9.2 Creating and Reviewing a Journal Entry Reversal

Purpose: To review journal entry reversals using ctcLink.

Audience: Finance Staff.

⚠ You must have at least one of these local college managed security roles:

- ZZ GL Journal Entry

  You must also set these User Preference Definitions:

- User Preferences: General Ledger

  If you need assistance with the above security roles or User Preference Definitions, please contact your local college supervisor or IT Admin to request role access.

Reversals are created when you post the source journal and are marked valid and ready to post. Journals created by the reversal process cannot be changed or deleted.

The Journal Edit process provides a check on the journal key fields and a notification of conflict with planned reversal journals that have not yet been posted. Potential duplicates are identified at journal creation with a message, providing the opportunity to update the journal and prevent process failure. This applies to online journal entry as well as for journals that are imported through the flat file and spreadsheet (online and batch) processes.
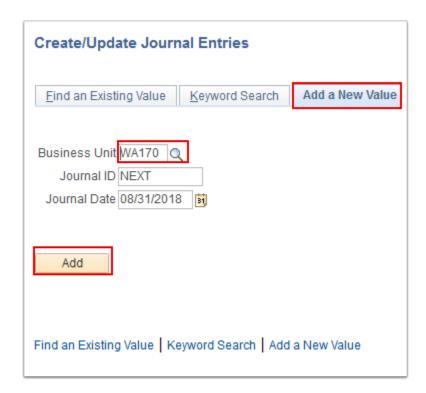
The Reversal Journal must be within an **open period.**

Navigation: NavBar > Navigator > General Ledger > Journals > Journal Entry > Create/ Update Journal Entries
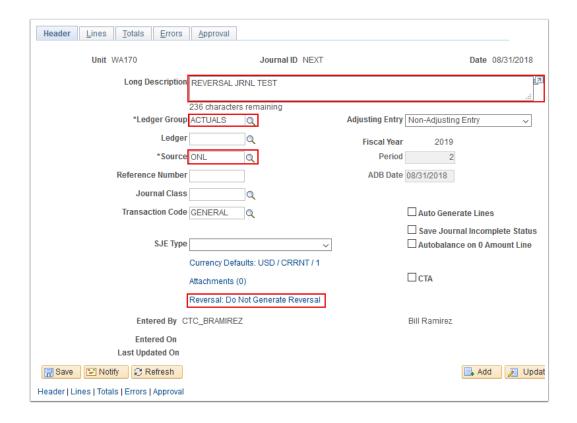
Creating and Reviewing a Journal Entry Reversal

1. The **Create/Update Journal Entries** page displays. Use the **Add a New Value** tab to add a new journal entry.

2. The **Business Unit** field may already contain data. You can edit this field to enter the business unit to which you want to post a journal entry.
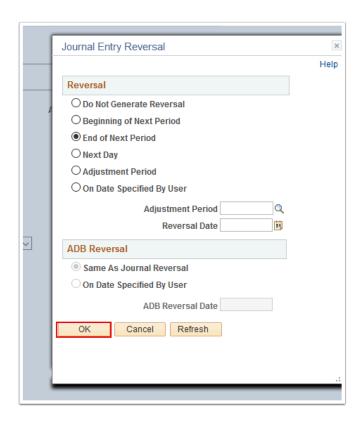3. Select the **Add** button.

4. The **Create/Update Journal Entries Header** page displays. Enter the desired information into the **Long Description** field.
5. Use the **Ledger Group** field to enter the appropriate data to which you want to post the journal. Please note this is a required field.
6. Select the **Source** field. Enter the desired information into the **Source** field. Please note this is a required field.
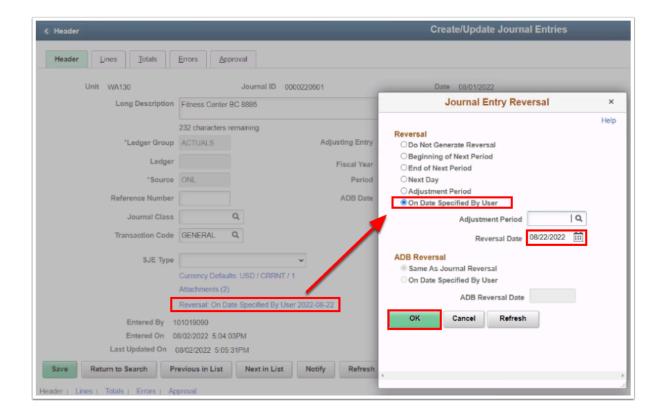7. Select the **Reversal: Do Not Generate Reversal link.**

> ℹ️ Use the **Reversal**: link to specify the reversal options of an automatically-generated reversal entry. Here are the options along with a brief summary of what each means.
>
> - The **Do Not Generate Reversal** option assumes no automatic reversal of this entry. This is the default.
> - Use the **Beginning of Next Period** option to create a reversing entry dated the first business day of the next accounting period . It uses the holiday list ID that you assigned to the business unit on the **General Ledger Definition - Definition** page to determine the first business day. If the business unit is not assigned a holiday list ID, the reversing entry is dated the first day of the next accounting period.
> - The **End of Next Period** option is the option that was selected when creating this original journal entry. This option creates a reversal entry dated the last business day of the next accounting period. It uses the holiday list ID that you assigned to the business unit on the **General Ledger Definition - Definition** page to determine the last business day. If the business unit is not assigned a holiday list ID, the reversal entry is dated the last day of the next accounting period. If the journal is an adjusting journal, the reversal entry is dated the last business day of the first accounting period of the next fiscal year.
> - Use the **Next Day** option to create a reversal entry dated the next business day . It uses the holiday list ID that you assigned to the business unit on the **General Ledger**

Definition - Definition page to determine the next business day. If the business unit is not assigned a holiday list ID, the reversal entry is dated the next day.

- Use the **Adjustment Period** option to create a reversal entry to the adjustment period that you select. When you select this option, enter the adjustment period and reversal date. Enter these values in the corresponding **Adjustment Period** and **Reversal Date** fields. The system uses the reversal date to populate the journal date and fiscal year of the reversing entry. If you enter a date on a nonworking day and there is a holiday list ID assigned to the business unit, you'll receive an error message. The system does not reset the reversal date, and you must reenter a date that is a working day.

- Use the **On Date Specified By User** option to select any date in the calendar. When you select this option, you must also enter the reversal date. If you enter a date on a nonworking day, and there is a holiday list ID assigned to the business unit, you'll receive an error message. The system will not reset the reversal date; you must reenter a date that is a working day.

- If the ledger group supports average daily balance reporting, you must select the method that is used to populate the ADB date of the reversal entry. Use the **Same as Journal Reversal** option to create a reversal entry with the same ADB date as the one selected in the Reversal group box, so that the journal date and ADB date of the reversal entry are the same.

- Use the **On Date Specified by User** option to select any date in the calendar. When you select this option, you must also enter a value in the **ADB Reversal Date** field. If you enter a date on a nonworking day, and there is a holiday list ID assigned to the business unit, you receive an error message. The system does not reset the ADB reversal date for you; you must reenter a date that is a working day. If you specify an ADB reversal date that is on or before the ADB date, you will receive an error message.

8. The **Journal Entry Reversal** page displays. Select the **End of Next Period** button.
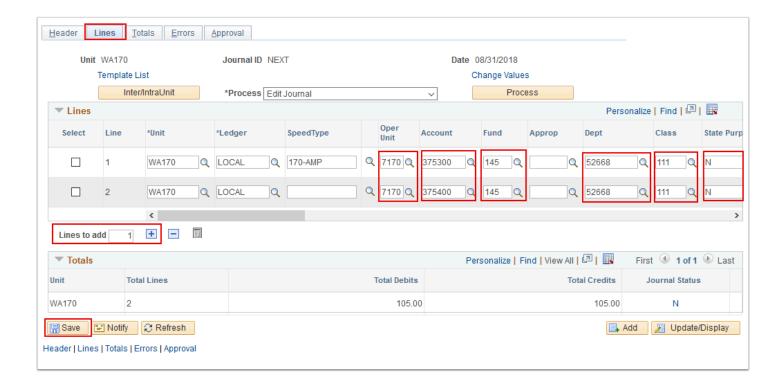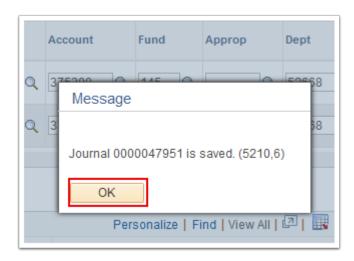9. Select the **OK** button.

⚠️ Alternative Journal Entry Reversal (recommended by SBCTC Accounting): Select the **On Date Specified By User** radio icon, leave the Adjustment Period blank (unless instructed by SBCTC), and enter the Reversal Date. Note the reversal needs to be created in an **open period**.
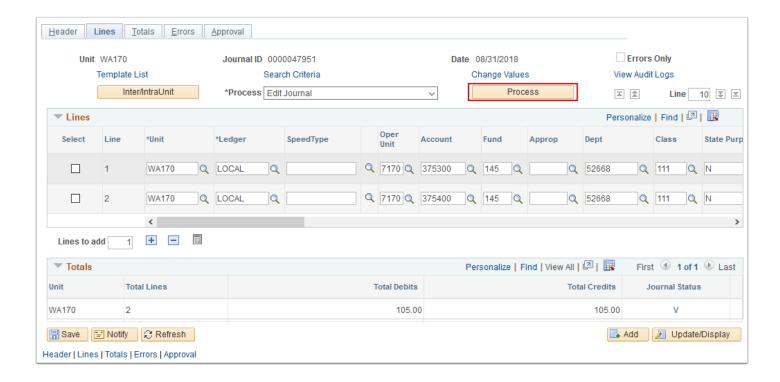
10. The **Journal Entry Reversal** page disappears. The **Create/Update Journal Entries** page displays. Select the **Lines** tab. You will now enter information into the following fields:
    a. **Account**
    b. **Operating Unit**
    c. **Fund**
    d. **Department**
    e. **Class**
    f. **State Purpose**
    g. **Amount**

11. Select the **Lines to Add box** and add a 1, then Select the **plus sign** + to insert a new row.

12. The journal line copy down feature populates the new row with data from previous line. Enter the reversal **Account.** The **Amount** will automatically be entered with the amount needed to balance the journal.

13. Select **Save**.

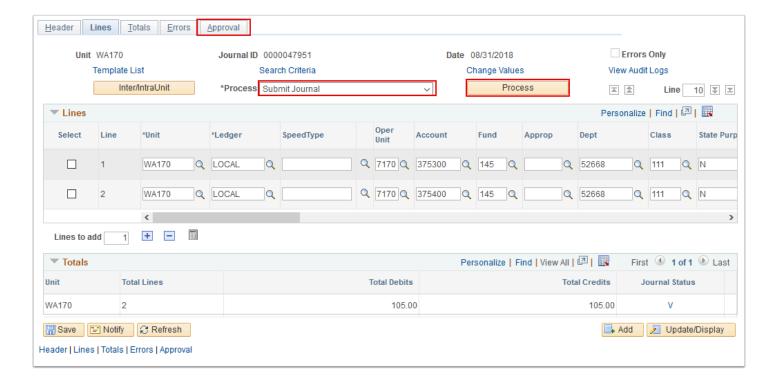14. A 'saved' **Message** box displays. Read it, then select **OK**.

15. The **Message** box disappears. Select the **Process** button to initiate the **Journal Edit** process.

16. Notice that the Journal Status and Budget Status fields change to V after the journal is edited, where V stands for **Valid**.
17. Select the **Process** list.
18. Select the **Submit Journal** list item.
19. Select the **Process** button to enter the journal into **Workflow Approval**.
20. Select the **Approval** tab. At this point a supervisor with approval authority may sign in and execute Approval and Post the journal.

ℹ️   The reversal journal is not created until the original journal is posted.

21. You have successfully created a **Reversal Journal**. Access the reversal entry that was created by the original journal that you just reviewed (the **Journal Header Status** of the reversal entry = **Valid** and has the same **Journal ID** as the original journal).

22. We now need to return to the Journal search page to locate the reversal Journal. Navigate back to the **Create/Update Journal Entries** Menu. You should be able to see your navigation at the top of whatever page you are on. Select the **Create/Update Journal Entries** Menu. Otherwise, initiate the navigation process to get back to the **Create/Update Journal Entries** Menu:

   • **Navigation: NavBar > Navigator > General Ledger > Journals > Journal Entry > Create/Update Journal Entries**

23. Review the entry that was posted earlier, **Creating and Posting a Journal Entry** and the **reversal entry**.

24. Select the **Find an Existing Value** tab.

25. Select the **Clear** button.

26. Enter the **Business Unit**.

27. Enter the **Journal ID** created earlier into the **Journal ID** field.

28. Select the Journal with the **Valid** Journal Header Status.

29. When you access the reversal journal, you receive a message that the reversal entry cannot be modified, deleted, or edited. Select the **OK** button.

30. The Reversal Entry displays a reversal option of **Reversal: Created by Reversal Process** on the **Header** page.

31. Review the journal lines of the reversal journal.

32. Select the **Lines** tab.

33. The reversal journal entry lines are, by definition, generated with the opposite signs of the originating journal lines.

34. The reversal journal **Journal Date** corresponds with the option from the original journal **Reversal: End of Next Period**.
35. You have successfully reviewed an automatically-generated reversal entry.
36. Process complete.