of this expense and we know the originator of the transfer. Assuming proper internal controls are in place, and knowing that this individual (PCORNEL4) is in the department and that he received approval on the front end for processing this transfer, it is acceptable to mark this as a valid transfer and continue forward with reconciling the account.

It should be noted that early in FY2010, functionality was enhanced in both Sponsored and Non-Sponsored Detail reports to add the free characteristic, CO *Header Text*. By adding this free characteristic to the BW Detail reports, users can easily see the cost transfer number as shown in Display 11-4 below. In this way, the reconciler can skip using transaction code FB03 discussed in the next section, *Further Research of Cost Transfers*. Note that the Created by Field, when it shows a divisional staff member's JHED ID (and not FIAUTO), is indicative of a non-payroll cost transfer originated by that person.

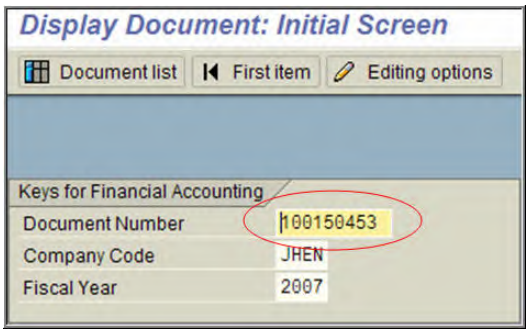
Further Research of Cost Transfers

If the creator is from another department, or the department wishes to research the transaction further, they can begin by using the ECC transaction known as FB03. To activate FB03 open up the SRM Requistioner folder and double click on *FB03–Display Document* as shown in Display 11-4.



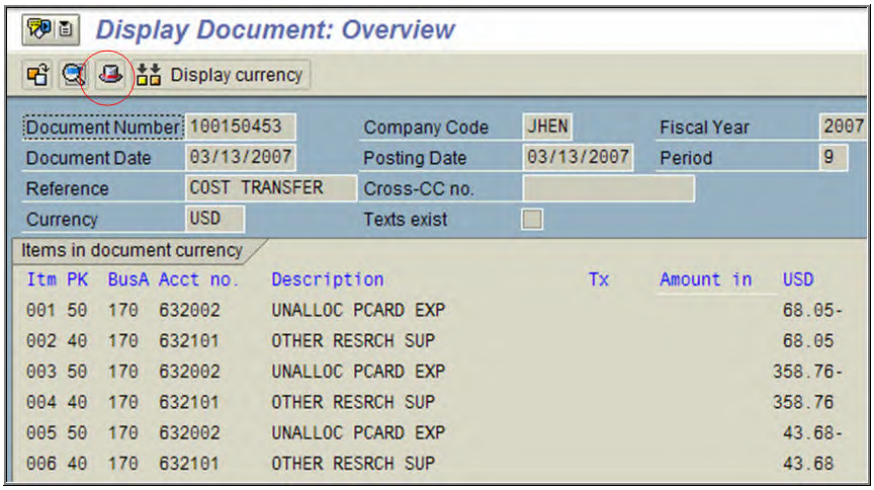
***Display 11-4**. Using the FB03 transaction to Review Expense Transfers*

When the FB03 transaction is activated, enter your FI document number (Sponsored) or document number (Non-Sponsored) into the document number prompt and hit enter (see Display 11-5). The FI and reference document number can be used for Sponsored reports in this situation because they will always be the same number. FB03 requires FI document numbers, so it is important to use FI document numbers when researching other types of transactions. For this example, we are using 100150453, which is the reference doc number for the cost transfer noted in the BW report shown in Display 11-2.



***Display 11-5**. FB03 - Document Number Entry*

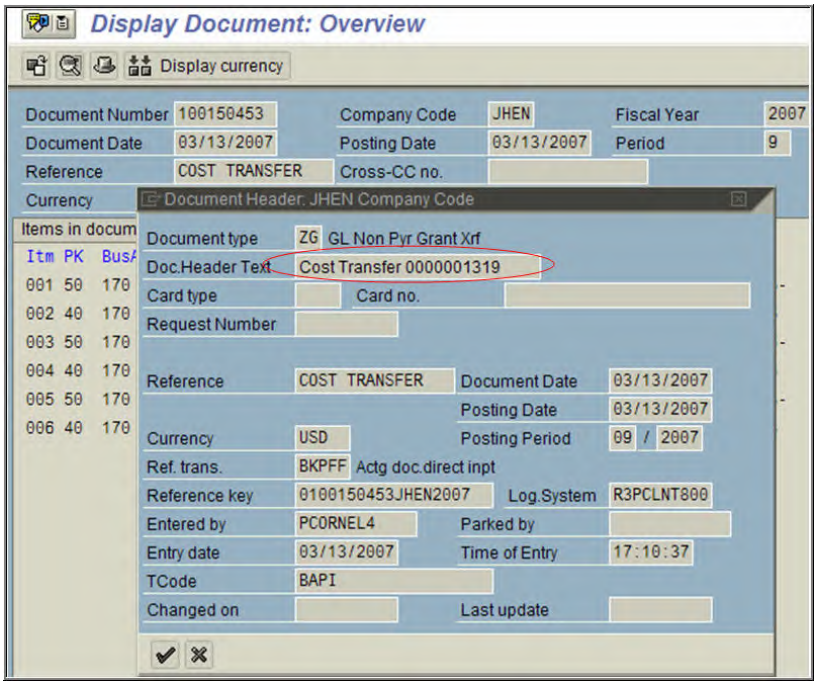
The resulting screen, shown in Display 11-6, can have different default appearances depending on whether ECC defaults you to the standard view, or the list view. Regardless of the layout, they will both have the necessary icon needed for the next step. Click on the "Display document header" icon (top hat).



***Display 11-6**. Reviewing Expense Transfer in ECC*

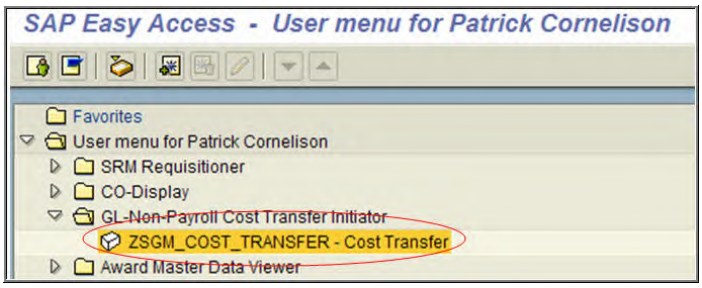
This provides you with important information about the cost transfer, including the Journal Transfer ID of the original transaction. Also, this screen verifies that the transaction in question is a cost transfer (see Display 11-7).

.



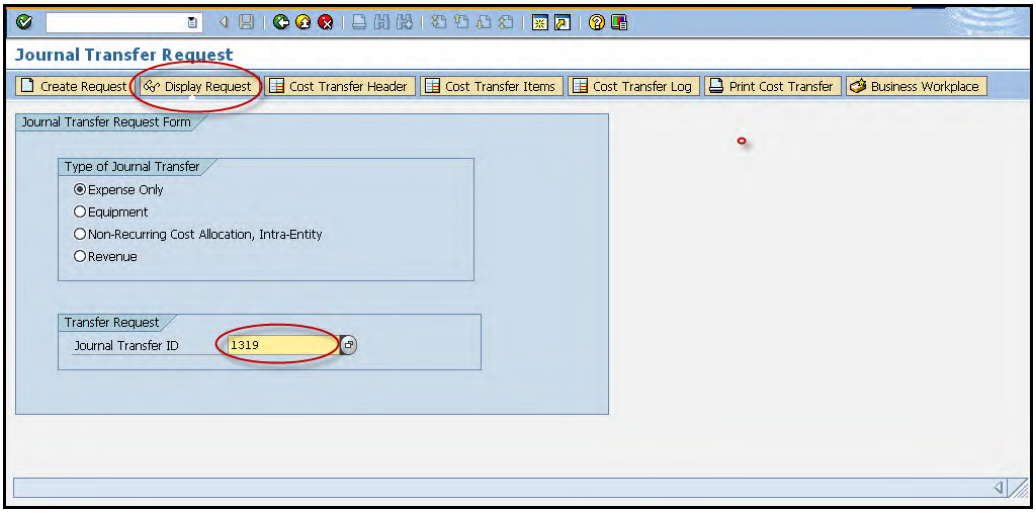
***Display 11-7**. Using FB03 to Obtain Expense Transfer JV Number*

Make a note of the Journal Transfer ID (0000001319 or just 1319) that is found under the Doc. Header Text field, and go into the ZSGM_COST_TRANSFER transaction.



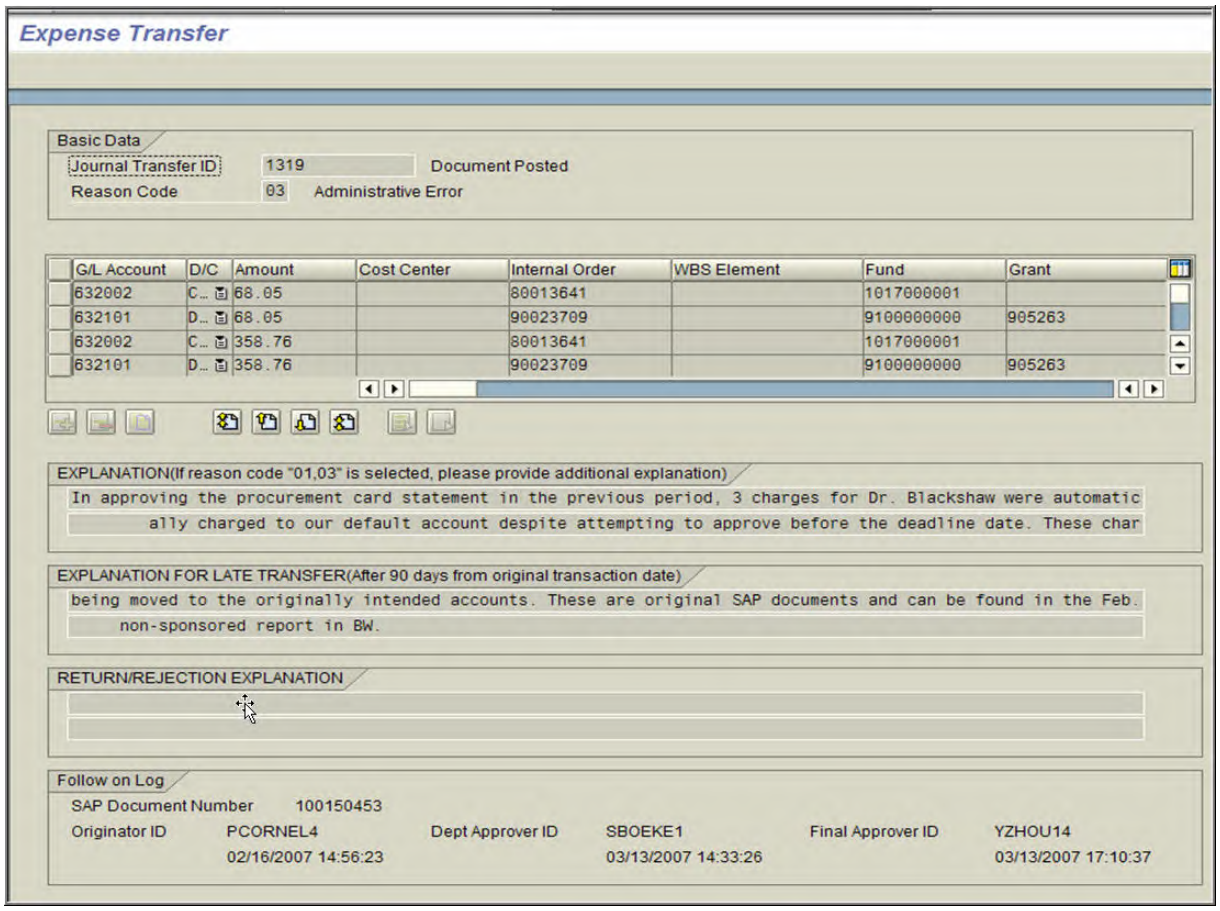
***Display 11-8**. Using ZSGM_COST_TRANSFER for more information on the expense transfer*

Enter the Journal Transfer ID and click on the "Display Request" icon. This will provide the original transaction.



***Display 11-9**. Drilling down using the JV Number*

After entering the JV number in the cost transfer application screen, the expense transfer detail screen will be activated as shown in Display 11-10. At this point, you can print the original transaction to keep as back-up documentation for the expense (or credit) on your account, or just make note of the Journal Transfer ID and mark the expense off as checked and valid. If at this point, the expense still looks questionable, you can contact the originator of the cost transfer and receive further explanation, email justification, and/or additional back up documentation.



Display 11-10. *Drilldown ECC to the Expense Transfer Information Screen*

Expense Transfers Posted to Internal Orders for Cost Sharing

Cost sharing can be broken down into 2 different categories: *Committed Cost Sharing* and *Cost Overruns*. Expenses should not be transferred off a sponsored project just because they would cause the grant to be overspent. If all of the charges on the grant are allowable and allocable to the project and the project is overspent, they should remain on the grant and a cost overrun would be processed.

Cost overruns are processed by Sponsored Projects Shared Services. A cost sharing internal order, beginning in 98, would be created with a non-sponsored funding source. SPSS will then process the cost transfer using the secondary cost element 960900. This process allows the expenses to remain on the grant while being paid from an internal funding source. Recall that a grant in SAP can have only one external funding source, but may have multiple internal funding sources.

Additional Resources

Links to additional resources you may find helpful:

Sponsored Projects Shared Services Website, Compliance Staff Contacts

http://ssc.jhmi.edu/sponsoredprojects/contact.html#Financial_Research_Compliance

Non-payroll Cost Transfer Reason Codes

ssc.jhmi.edu/sponsoredprojects/DataFiles/NonPayroll_Cost_Transfer_ReasonCodes.pdf

Training Course: Non-payroll Cost Transfer

http://lms4.learnshare.com/l.aspx?CID=89&A=2&T=391087

Section V

Revenue and Net Assets

Chapter 12: Revenue

This chapter covers Revenue. In this chapter you will learn:

- How revenue is recognized in SAP.
- How to determine the billing rule and payment method on grants in SAP.
- How to identify deficit and surplus cash balances from reports in BW.

Revenue Postings in SAP

Prior to SAP implementation, Johns Hopkins recognized revenue on grants at the time an expense was incurred. Sponsored revenue in SAP can be recorded with 3 types of entries. The first type of entry is by generating an invoice document. This applies primarily to G/L 420101, *sponsored billed revenue*. The second and third entries are made by custom programs. Automatic Revenue Recognition (ARR) posts as G/L 420141, *sponsored unbilled revenue*. Distributed revenue posts as G/L 420102, *sponsored billed revenue allocation*. Grants with an award type of fixed fee or clinical trial are not impacted by ARR.

Revenue Postings from Invoice Documents

Revenue is posted to sponsored projects when an invoice document/receivable is opened. Invoice documents can be opened using a variety of methods:

- After a resource related billing, when the sponsor is sent an invoice by Accounts Receivable Shared Services (ARSS).
- After ARSS approves a document parked by the department.
- When a payment is due from a sponsor with a billing plan, payment methods direct pay or scheduled billing.
- When the Letter of Credit program is run.

Sponsored Billed Revenue is posted with G/L 420101.

Revenue Postings from Automatic Revenue Recognition

The Automatic Revenue Recognition (ARR) program runs on a monthly basis to post unbilled revenue to grants as an accrual entry using G/L 420141. This accrual will be reversed at the beginning of the following month. ARR compares total revenue to the lesser of expense or revenue budget and records the delta as unbilled revenue. ARR will realize unbilled revenue up to the amount of the revenue budget.

For an example of a grant with an unbilled revenue posting, see Example #4 starting on page 12-6 below.

Revenue Postings from Distributed Revenue

Ultimately, the budget, revenue and expense should balance on each sponsored program in SAP. A custom program called Distributed Revenue runs frequently throughout the month to move revenue between sponsored programs within a grant. The amount of revenue posted should not exceed the budget for a particular sponsored program. As expenses are moved on or off sponsored programs, the distributed revenue program will process transfers to move the associated revenue between sponsored programs. Distributed revenue is posted with G/L 420102.

Important GL accounts relating to Revenue

- 420101 Sponsored Revenue
- 420102 Distributed Revenue
- 420141 Sponsored Unbilled Revenue

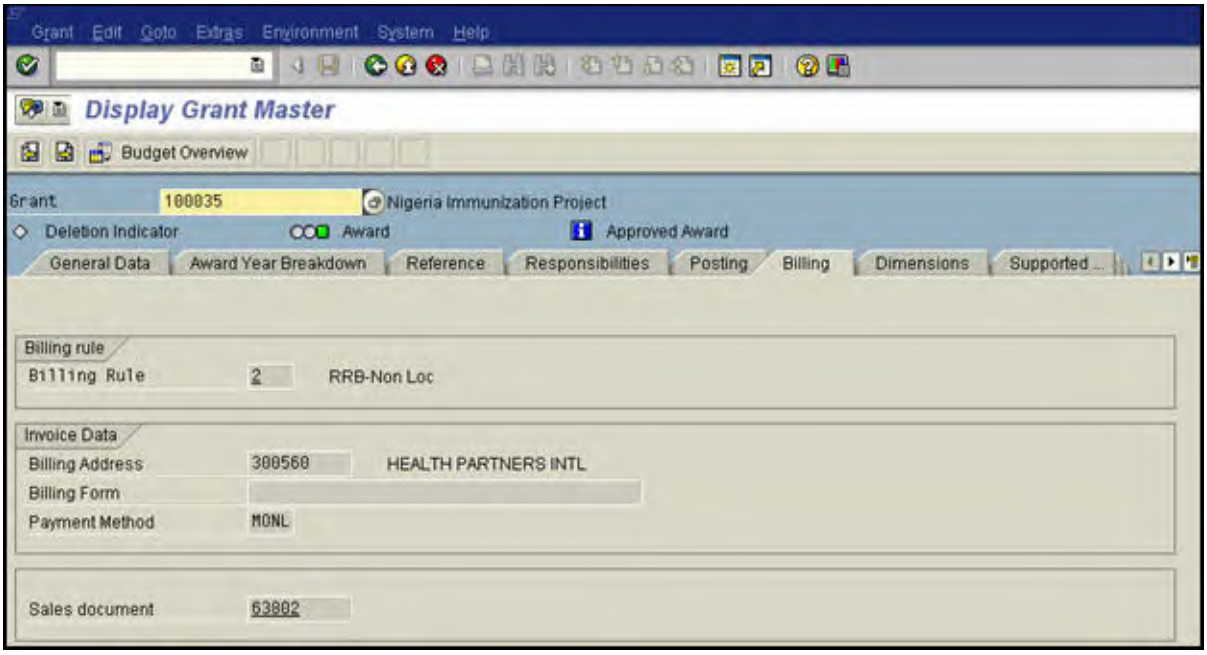
Reviewing Revenue as Part of the Reconciliation Process

Being proactive and reviewing cash balances as part of the monthly reconciliation process is an important step in identifying errors or potential problems. For example, a cash deficit could indicate the Sponsor needs to be invoiced, or there is a problem with the Letter of Credit draw. Or if there is a cash deficit and the billing rule is direct pay, the Sponsor could be withholding payment because they are waiting on a technical report from the Principal Investigator. In order to understand the Deficit Cash balance report in BW, it is helpful to identify the billing rule and payment method.

Identifying the Billing Rule on Sponsored Projects

To determine the billing rule and payment method on the grant being reconciled, type GMGRANTD in the ECC command box. Next, type in the grant number and hit enter. The master data attributes of the grant will be displayed.

Click on the billing tab, and you will see the billing rule and payment method for the grant.



***Display 12-1**. Viewing the Billing Rule and Payment Method Master Data*

Billing Rule Options:

- ❑ 0001 RRB-Letter of Credit
- ❑ 0002 RRB-Non Loc
- ❑ 0005 Direct Pay-Various Amounts
- ❑ 0006 Direct Pay-Like Amounts (discontinued)
- ❑ 0007 Manual Billing
- ❑ 0008 Pre-Award
- ❑ 0009 Scheduled Billing

Overview of Billing Rules

Rule 0001: Resource Related Billing - Letter of Credit

Resource related billing is a cost reimbursable billing method. We are reimbursed as expenses are incurred for work performed according to our agreement with the sponsor. Under a Letter of Credit agreement, expenses are summarized multiple times a week in SAP by sponsored class and an invoice is created.

Rule 0002: Resource Related Billing - Non-Letter of Credit
This billing rule is also cost reimbursable. An invoice is produced in SAP that summarizes all expenses by category and is submitted to the sponsor for payment. Once the invoice is prepared, an open item or receivable is created.

Rules 0005 & 0006: Direct Pay Agreement
A direct pay agreement states the sponsor will pay Johns Hopkins a specified payment amount on a specified date. Sponsored Projects Shared Services creates a billing plan which is reflective of the agreement. Unless stated in the agreement, no invoice is sent to the sponsor. SPSS creates and maintains the billing schedule as part of grant master data. Bill method 0006 was discontinued shortly after conversion to SAP. All new grants with direct payment methods will use Rule 0005.

Rule 0007: Manual Billing
A manual billing is performed in SAP for a sponsored award when no other billing method is appropriate. For example, in some cases ARSS and the department need to collaborate on an invoice, or the sponsor requires invoices at the beginning of the project. The manual billing rule gives ARSS the greatest flexibility for unusual situations.

Rule 0008: Pre-Award Billing
This billing method is used while awards are in pre-award status. No billings are generated for grants with this billing rule and no revenue should be received. The billing rule will be updated by SPSS when the award is fully executed.

Rule 0009: Scheduled Billing
A scheduled billing occurs when the sponsor has an agreement with Johns Hopkins to pay a specific amount on a specified schedule of dates. This billing rule differs from direct pay because an invoice must be sent to the sponsor to prompt the payment.

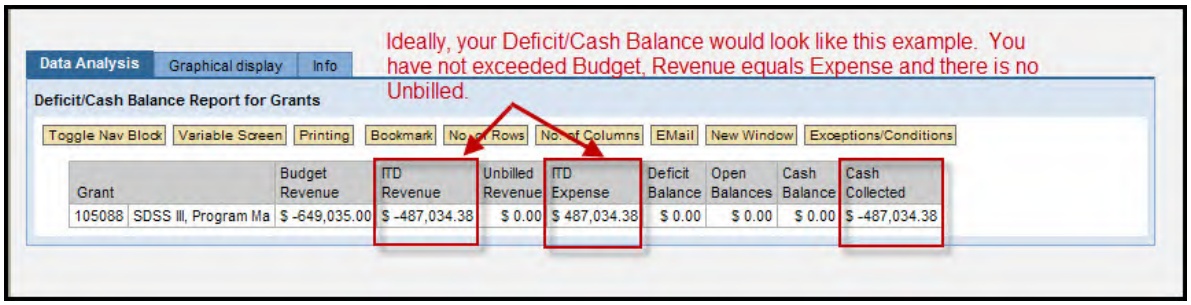
Reviewing the Deficit/Cash Balance Report in BW

The recommended report to view cash collected in BW is the Deficit/Cash Balance Report for Grants. This report is located under *Sponsored Projects > Award*. From the variable screen the only inputs required are fiscal year period and grant number.

Run the report based on the month you are reconciling. The month should be closed when you run the report in BW and any cost sharing accounts (internal orders beginning with 98) should be excluded. Since the month is closed, the Automatic Revenue Recognition (ARR) program has run. Once the ARR program runs, the balance of unbilled expenses will be posted to the grant to the unbilled revenue G/L 420141. The report includes a column called Cash Collected.

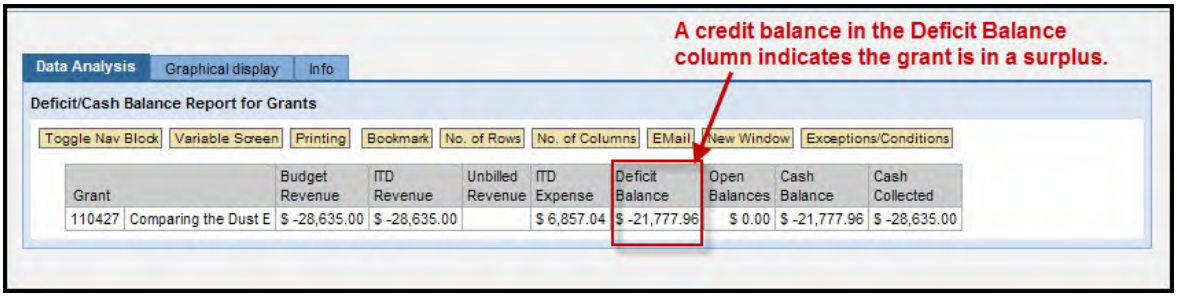
Examples of the Deficit/Cash Balance Report in BW for Grants are below:

Example #1- This grant that has been billed in full and paid in full. There is no deficit balance. The budget exceeds the expense, so this award is not fully spent.



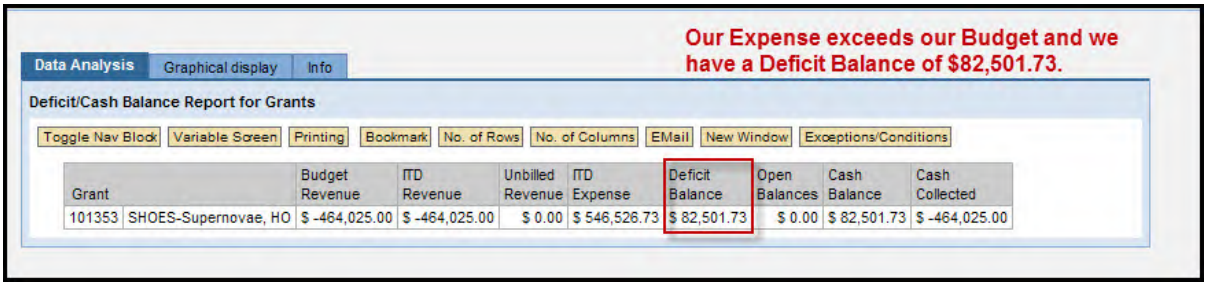
***Display 12-2**. Revenue Example- Revenue Equals Expenses*

Example #2- This example shows a grant with a surplus balance. While we have recognized revenue up to the budget revenue amount, and collected cash in the amount of $28,635.00, we have only spent $6,857.04. The Deficit Balance is a credit indicating a surplus.



***Display 12-3**. Example of Grant in a Surplus*

Example #3- The following example shows a grant with a deficit cash balance of $82,501.73, meaning our expense exceeds our budget revenue. We know that to close this grant, we will need to use a cost share account.



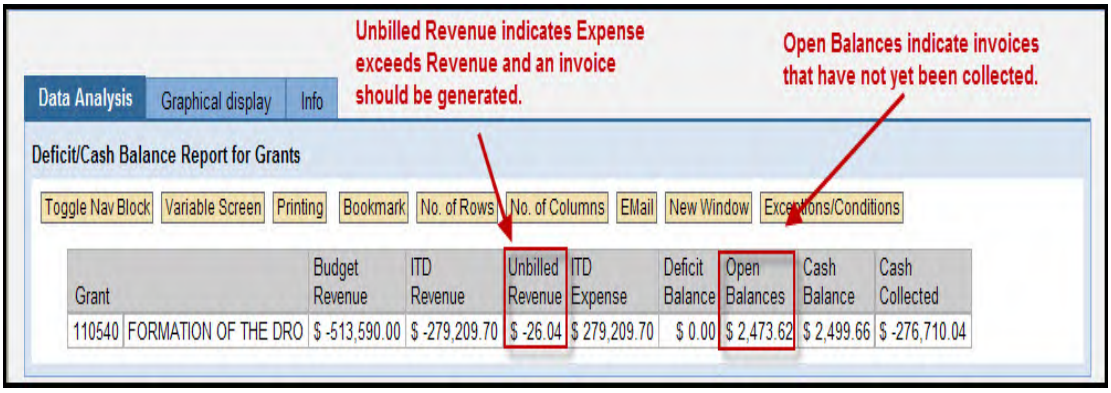
***Display 12-4**. Grant with Deficit Cash Balance*

The deficit balance is the expense minus the revenue

($546,526.73 - $464,025.00 = $82,501.73)

If the Deficit Balance is a positive number, the grant is overspent, or in a deficit.

Example #4- The following example shows a grant with unbilled revenue and an open balance.



Grant		Budget Revenue	ITD Revenue	Unbilled Revenue	ITD Expense	Deficit Balance	Open Balances	Cash Balance	Cash Collected
110540	FORMATION OF THE DRO	$ -513,590.00	$ -279,209.70	$ -26.04	$ 279,209.70	$ 0.00	$ 2,473.62	$ 2,499.66	$ -276,710.04

***Display 12-5**. Example of a Grant with an Unbilled Amount and Open Balance*

Here, the unbilled revenue of -$26.04, makes revenue equal to expense. In BW, unbilled revenue displays with commitment item 420141.

The Open Balance of $2,473.62 indicates the amount of open invoices on the grant. This number will display as 420101, Sponsored Billed Revenue.

In reviewing our formulas for the Deficit/Cash Balance, we see the following:

- Cash Balance reflects ITD Expense less Cash Collected, so $279,209.70 minus $276,710.04 is equal to our Cash Balance amount of $2,499.66.

- Cash Collected is equal to ITD Revenue ($279,209.70) less Unbilled Revenue ($26.04), less Open Balances ($2,473.62), and so our Cash Collected is $276,710.04.

Additional Resources

Links to additional resources you may find helpful:

Accounts Receivable Shared Services Website

`http://ssc.jhu.edu/accountsreceivable/index.html`

ARSS Billings & Receivables FAQ

`http://ssc.jhu.edu/accountsreceivable/faq_bill.html`

Chapter 13: Net Assets & Fund Balance Carryover

This chapter covers Net Assets and Fund Balance Carryover. In this chapter you will learn:

- The definition of a net asset balance and how these balances are treated from fiscal year to fiscal year.
- How to identify fund balances in BW reports during reconciliation.
- Which Commitment Items and G/L accounts are used for net asset opening balances from fiscal year to fiscal year.
- How net assets were accounted for during conversion to SAP.

Net Asset and Fund Balance Carry Forward Overview

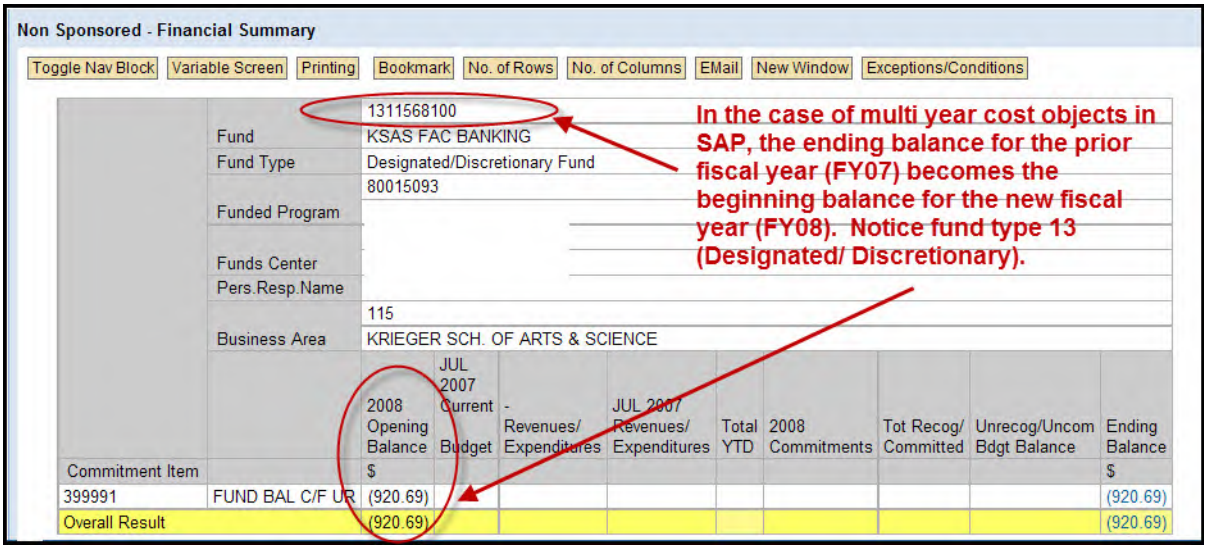
A net asset is an accounting term used to describe an organization's equity in assets less liabilities. The Johns Hopkins enterprise operates on a fiscal year that runs from July 1st to June 30th. At the end of the each fiscal year, depending on the fund type (1st two digits of fund), non-sponsored cost objects are handled in one of two ways:

- Non-sponsored cost objects defined as multi-year in SAP use the net asset balance remaining at end of fiscal year as the beginning balance for the new fiscal year. In essence, the remaining balance is carried forward. These include all fund types *except* 10, 11, and 12. The most commonly used are:
  - Endowment income accounts
  - Gift accounts
  - Discretionary accounts
- Non-Sponsored cost objects defined as general operating funds are closed out at the end of each fiscal year, or 'rolled up' to a higher level fund, so that the account begins with a zero balance for the new fiscal year. Fund types that will reflect this roll up are:
  - General Operating Funds
  - Clinical & Health Services Funds
  - Auxiliary Enterprise Funds

Display of Net Assets in BW

SAP Multi Year Cost Object

Display 13-1, below, is an example of a multi-year cost object in SAP. We know this because it is a 13 (discretionary) fund type. The end of year balance at FY07 becomes the opening balance for FY08. The opening balance is reflected at the Non-Sponsored Financial Summary level, and not at the detail level.



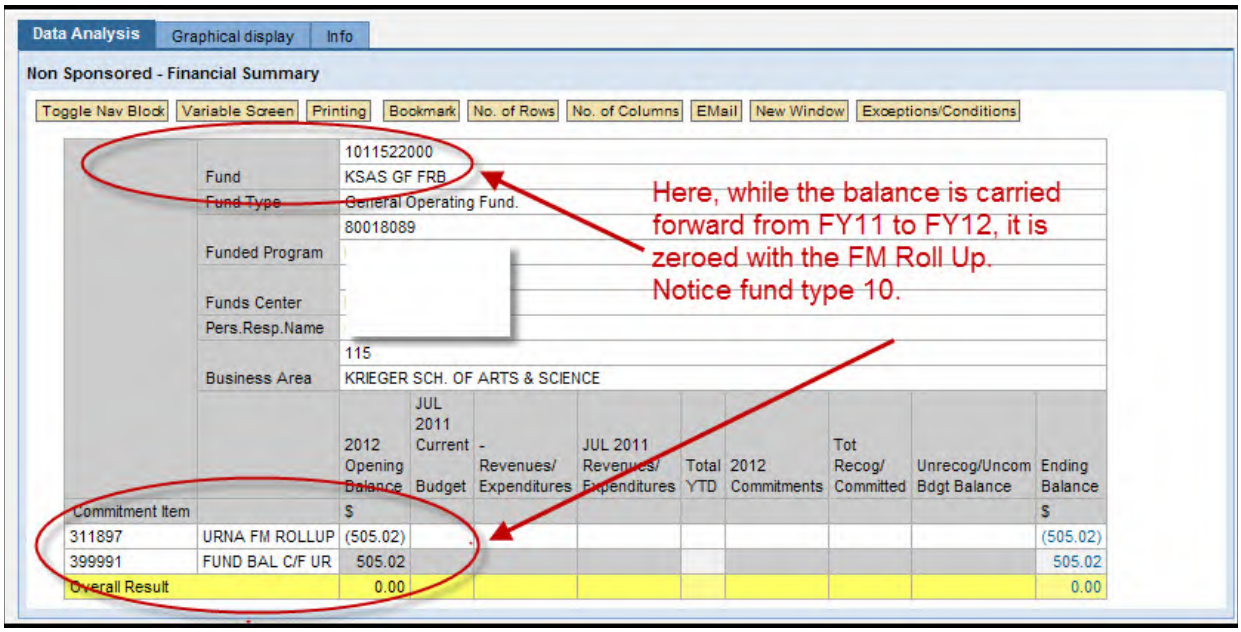
***Display 13-1.** Beginning balance for FY08*

The FY08 opening balance is posted with the commitment item 399991. Users will note that today only Commitment Items 399991, 399992 and 399993 are used for fund balance carry forwards. The GL's used are 311999 (URNA - Unrestricted Net Assets), 312999 (TRNA - Temporarily Restricted Net Assets), and 313999 (PRNA - Permanently Restricted Net Assets).

Once you have reviewed the opening balance, you can continue to reconcile accounts with the Non-Sponsored Financial Detail reports. The Financial Summary report can be run for a funds center or at the funded program level (8 digit account number beginning with 8).

General Operating Funds Accounts

With General Operating Funds, instead of carrying the remaining balance forward, these cost objects are zeroed out at the end of each fiscal year. In other words, any remaining balance is 'rolled up' to a higher level fund, or depending on the Business Area, may reflect an actual posting of funds to zero out the account. Display 13-2 below reflects a '10' fund account with an FM Roll Up.



Display 13-2. *Fund Type 10 - Displaying FM Roll Up*

Balances Converted to SAP

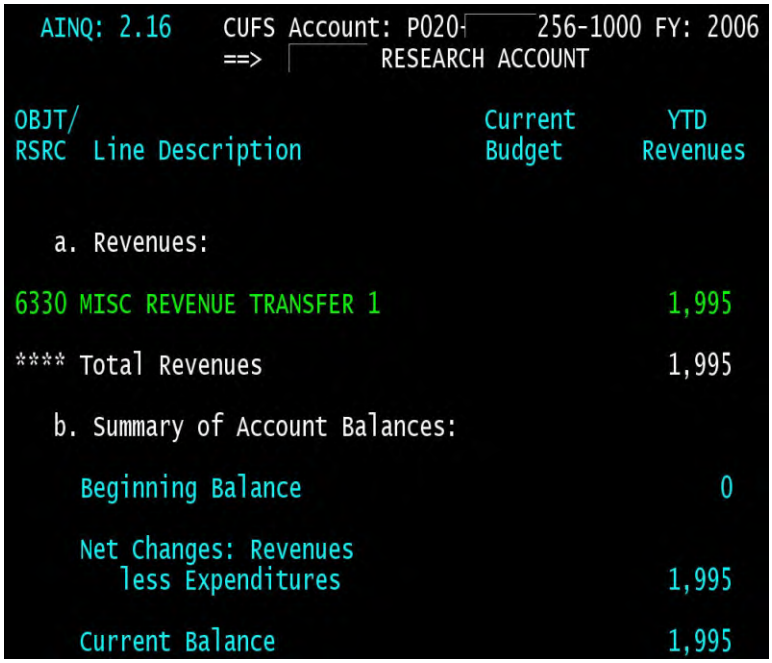
At the time of SAP conversion, 12/31/06, the enterprise was already 6 months into fiscal year 2007 (FY07). Therefore, at conversion, six months of balance sheet activity was converted on non-sponsored accounts, CUFS postings from 7/1/06 through 12/31/06.

Although all FY07 posting activity through 12/31/06 had been converted, these CUFS balances had been converted to the Financial Accounting module in SAP only, and were not reflected at a cost object level leaving users of the Funds Management (FM) module to access the legacy system for this information.

To alleviate this confusion and allow divisions to easily see beginning net asset balances, Z table conversion entries were created and posted by General Accounting as a one-time journal entry of the FY06 net asset balances. This transaction used GL's 311897, 311898, or 311899. The net asset fund balance carryover was done for legacy funds 010-090.

Example of a Net Asset Balance Transfer from CUFS to SAP

The example below shows an ending balance from screen 2 in AINQ.



***Display 13-3**. Net asset balance prior to SAP Conversion.*

The balance of $1995.00 shown in Display 13-3 became the beginning fund balance in SAP on the BW report once General Accounting made the journal transfer. To view the BW report, use the Non-Sponsored Financial Summary report from the Saved Favorites located at:

`http://www.finance.jhu.edu/H1/nonspon_fav.html`

The Non-Sponsored Financial Summary in Display 13-4 displays the 2007 opening balance from CUFS, which reflects Commitment Item 399899. If you add drill down of the G/L to the rows of this report, you will see the G/L 311899, which is the Net Asset Fund Balance Carryover. Display 13-4 is a typical example of the journal entry made by General Accounting in FY07 to capture the FY06 net asset balances from CUFS.

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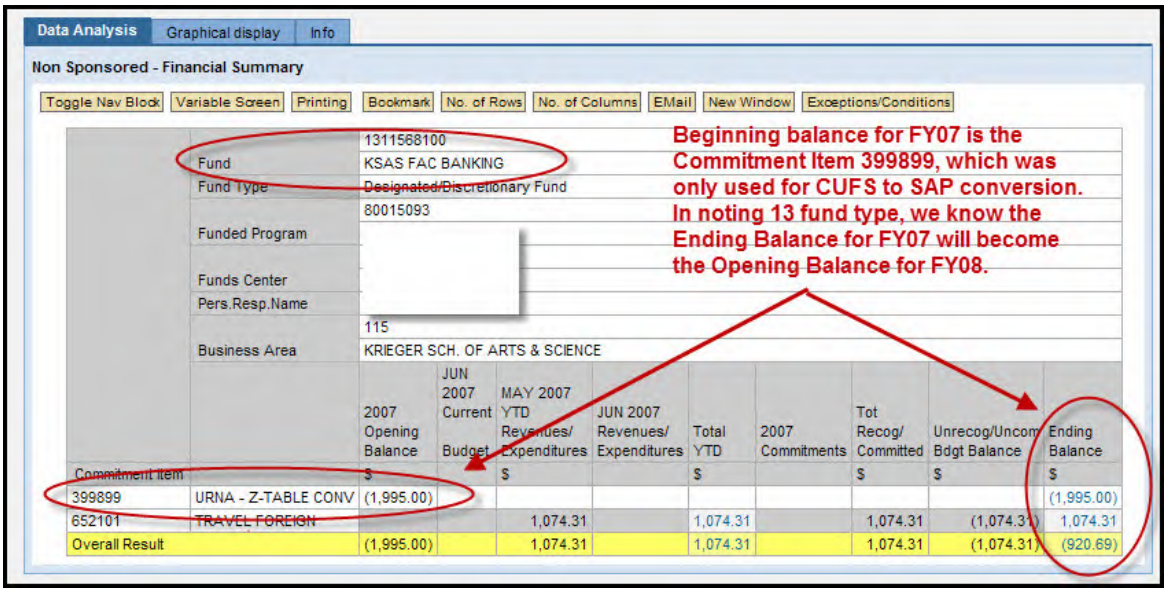


***Display 13-4**. Beginning balance is the Commitment Item 399899*

Section VI

Appendices

Appendix 1: Where to Look Up Document Numbers in ECC

JOHNS HOPKINS

Where to look in R3	FI Document Number	Document Type
FB03	1xxxxxxxx (9 digits)	Journal Upload, Pcard, Cost Transfer (primary GL's), Travel Adjustment, Year End Adjustment
	15xxxxxxxx (10 digits)	Recurring payment (such as a lease)
	16xxxxxxxx (10 digits)	Accounts Receivable posting
	17xxxxxxxx (10 digits)	Prepayments/ Vendor Credits
	19xxxxxxxx (10 digits)	Payments to vendors, travel, refunds, check requests
	48xxxxxxxx (10 digits)	Payroll
	49xxxxxxxx (10 digits)	Supply Store
	50xxxxxxxx (10 digits)	Goods receipt, Goods receipt for PO
	87xxxxxxxx (10 digits)	Cash Journal (petty cash or deposits)
	89xxxxxxxx (10 digits)	Credit Card Receipts
Where to look in R3	**Reference Document Number**	**Document Type**
ME23N	20xxxxxxxx (10 digits), PO Requisitioner is populated	Purchase Order
	51xxxxxxxx (10 digits)	PO Invoice Receipt
FMX3	20xxxxxxxx (10 digits), Created by is populated	Funds Reservation If the text says "Journal #..xxxx", go to ZSGM_COST_TRANSFER and put in your journal # and press "display request"
FMX3	70xxxxxxxx (10 digits)	Funds Reservation
KSB5 or from Service Center Emails	14xxxxxxxx (10 digits)	Intra or Inter Entity transfers, Service Center charges, KB15

Source: Account Reconciliation FastFact by Shannon Towner

Appendix 2: Reconciliation Quick Reference

Task	Expected Action and Related Information	Tools and Notes	Record Retention
Payroll-Salary & Fringe Fellowships	■ Salary should be reviewed for accuracy and proper distribution. ■ Are the proper faculty and staff being charged to this grant? ■ Are any eForm transfers pending or necessary? ■ Reconcile Fl document transactions beginning with 48xxxxxxxx. ■ Control salarv default should be reviewed on a semi-monthlv basis.	■ ECC-PA20 ■ eForms- ZHPA_EFORM ■ BW-Summary of Gross Salary Sponsored/ Non-Sponsored & Detail Reports ■ Payroll Expenditure by Month ■ BW-Control Salary-CO Master Data & Commitment Reporting Detail ■ G/L account, sponsored class and commitment items for salary, wage, or fringe benefits begin with 61xxx or 62xxx. ■ The G/L for fellowships begins with 654xxx. Control salarv default accounts end with 99 and are named Pavroll/Non-Pavroll.	Electronic copies of payroll cost transfers and Effort reports are maintained by Finance Office - Research Compliance.
Procurement Card Postings	■ Identify PCard expenses and reconcile to transaction, packing slips and receipts. ■ Approver should maintain the transaction log electronically. The log should include date of purchase, vendor, amount & cost object/internal order being charged. ■ Packing slips and receipts should be kept with the log.	■ ECC-FB03 ■ BW: Sponsored/Non-Spon Rev-Exp Detail ■ On-Line: JP Morgan Chase - PaymentNet ■ FlDocuments beginning with 10xxxxxxxx ■ Default G/L for unreconciled Pcard transactions is 632002. Default occurs approximately the 25th of each month.	* Seven year rule applies.
Purchasing & Supply Chain	■ Reconcile expenses to ensure allowability and allocability. ■ Process correcting cost transfers as necessary.	■ ECC-ME23N ■ FB03 ■ FlDoc numbers begin with 50xxxxxxxx if the good or service has been confirmed. ■ FlDoc numbers begin with 51xxxxxxxx if the invoice has been received.	* Seven year rule applies. Departments should retain packing slips & backup for auto- confirming vendors and when goods receipts are not confirmed.
Online Payment Requests	■ Reconcile all postings. Completing the item text area during initial processing later populates the long description field (BW-non sponsored financial detail) or the item text field (BW-spon rev-exp detail).	■ R3-FB03 ■ FBL1N ■ BW-Sponsored/Non-Sponsored Detail ■ Vendor Payment Report ■ FlDocument numbers begin with 19xxxxxxxx. G/L account, sponsored class and commitment items begin with 6xxxxx.	* Seven year rule applies to receipts and backup that is not scanned into SAP.

Appendix 2: Reconciliation Quick Reference

Task	Expected Action and Related Information	Tools and Notes	Record Retention
Travel Reimbursements Travel Advances	■ Reconcile travel expenses. ■ Are travel expenses reasonable and allowable (e.g., pre-approved where necessary, lowest available fares, US air carriers, correct per diems)? ■ Each traveler is assigned a vendor number beginning with a 3.	■ ECC-TRIP,FB03 ■ BW-Rev & Exp Detail Reports ■ Vendor Payment Report ■ FlDoc numbers begin with 19 ■ FlDoc numbers begin with 17 if the traveler owes money back to JHU. ■ Predecessor doc or original reference# will be the TRIP number from the original TRIP transaction.	* Seven year rule applies.
Internal Cost Allocations and Service Centers	■ Reconcile and scrutinize these expenses to ensure validity. ■ Have charges been recorded properly? If not, have corrections been initiated? ■ Internal cost activity posts to secondary cost elements, with the KB15N, non-recurring cost allocation, or interface being the methods for posting SCE's. ■ Internal service provider transactions are always internal cost allocations.	■ ECC-KSB5, ■ ZSGM_COST_TRANSFER ■ BW- CO allocations report ■ Sponsored/Non-sponsored detail reports ■ FlDoc numbers begin with 14 or 13 (for SOM Costing Sheets). GL begins with 9 and 'flips' to a 6* or 4*, sponsored class/commitment item: Intra-entity- 94, 96 or 90 Inter-entity- 981xxx, 985xxx, 991xxx,995xxx,97 Internal Service Providers- 492xxx (revenue) & 692xxx (expense)	Departments should retain original documentation regarding Service Center charges and K815N's.It is not necessary to make copies of information stored in SAP.
Expense Transfers	■ Identify and research expense transfers during reconciliation. ■ Expense transfers route based on the initiator's home cost center, not by cost objects charged. ■ Have any expense transfers been initiated that haven't posted yet?	■ ECC-FB03 ■ ZSGM_COST_TRANSFER ■ FlDocument numbers begin with 10. The GL account, sponsored class and commitment item begin with 6.	Copies of approved cost transfers are maintained by Research Compliance (if sponsored).
Facilities and Administrative Charges (F&A)	■ Is the grant set up to take the correct IDC rate? ■ Are the IDC caps correctly set up for subaward activity?	■ ECC-GMGRANTD	

Appendix 2: Reconciliation Quick Reference

Task	Expected Action and Related Information	Tools and Notes	Record Retention
Revenue	■ Identify the billing rule on the grant and review revenue postings from the BW report. ■ Do expenses exceed revenue? Has cash been collected as revenue has been recognized? ■ Contact ARSSC or SPSSC as necessary.	■ ECC- GMGRANTD ■ BW- Deficit/Cash Balance Report ■ Unbilled revenue G/L- Automatic Revenue Recognition 420141	
Budget Overview	■ Review budget and actual totals and take corrective action as necessary. ■ Has additional funding been awarded that isn't currently reflected? Is re-budgeting necessary?	■ ECC- Real-Time Grant Report ■ BW-Sponsored/Non-Sponsored Revenue Expense Summary Reports	

Seven Year Rule - Documents must be retained for seven years from the date the final deliverables were submitted to the Sponsor. Financial reports, patent reports, technical reports and equipment reports are all examples of deliverables. If any litigation, claim or audit is started before the expiration of the seven year period, the records shall be retained until all litigation, claims or external audit findings involving the records have been resolved and final action taken. It is recommended to keep Non-Sponsored financial documents and records for seven years as well.

Appendix 3: SAP Master Data Overview

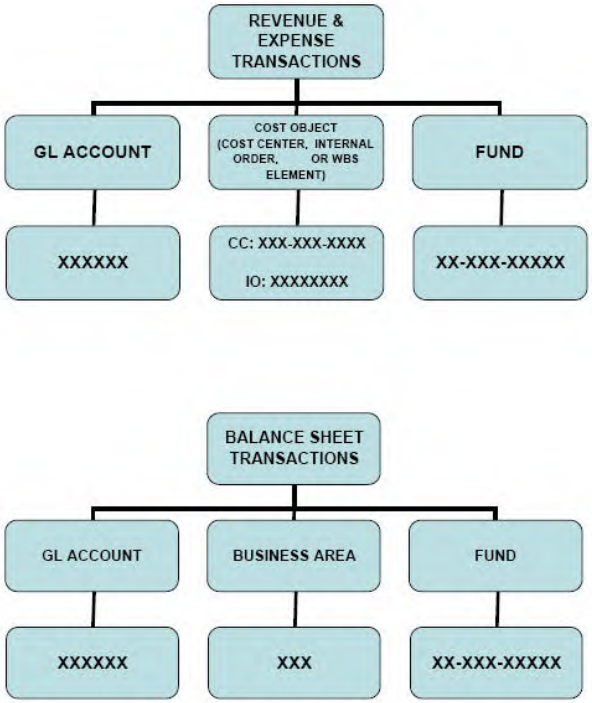
JOHNS HOPKINS UNIVERSITY ACCOUNT STRUCTURES IN SAP

GENERAL LEDGER ACCOUNTS

100000 - 199999	ASSETS
200000 - 299999	LIABILITIES
300000 - 399999	EQUITY
400000 - 499999	REVENUES
500000 - 599999	NET ASSET TRANSFERS
600000 - 699999	EXPENSES

BUSINESS AREAS (JHU ONLY)

100	INSTITUTION WIDE FUNDS
101	UNIVERSITY ADMINISTRATION
102	JHU ENDOWMENT INVESTMENT POOL
103	JHU TEMPORARY INVESTMENT POOL
104	APPLIED PHYSICS LAB
105	APL CONSOLIDATIONS
106	ENDOWMENT INVESTMENT POOL
110	HOMEWOOD STUDENT AFFAIRS
115	KRIEGER SCH. OF ARTS & SCIENCE
120	WHITING SCHOOL OF ENGINEERING
125	SCHOOL OF EDUCATION
126	CAREY BUSINESS SCHOOL
130	SHERIDAN LIBRARIES
135	PEABODY INSTITUTE
140	NITZE SCH ADV INT STUDIES-SAIS
141	BOLOGNA CENTER
142	NANJING CENTER
160	BLOOMBERG SCH OF PUBLIC HEALTH
165	SCHOOL OF NURSING
170	SCHOOL OF MEDICINE
171	JH ACADEMIC DIV OF SINGAPORE
172	FREDERICK NICU
173	HOWARD COUNTY NICU
174	WHITESQUARE NEPHROLOGY
175	SOM INVESTMENT IN AFFILIATES
200	ACADEMIC & CULTURAL CENTERS
205	AICGS
210	BIOETHICS INSTITUTE
211	HUMAN LANGUAGE TECHNOLOGY COE
215	CENTER FOR TALENTED YOUTH
220	EVERGREEN HOUSE
225	HOMEWOOD HOUSE
235	JHPIEGO
240	MONTGOMERY COUNTY CENTER
245	INSTITUTE FOR POLICY STUDIES
250	JHU PRESS
251	JHU PRESS BOOK DIVISION
252	JHU PRESS JOURNALS DIVISION
253	JHU PRESS FULFILLMENT DIVISION
254	JHU PRESS SPECIAL PROJECTS
255	JHU PRESS MUSE
256	JHU PRESS DESIGNATED
920	HEBCAC



FUNDS

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

(1), (2)	FUND TYPE
(3), (4), (5)	BUSINESS AREA
(6) - (10)	UNIQUE NUMBERING PER DIVISIONS

EXCEPTIONS (SPONSORED FUNDS):

9000000000	External Fund - Gov't (Federal, State, Local)
9100000000	External Fund - Private

FUND TYPES

10	General Operating Fund
11	Clinical & Health Services Fund
12	Auxiliary Enterprises Fund
13	Discretionary Fund
14	Service & Revolving Fund
15	Debt Fund
16	Patent and Royalty Funds
17	Plant Funds
18	Asset Conversion Funds
19	GAAP Adjustments
20	Restricted Gift Fund
30	Restricted Endowment Income Fund
34	Investment Funds
35	Endowment Principal & Annuity Fund
40	Student Loan Funds
50	Agency Funds
80	Other Funds
90	Sponsored Fund
91	Private Funds

INTERNAL ORDERS

9XXXXXXX	SPONSORED PROGRAMS (GM Module)
10000000 -89999999	ALL OTHER INTERNAL ORDERS

COST CENTERS

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

(1), (2), (3)	BUSINESS AREA
(4), (5), (6)	DEPARTMENT
(7), (8), (9), (10)	SUB-DEPT / OTHER SUB-ORGANIZATION LEVEL

Appendix 4: University Business Areas and Departments

101 University Administration
- 101000 General UA
- 101001 General UA
- 101002 President
- 101006 Provost
- 101008 Research Administration
- 101012 Senior VP, Finance and Administration
- 101015 UA Business Office
- 101016 Treasurer
- 101020 Investments
- 101024 Human Resources
- 101028 Benefits
- 101032 Development
- 101033 Communications
- 101036 General Counsel
- 101040 Govt, Community and Public Affairs
- 101044 University Publications
- 101048 Hopkins Information Technology (HITs)
- 101052 Hopkinsone
- 101056 Controller
- 101057 Debt Management
- 101058 VP Finance
- 101060 Budget
- 101061 VP Budget and Planning
- 101064 Purchasing
- 101065 Supply Stores
- 101068 Audits
- 101072 Facilities Management
- 101073 Homewood Plant
- 101074 Parking/Misc.
- 101075 Bldg-Off Campus
- 101076 UA Space Charges
- 101080 Real Estate

102 JHU Endowment Investment Pool

103 JHU Endowment Investment Pool

104 Applied Physics Laboratory

105 APL Consolidations

106 Endowment Investment Pool

107 APL Financial Statements

108 Central Bank

110 Homewood Student Affairs
- 110000 Divisional
- 110001 Business Office
- 110002 Student Accounts
- 110005 Id Card Services
- 110007 Student Employment
- 110008 Capital Projects
- 110009 Exec Director Various
- 110010 Cip/Minor Plant
- 110011 Dean Of Student Life
- 110013 Student Health
- 110014 Health Educator
- 110016 Counseling Center
- 110018 Campus Ministries
- 110020 Center For Social Concern
- 110021 CSC Student Groups
- 110022 Center For Summer Learning
- 110024 Associate Dean Sheppard
- 110025 Residential Life
- 110026 Digital Media
- 110027 Smedick
- 110028 Associate Dean Johnson
- 110030 OMSA
- 110031 Arts Programs
- 110032 Hso
- 110033 Art Workshop
- 110035 Student Involvement
- 110036 Greek Life
- 110037 Levering Union
- 110038 Sac Groups
- 110039 Class Accounts

110 Homewood Student Affairs (cont.)
- 110041 ROTC
- 110042 Development
- 110055 Dean Of Enrollment
- 110057 Admissions Admin
- 110058 Admissions Publications
- 110059 Admissions Recruitment
- 110060 Admissions Info Sys
- 110063 Financial Aid
- 110065 Scholarships
- 110066 State/Fed Fin Aid
- 110068 Pre Professional Advising
- 110069 Academic Advising
- 110071 International Students
- 110073 Career Services
- 110075 Registrar
- 110080 Residential Ops
- 110081 Dining Operations
- 110082 Housing & Dining Admin
- 110083 Summer Conf/Meeting Mgt
- 110084 Other Auxiliaries
- 110085 Minor Capital
- 110099 Hits (Formerly Hac)

115 Zanvyl Krieger School Of Arts And Sciences
- 115000 Arts And Sciences School-Wide
- 115010 Dean’s Office
- 115011 Communications
- 115012 Academic Council
- 115020 Development
- 115030 Graduate Education And Research
- 115031 Grad Board
- 115032 Grad Admissions
- 115033 Grad Fellowship Admin
- 115040 Undergraduate Education
- 115041 Academic Advising
- 115050 Finance And Administration
- 115051 Business Office
- 115052 Research Administration

Appendix 4: University Business Areas and Departments

115 School Of Arts And Sciences (cont.)

115053 Human Resources
115054 IRB/IRB Operating
115100 Advanced Academic Programs
115150 Summer And Intersession Programs
115151 Intersession Programs
115152 STudy Abroad Programs
115153 Postbaccalaureate Premed Pgms
115210 Classics
115220 English
115230 German And Romance Languages
115240 History Of Art
115250 Humanities Center
115260 Near Eastern Studies
115270 Philosophy
115290 Writing Seminars
115310 Anthropology
115320 Economics
115330 History
115340 History Of Science
115350 Political Science
115360 Sociology
115410 Biology
115420 Biophysics
115430 Chemistry
115440 Cognitive Science
115450 Earth & Planetary Science
115460 Mathematics
115470 Physics & Astronomy
115480 Psychological & Brain Sciences
115500 Center Administration
115510 Center For Social Orgn Of Schools
115520 Mind Brain Institute
115530 Greenhouse Programs
115531 Center For Africana Studies
115532 Global Studies
115533 Program In Latin American Studies
115534 Public Health
115535 Women, Gender & Sexuality
115536 Peabody At Homewood

115 School Of Arts And Sciences (cont.)

115537 Museum Studies
115545 Language Teaching Center
115550 Villa Spelman
115555 Visual Resource Collection
115560 Behavioral Biology
115561 Neuroscience
115562 Theatre Program
115563 East Asian Studies
115564 Jewish Studies
115565 Late Imperial China
115566 Expository Writing
115567 Film And Media Studies
115568 Writing Center
115700 School-Wide Projects
115710 Woodrow Wilson Undergrad
115720 Provost Undergrad Res Award Pgms
115730 Howard Hughes Undergrad Res Pgms

120 Whiting School Of Engineering

120000 Dean’s Office
120001 Dean’s Office Operating
120002 Business Office
120003 Development
120004 Research
120006 Communications
120009 Human Resources
120010 Academic Affairs
120018 Faculty Affairs
120120 Biomedical Engineering
120140 Chemical & Biomolecular Engineering
120143 Civil Engineering
120146 Computer Science
120150 Electrical & Computer Engineering
120160 Geography & Environmental Engineering
120170 Materials Science
120173 Applied Math & Stats
120181 Mechanical
120182 Senior Design
120220 Biomedical Engineering - Faculty

120 Whiting School Of Engineering (cont.)

120240 Chemical And Biomolecular - Faculty
120243 Civil Engineering - Faculty
120246 Computer Science - Faculty
120250 Electrical & Computer - Faculty
120260 Geography & Environmental - Faculty
120270 Materials Science - Faculty
120273 Applied Math & Stats - Faculty
120281 Mechanical - Faculty
120311 Engineering for Professionals - General
120312 Engineering for Professionals-Undergrad
120313 Engineering for Professionals-Graduate
120314 Engineering for Professionals-General
120315 Eng for Professionals-Montgomery Co
120731 CIS: Center for Imaging Sciences
120732 CEO : Center for Educational Outreach
120734 INBT: Inst for Nano-Biotechnology
120735 LCRR: Lab for Computational Sensing
120765 CHSUE
120766 CCT: Ctr for Contaminant Transport
120778 CLE: Ctr for Leadership Education
120779 MISC
120785 CAMCS: Ctr Advances Metals &Ceramics
120786 CMED: Ctr Materials Eng and Devlpmnt
120790 CPIAC
120791 MRSEC: Mat Research Science Eng Ctr
120792 CEAFM
120793 CNDE
120794 CGC
120795 CMFA: Ctr for Multifunctional Applique
120796 CLSP: Ctr for Language and Speech Proc
120798 ERC: Engineering Research Center
120799 ATL
120826 ICM: Institute for Computational Med
120830 BME
120841 IMMB
120849 JHU-ISI: Information Security Institute
120850 Inst for Data Intensive Eng & Science
120880 HEMI: Hopkins Extreme Materials Inst

Appendix 4: University Business Areas and Departments

125 School Of Education
- 125000 SOE Operations
- 125010 SOE School-Wide Dean
- 125015 Finance Operations
- 125020 Human Resources
- 125025 Downtown Center
- 125030 Washington Center
- 125035 MCC Center
- 125040 Columbia Center
- 125050 Homewood Center
- 125055 Technology
- 125060 Office Of Communication Services
- 125065 Student Services
- 125070 Development Office
- 125075 External Affairs
- 125085 Administrative Services
- 125100 Public Safety Leadership Division
- 125300 Center For Research And Reform
- 125400 Center For Technology In Education
- 125600 Education Division
- 125610 Counseling Department
- 125620 Special Education Department
- 125630 Teacher Development Leadership
- 125640 Teacher Preparation Department
- 125650 Interdisciplinary Studies Department
- 125660 Graduate Technology Department
- 125700 Center For Summer Learning

126 Carey Business School

130 Sheridan Libraries
- 130001 Administration
- 130004 Development
- 130006 Support Services
- 130018 Construction
- 130019 Plant
- 130020 Library Systems
- 130022 Cer/Center For Educational Resources
- 130024 Dkc/Digital Knowledge Center
- 130030 LDP/Library Digital Programs

130 Sheridan Libraries (cont.)
- 130039 Library Services
- 130040 Technical Services
- 130042 Access Services
- 130044 Gpml/Government Pubs, Maps, Law
- 130046 Rsl/Research Services & Collections
- 130048 Special Collections
- 130050 Preservation
- 130051 Dc Regional Library Resource Centers
- 130060 Humanities Collection
- 130061 Social Sciences Collection
- 130062 Sciences Collection
- 130063 Engineering Collection
- 130064 Professional Studies Collection
- 130065 Multi-Disciplinary Collection
- 130080 Elp/Entrepreneurial Library Program

135 Peabody Institute
- 135000 Director's Office
- 135001 General Financial Services
- 135002 Development
- 135003 Communications/Public Information
- 135004 Archives
- 135005 Personnel Services
- 135006 Administrative Services
- 135008 Care Of Pianos
- 135009 Library
- 135010 Facilities/Plant Operations
- 135011 Security
- 135012 Concert Production
- 135013 Information Technology
- 135030 Prep Deans Office
- 135031 Administration
- 135032 Prep Programs
- 135033 Academic Departments
- 135035 Prep Scholarship
- 135036 Elderhostel
- 135050 Conservatory Deans Office
- 135051 Student Affairs
- 135052 Admissions

135 Peabody Institute (cont.)
- 135053 Catalogs
- 135054 Financial Aid
- 135055 Commencement
- 135056 Registrar's Office
- 135057 Student Services
- 135058 Instructional
- 135061 Music Education
- 135062 Ensembles
- 135064 Residential Life
- 135065 Conservatory Scholarship & Endw
- 135070 Singapore
- 135090 Auxiliary
- 135091 Auxiliary
- 135092 Auxiliary
- 135093 Auxiliary
- 135258 Instructional
- 135259 Recording Arts
- 135260 Computer Music
- 135261 Music Education
- 135262 Ensembles
- 135333 Academic Departments

140 Nitze School Of Advanced Int'l Studies
- 140040 Dean's Office
- 140041 Academic Dean
- 140048 Alumni Affairs
- 140049 Salary Accounts
- 140050 Human Resources
- 140051 Business Office
- 140052 Development
- 140053 Admin System/Student Computer Ctr
- 140054 Facilities
- 140055 Publications
- 140101 African Studies
- 140102 Am. Foreign Policy
- 140103 Japan Studies
- 140104 Canadian Studies Default Acct
- 140105 European Studies
- 140106 Latin Am Studies

Appendix 4: University Business Areas and Departments

140 Nitze School Of Advanced Int'l Studies (cont.)
- 140107 Middle East Studies
- 140108 Russian Studies
- 140109 South Asia Studies
- 140110 Italian Activities
- 140111 China Studies
- 140112 Seasia Studies
- 140113 Asian Studies
- 140114 International Relations
- 140119 Political Economy
- 140120 Economics
- 140121 Conflict Mgmt
- 140122 Global Th And History
- 140123 International Law/Jessup Moot Court
- 140124 International Policy
- 140125 Strategic Studies
- 140126 Int'l Development
- 140127 Language
- 140128 Summer/Exec Ed
- 140129 Mipp
- 140130 Foreign Policy Institute
- 140131 Caci Default Acct
- 140132 Cntr For Stg Educ
- 140133 Protection Project
- 140134 Center For Int. Business
- 140135 Phd Program
- 140136 IRP Default Acct
- 140138 Trans-Atlantic Default
- 140141 Adjunct Professors
- 140142 Library
- 140143 Student Affairs
- 140144 Admissions
- 140145 Registrar
- 140146 Student Aid
- 140147 Career Services
- 140149 Salary Accounts
- 140151 Instructional Reserve/Cafeteria Subsidy
- 140153 Net Work Services
- 140155 Web/ Public Affairs / Catalog
- 140181 Revenues

141 Bologna Center
- 141000 General Operating
- 141010 Director
- 141011 Career Services
- 141030 Library
- 141050 Registrar
- 141060 Development
- 141070 Finance & Administration
- 141080 Alumni & Communications
- 141090 Financial Aid
- 141200 Faculty & Instruction
- 141300 Language Programs
- 141400 Lectures And Conferences
- 141800 Center For Constitutional Studies

142 Nanjing Center

160 Bloomberg School Of Public Health
- 16000 Bsph Operations
- 16001 Bsph School-Wide Dean
- 16002 Sr. Assoc Dean Of Finance & Admin
  - 1600201 Sr. Assoc Dean of Finance
  - 1600202 Finance and Administration
  - 1600203 Human Resources
  - 1600204 Facilities
  - 1600206 Support Services
  - 1600207 Research Administration
  - 1600208 Information Systems
- 16003 Assoc Dean Of Development
- 16004 Sr. Assoc Dean Of Academic Affairs
  - 1600400 Academic Affairs Admin
  - 1600401 Sr. Assoc Dean, Acad Affairs
  - 1600402 Distance Education
  - 1600403 MPH
  - 1600404 Part Time Programs
  - 1600405 Residency Programs
  - 1600406 APH
  - 1600407 OGER
  - 1600408 Student Affairs
- 16010 Biochemistry

160 Bloomberg School Of Public Health (cont.)
- 16015 Biostatistics
- 16020 Environmental Health Sciences
- 16025 Epidemiology
- 16030 Health Behavior & Society
- 16035 Ctr For Communication Programs
- 16040 Health Policy & Management
- 16050 International Health
- 16060 Mental Hygiene
- 16065 Molec Microbiology/Immunology
- 16070 Population & Family Health Science

165 School Of Nursing

170 School Of Medicine
- 17000 SOM General Divisional
- 17001 Education
- 17002 Clinical
- 17003 Research
- 17005 Facilities
- 17006 Capital
- 17010 Anatomy
- 17011 Basic Science Institute
- 17012 Biological Chemistry
- 17013 Biomedical Engineering
- 17014 Biophysics
- 17015 Cell Biology
- 17016 Molecular Biology
- 17017 Neuroscience
- 17018 Pharmacology
- 17019 Physiology
- 17026 SOM Ictr Inst Clin Translational Resrch
- 17027 Art As Applied To Medicine
- 17028 Comparative Medicine
- 17029 History Of Medicine
- 17030 Anesthesiology
- 17033 Pathology
- 17036 Radiology
- 17040 Dermatology
- 17042 Emergency Medicine

Appendix 4: University Business Areas and Departments

170 School Of Medicine (cont.)
- 17044 Medical Genetics
- 17046 Department Of Medicine
- 17049 Neurology
- 17051 Oncology
- 17053 Pediatrics
- 17055 Physical Medicine and Rehabilitation
- 17057 Psychiatry
- 17059 Radiation Oncology
- 17060 Oral Surgery
- 17062 OB/GYN
- 17064 Neurosurgery
- 17066 Ophthalmology
- 17068 Orthopaedic Surgery
- 17070 Otolaryngology
- 17072 Surgery
- 17074 Plastic Surgery
- 17076 Urology
- 17081 JH Malaysia
- 17085 Welch Library
- 17088 Kennedy Krieger Institute

171 JH Academic Division Of Singapore

172 Frederick NICU

173 Howard County NICU

174 Whitesquare Nephrology

175 Johns Hopkins at All Childrens

200 Academic & Cultural Centers

201 Yeung Center

205 Institute for German Studies (AICGS)

210 Bioethics Institute

211 Human Language Technology COE

215 Center For Talented Youth
- 215000 Holding Accounts And Miscellaneous
- 215001 Office Of The Executive Director
- 215002 Finance And Administration
- 215003 Center For Distance Education
- 215004 Division Of Programs
- 215005 Center For Academic Programs (Cap)
- 215008 Endowment Payout Accounts
- 215009 Endowment Principal Accounts

220 Evergreen House

225 Homewood House

235 JHPIEGO
- 23500 General Funds
- 23501 Service Center
- 23502 Gifts
- 23503 Discretionary
- 23504 Endowment

240 Montgomery County Center

245 Institute For Policy Studies

250 JHU Press

251 JHU Press Book Division

252 JHU Press Journals Division

253 JHU Press Fulfillment Division

254 JHU Press Special Projects

255 JHU Press Muse

256 JHU Press Designated

257 JHU Press Project Muse Editions

920 HEBCAC

Appendix 5: BW to ECC Drill Through Overview

Purpose

Enhanced functionality in BW added October 2009 allows users to research transactional detail with a "go to" feature directly from BW to ECC. Utilizing this feature gives users additional transactional detail more quickly and efficiently from within BW.

Functionality

USers may execute any of the BW reports shown in the chart below. Verify the required free characteristic is included in the report and right click on the row of data. Select "goto" and select ME23N or FB03. Security authorization in ECC will determine if you can access the transaction code. BW uses the Web GUI to access the ECC transaction. Users of Win GUI will notice a different presentation from what is normally seen.

Available Reports

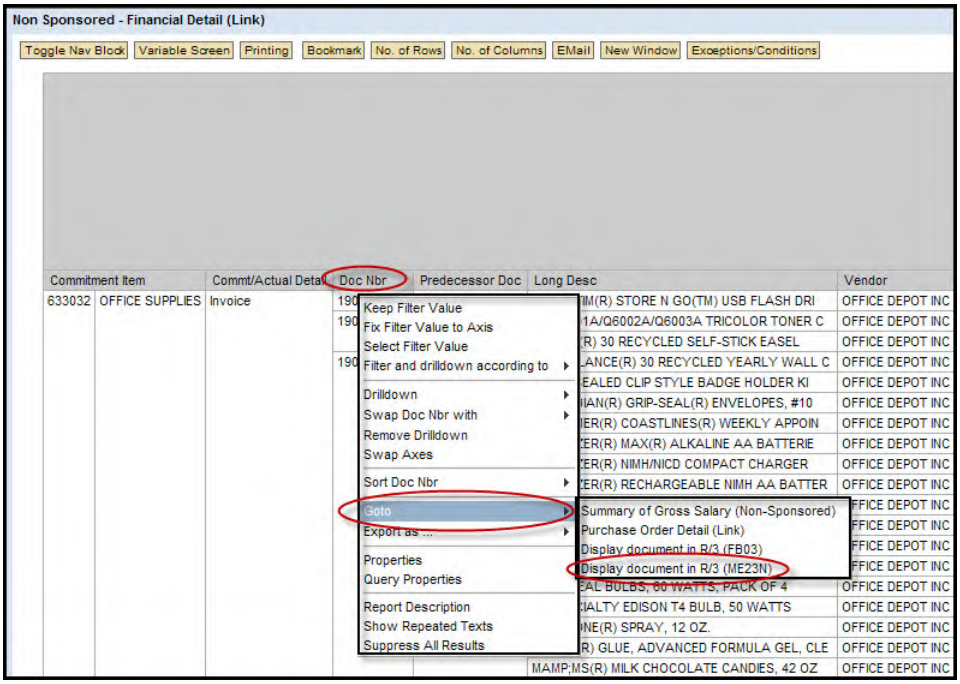
Using the following BW Reports, users may drill directly to ECC to review postings.

***Table 1**. BW Reports that allow drill-through to ECC Using BW Go-To Functionality*

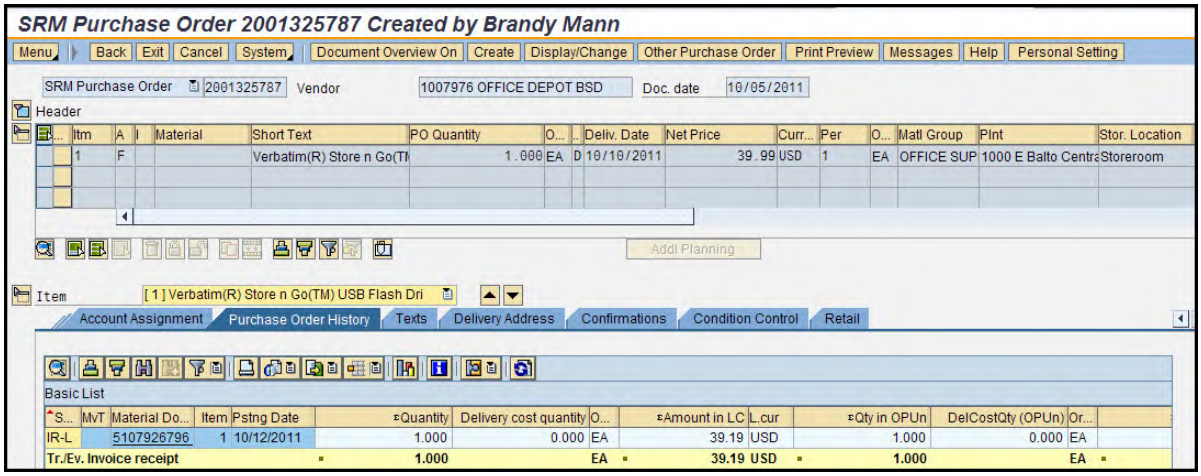
BW Report	Transaction Code	Required Free Characteristic	Common Document Numbers
Non-Sponsored - Financial Detail	FB03 ME23N	Doc Number Predecessor Doc	Begins with 19,17,16,15,14,10,80,87 Begins with 20, 21
Non-Sponsored - YTD Transactional Detail	FB03 ME23N	Doc Number Predecessor Doc	Begins with 19,17,16,15,14,10,80,87 Begins with 20, 21
Sponsored Rev-Exp Detail Single Period	FB03 ME23N	Doc Number Predecessor Doc *	Begins with 19,17,16,15,14,10,80,87 Begins with 20, 21
Vendor Payment Report	FB03	FI Doc: Doc Number	Begins with 19, 51
CO Line Item Detail	FB03 ME23N	Ref Document # Purchase Order #	Begins with 19,17,16,15,10,14,80,87 Begins with 20, 21
Absence & Attendance Detail	CADO	Employee	
Note: By adding the predecessor document number and selecting ME23N from the "Goto", users will have access to either the Goods Receipt or the Invoice Receipt.			

Example

Example of a right click on the document number beginning "19." From the "Goto," select ME23N.i



The ECC Web Gui then loads allowing the user to review the detail related to the transaction.



Support

Feedback is important to us. Please direct any questions, comments or suggestions to fqchelp@jhu.edu or call 410-516-3277.