



United States Department of the Interior

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To: Bureau Chief Financial Officers

From: Douglas A. Glenn *D.A. Glenn*
Deputy Chief Financial Officer and Director
Office of Financial Management

Subject: Journal Voucher Policy

During the fiscal year 2012 audit cycle, the Department of the Interior (DOI) received a finding that cited the lack of internal controls over reviewing and recording journal vouchers (JVs) in the Financial and Business Management System (FBMS). This memorandum establishes the DOI policy for review, approval, and documentation of a JV to improve internal controls in this area. This policy applies to SA, SB, SU, VA, VB, and VC documents prepared by financial reporting accountants for bureaus that are deployed to FBMS. These are minimum requirements for documentation and review; bureaus may implement policies that are more stringent.

Introduction

The JVs are transactions that are used to enter adjustments, reverse documents, or enter corrections. A JV may be used to transfer amounts between general ledger accounts, functional areas, fund, fund center, and work breakdown structure in order to distribute charges, accrue expenses, reverse documents, reclassify expenses and/or revenue or to correct data.

Roles and Responsibilities

Preparer - The preparer identifies the need to park an adjusting entry and ensures the entry has adequate supporting documentation.

Approver/Posted by - The approver will review JVs for accuracy and adequate supporting documentation. Once satisfied that the JV is necessary and proper, the approver will approve (post) the document in the financial system. The approver may, in limited circumstances, make changes to the document in the system prior to posting the document. These changes should be limited to items such as header text, dates, etc. Any changes will be coordinated with the preparer and the reason for the change will be documented and saved with the records that support the JV. This person is not the preparer.

Verifier - The verifier ensures that the approver did not change the journal entry that was approved in the system, unless documented as referenced above. The preparer may be the verifier.

It should be noted that the verifier role is specifically put in place to mitigate the risk of the GL Senior Financial Accountant (GL_SFA) and the GL Financial Accountant (GL_FA) being able to post his/her own JV documents without independent review. Even though FBMS allows the GL_SFA and the GL_FA to post JV documents without parking them in advance, it is DOI's policy to always park, and then post the document, except for the following two (2) instances:

- **Prior Period Adjustments:** FBMS limits the posting of prior period adjustments to the GL_SFA role only. In FBMS, there is a 3-day window after the end of the month, but before the period is completely closed in which only the GL_SFA can process documents to the prior month. FBMS does not allow a GL_SFA to park a document, and then go in later, and post it. Someone other than the approver/poster will prepare the document and once it is reviewed and approved, the GL_SFA will post the document.
- **Accruals:** In FBMS, the FBS1 document type is used to post an accrual and set it to auto-reverse. Only a GL_SFA has the ability to post a FBS1 document in FBMS. FBMS does not allow an FBS1 document to be parked. Someone other than the approver/poster will prepare the document and once it is reviewed and approved, the GL_SFA will post the document.

In the event that a GL_SFA inadvertently posts his/her own document, the verifier will be notified and will perform the independent review.

Processes and Procedures

- **Preparer**
 - Identifies need for adjusting entry;
 - Completes the JV form and provides documentation for entry;
 - If used, obtains manual tracking number;
 - Inputs and parks the adjustment into FBMS; and
 - Provides the JV form and supporting documentation to the approver.
 - Note: If a GL_SFA is the preparer, another GL_SFA will review, approve, and sign the journal voucher package.
- **Approver/Poster**
 - Reviews the JV form and supporting documentation for adequacy and accuracy;
 - Compares the information on the JV form to the parked document in the system; and
 - Approver posts entry into system.
- **Verifier (may be the Preparer/cannot be the Approver)**
 - Ensures hard copy entry documentation matches what was posted in FBMS (for example, Core Financials>Display>General Ledger>Display Special Purpose Ledger Document - the display lists the amounts and to which general ledger accounts it was posted OR use the "Change Document" feature). See notes above for possible exceptions.

If you have questions regarding this guidance, please contact Paul McEnrue, Financial Reporting Division Chief in the Office of Financial Management, at (202) 208-3425 or via e-mail at Paul_McEnrue@ios.doi.gov.

cc: Finance Officers Partnership
Financial Statements Guidance Team