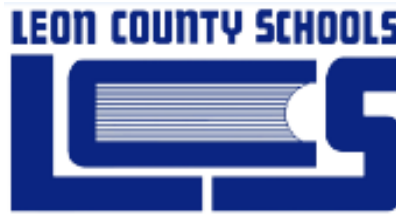


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Technical Assistance Advisement (TAA) 2021-002

Internal Accounts Journal Entries

Question	Response
1. What is a journal entry?	For the purposed of this TAA, a journal entry is an accounting entry posted in the Skyward Accounting Software School Based Activity Accounting (SBAA) module to correct or adjust previously entered transactions or to record bank fees, chargebacks, etc. posted to the internal accounts bank statement.
2. When are journal entries necessary?	<p>A journal entry is necessary when a correction or adjustment is needed to accurately reflect your school's internal accounts balance in the Skyward Accounting Software SBAA module. The list below includes some examples of situations when a journal entry would be necessary.</p> <ul style="list-style-type: none"> • A cash receipt was entered for the incorrect amount or posted to the incorrect project or subproject. • A check was posted to the incorrect project or subproject. • A chargeback (NSF check) was posted to the school's internal accounts checking account. • Bank fees were posted to the school's internal accounts checking account.
3. What are the basis steps necessary to process a journal entry	<p>Step 1: Determine why the journal entry is necessary. (i.e. received NSF check, entered cash receipt or check incorrectly, etc.)</p> <p>Step 2: Determine what action is necessary to correct the error. (i.e. received NSF check thus the checking (asset -A1110) account balance in Skyward must be decreased, the receivable (asset-A1130) account must be increased to record the receivable. The activity account must be decreased to remove the money initially posted to the account due to receipt of the NSF check. The NSF holding account must be increased to hold the funds due to the school until the NSF check is collected.</p> <p>Step 3: Initiate the journal entry in Skyward by debiting and/or crediting the necessary accounts</p>

4. What are some other helpful journal entry tips?

Some helpful journal entry tips include but are not limited to the following:

- Do not post JEs to an equity account (Q).
- Reverse the original transaction and enter accurate amount when posted JE for corrections.
- Ensure JEs are posted for correct date.
- JEs that change account balances must have an asset account.
- JEs moving between funds do not impact the asset balance; thus an asset account is not required.
- JEs that include an asset account must have a corresponding fund account.



5. What type of accounts will be used for journal entries?



The following account types will be used:

- **Assets (8910A)** – Asset accounts are used when the correction will impact the asset balance (i.e. correct receipt # 12345 - \$5.00 instead of \$50.00).
- **Revenue (8910R)** – Revenue accounts are used when correcting deposits/cash receipts (i.e. correct receipt # 12345 posted to 3rd grade (37003) but should have been 4th grade (37004)).
- **Expense (8910E)** – Expense accounts are used when correcting checks (i.e. check # 1234 was written from general student (70000) but should have been 3rd grade (37003)).

6. How do credits and debits impact different account types?

Credits and debits impact different account types as follows:

Asset Accounts OR Expense Accounts	
Debit To 	Credit To 

Equity Accounts OR Revenue accounts	
Debit To 	Credit To 

Relevant Governing Authorities:

- Florida Department of Education Financial And Program Cost Accounting and Reporting for Florida School “The Red Book” – Chapter 8 – School Internal Accounts
- Leon County School Internal Accounts Manual

Office of Internal Auditing Technical Assistance Advisement 2021-002:

The Leon County School Board’s Office of Internal Auditing in response to frequently asked questions from district management, school management, teachers, parents and other interested parties, issued this Technical Assistance Advisement. Responses are based on guidance provided in the aforementioned governing authorities. Questions regarding responses provided can be directed to the Office of Internal Auditing at internalauditors@leonschools.net.