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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

In fiscal year (FY) 2014, the Department of the Interior (DOI) established policy for review, approval, and documentation of journal vouchers (JVs) in the Financial and Business Management System (FBMS) in order to improve internal controls as a result of a finding during the FY 2012 audit cycle. The policy required Bureaus to implement mitigating controls to address potential control weaknesses due to system configurations.

During the FY 2014 audit cycle, DOI received a finding that cited a lack of monitoring controls to effectively ensure Bureaus appropriately implemented and maintained mitigating controls. This memorandum establishes additional DOI policies to improve internal controls in this area and expands the JV policy to include review, approval, and documentation of JVs initiated by the Business Integration Office (BIO) on behalf of Bureaus. This policy applies to SA, SB, SG, SU, VA, VB, VC, VD, VE, VR, and ZB documents prepared by financial reporting accountants and is not intended to apply to General Ledger (GL) Field Office Accountants who process VA, VB, and VC documents in FBMS. These are minimum requirements for documentation and review; Bureaus may implement policies that are more stringent.

I. Bureau Initiated Journal Vouchers

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 GL 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.

The verifier role and the approver role cannot be held by the same individual. 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**:

- **GL_MEPP FBMS Role:** The FBMS limits the posting of prior period documents to the persons with the GL_MEPP role only. In FBMS, there is a 4-day window after the end of the month, but before the period is completely closed in which only the persons with the GL_MEPP role can process documents to the prior month.
- **GL_GTASBPC FBMS Role:** In FBMS, the FBS1 transaction type is used to post an accrual or Governmentwide Treasury Account Symbol adjustments and set it to auto-reverse. A GL_SFA has the ability to post a FBS1 document in FBMS. The 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, a 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;
- Obtains, if used, a 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
- Posts entry into system by the approver.

Verifier (may be the Preparer/cannot be the Approver)

- Ensures 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 GL accounts it was posted OR use the “Change Document” feature) on a quarterly basis. See notes above for possible exceptions.

II. BIO Initiated Journal Vouchers

Introduction

There are instances when a DOI Bureau will request the BIO to assist with JV's that need to be posted into FBMS. These scenarios are:

- Mass Reversals of JV's at the Bureaus request – usually this is related to year-end entries that the Bureaus entered and would like the BIO to reverse them in mass;
- A Bureau has errors related to the file format when uploading JV files into FBMS that they cannot clear and the file will not post in FBMS;
- The Bureau Year End Adjusting entries related to the close process - these are usually done by the BIO for the Bureau's first year end close; and
- Critical JV's that need to be posted immediately.

Roles and Responsibilities

Bureau

- The Bureau is responsible for submitting a Remedy Ticket for assistance.
- If the Remedy Ticket is for a JV Upload File, the attached JV Upload File should have the appropriate approvals.
- If the Remedy Ticket is for a reversal of existing JVs, the Bureau is responsible for submitting an email with the appropriate approval attached to the Remedy Ticket.
- The Bureau is responsible for submitting a Remedy Ticket, with the JV Upload File with the appropriate approvals attached, immediately after a critical JV has been posted by the BIO.
- Upon receipt of the posted JV document number(s), the Bureau is responsible for uploading the email notification from the BIO on the JV posting and document number(s) via 'open text' to JV for full audit documentation.

BIO

- The BIO is responsible for validating the JV Upload File attached to the Remedy Ticket has the appropriate approvals, and entering the Remedy Ticket number in the Header Text Field prior to posting the JV.
- The BIO is responsible for validating there is an approval attached to the Remedy Ticket for the reversal of the JV's, prior to reversing the JV.

- The BIO is responsible for posting the JV or reversal JV and emailing the JV document number(s) back to the Bureau for their audit files.
- The BIO is responsible for attaching a listing of the JV Document numbers posted to the Remedy Ticket.
- The BIO is responsible for assisting the Bureau during critical situations in posting JV's without a Remedy Ticket.
- The BIO is responsible for ensuring the bureau follows up with a Remedy Ticket the day after a critical JV has occurred.

Processes and Procedures

Bureau

- Prepares the JV Template and gets the appropriate approvals on the document.
- Completes the Remedy Ticket and attaches the approved JV Upload File; or email approval for a reversal JV.
- Uploads the email notification from the BIO on the JV posting and document number(s) via 'open text' to the JV for full audit documentation.
- Validates the JV posted as expected.

BIO

- Reviews the Remedy Ticket and ensures the JV Upload File has a preparer and an approver or an approval for the reversal of a JV.
- Enters the Remedy Ticket number in the Header Text Field of the JV Upload File.
- Posts the JV in FBMS.
- Notifies the Bureau of the JV document number(s) for their audit files.
- Attaches a listing of the JV document number(s) posted to the Remedy Ticket.
- Assists the Bureaus during critical situations in posting a JV without a Remedy Ticket.

JV Upload Templates

The JV Upload Templates require two signatures from Bureau finance offices - preparer and approver. The BIO will not process the Remedy Ticket without the required signatures.

The JV Upload Templates are based on the following transaction types:

- FV50 File Layout;
- FB50 File Layout; and
- FBS1 File Layout.

The JV Upload Templates can be found on the FBMS Core Financials Home Page and are attached.

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.

Attachments

cc: Finance Officers Partnership
Financial Statements Guidance Team