What is a Journal Entry?

A journal entry is the first step in the accounting cycle, it is the record keeping of business transactions. In the ECU Banner System, the double entry accounting method is used; therefore, each journal entry has a debit transaction and credit transaction. The total of debits must equal the total of credits, or the journal entry is considered unbalanced.

Journal entries needed to correct transactions or to reclassify transactions are created in the Banner applications Finance Self Service or Banner Admin Pages. Typically, these journal entries will use the rule class code J63. The Banner rule class code, also called transaction type, routes the journal entry to the correct FOAPAL. Journal entries directly change the FOAPAL balances on the general ledger.

Once all transactions on the journal entry have been keyed and submitted into Banner, the approval process begins. The Banner approval system is designed to electronically forward the journal entry to the designated approvers based on the FUND and ORGN codes.

Example:

I made a mistake; I charged the wrong ORGN code when I made a Staples Order. I used 591101 and should have used 591201.

J60  Staples  Fund 111170 ORGN 591101 Account 72110  $3.29 DEBIT

To correct the wrong transaction, a transaction is needed to reverse the wrong ORGN code (CREDIT) and another transaction is needed to record the correct ORGN code (DEBIT), hence a double-sided entry.

J63  Staples  Fund 111170 ORGN 591101 Account 72110  $3.29 CREDIT
J63  Staples  Fund 111170 ORGN 591201 Account 72110  $3.29 DEBIT