



DRAFT

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Business Process - Accounting for Cash Receipts

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Business Process Description

This document explains how to account for cash receipts and bank deposits in PeopleSoft GL. Properly accounting for such items is a shared responsibility of the System Office and the Campuses.

Key Assumptions

The reader is familiar with:

- PeopleSoft GL ChartFields and their use.
- Business process documents “Journal Entry (Online) – Enter” and/or “Journal Entry (Excel) – Enter/Copy.”
- The ISIS cashiering process.
- Administrative Practice Letter No. 11, “Cash Collection Procedures.”

ISIS and the PeopleSoft General Ledger

The process for day-to-day cash receipting via the ISIS system will be the same as it was prior to the PeopleSoft General Ledger implementation. ISIS cashiering sessions will be opened, balanced, closed, and submitted to the FAST Feeder File. Because ISIS cannot hold the PeopleSoft chartfield strings, the old FAST account numbers will continue to be used for processing transactions within ISIS (fee code tables, RQRV screen, etc.). Each night the System Office will run a process to grab the ISIS batches (‘AR’ batches) from the FAST feeder file, run them through a translation process, and feed them to PeopleSoft General Ledger.

The following information will be fed into PeopleSoft GL to aid in identifying the ISIS transactions:

<u>PeopleSoft Item</u>	<u>ISIS Information Used to Populate the PeopleSoft Item</u>
Source Code	ISI
Journal ID	Batch number from ISIS (e.g. ARcxxx)
Journal Line Reference	ID Reference Field from FAST Batch (Col 71-80) (Cashiering Session #)
Journal Line Description	Transaction description + document date + Reference 2 field (Fee code)

If the nightly feed process cannot translate the 10-digit FAST account used in ISIS, the transaction will be credited to a suspense chartfield combination as follows:

<u>BU</u>	<u>DEPT</u>	<u>FUND</u>	<u>ACCOUNT</u>
UMS01	1704000	00	16000
UMS02	2710001	00	16000
UMS03	3600000	00	16000
UMS04	4310000	00	16000
UMS05	5720100	00	16000
UMS06	6704000	00	16000
UMS07	7606101	00	16000

If a new FAST number is needed in ISIS (e.g., new fee code created, new chartfield string created in PeopleSoft GL after implementation), the Campus should contact the System Accounting Department to request a new number. The Campus will need to provide the PeopleSoft chartfield string the FAST number translates to so that the information can be added to the PeopleSoft translate table. The 10-digit number from the translate table should be used in ISIS.

Bank Deposits in PeopleSoft General Ledger

The cash receipts batch and income statement processes used in FAST are replaced by a journal entry process in PeopleSoft General Ledger. To record daily receipts and bank deposits, the Campus will post a journal entry or journal entries to the ACTUALS ledger.

The valid Journal Entry Header information to be used with these entries is as follows:

Item	Valid Value
Ledger Group	ACTUALS
Source	Value assigned to the person entering the entry.
Journal ID	Should begin with 'IS' (for income statement) followed by the campus letter (e.g., ISA=Augusta, ISF=Farmington, ISK=Fort Kent, ISM=Machias, ISO=Maine, ISP=Southern Maine, ISI=UMPI, ISS=System. The remainder of the journal ID can be mandated by each individual campus.

The valid chartfield combinations for our depository banks are as follows:

Bank	FAST Bank No.	Business Unit	Dept	Account	Fund
Bank of America	01	UMS08	8000000	11001	00
TD Banknorth	02	UMS08	8000000	11002	00
First Natl Bank of Damariscotta	03	UMS08	8000000	11003	00
Key Bank	06	UMS08	8000000	11006	00
Machias Savings Bank	09	UMS08	8000000	11009	00

The above chartfield combinations will be debited to record the deposits. Please note that each individual deposit must be entered on a separate journal line. **DO NOT GROUP DEPOSITS TOGETHER.** There may be multiple deposits to the same bank within one journal entry. They just need to be recorded on separate lines. Also, more than one bank may be included in the same journal entry.

In the description section of the journal entry, the preparer can enter a description that they feel best describes the entry. The lines in the journal entry can be entered in any sequence elected by the preparer. We recommend, however, that all of the debits and credits related to one deposit be listed in sequence and then the debits and credits related to the next deposit.

Please note that these journal entries will involve more than one business unit (all the banks are part of UMS08); therefore PeopleSoft GL will automatically generate the interunit portion of the entries to balance each business unit.

Illustration 1: The University of Maine at Augusta made deposits for student payments of \$5,000.00 each to Bank of America and Key Bank. They post the following entry to record the deposits.

<u>LEDGER</u>	<u>BU</u>	<u>DEPT</u>	<u>FUND</u>	<u>PROGRAM</u>	<u>PROJECT</u>	<u>ACCOUNT</u>	<u>CLASS</u>	<u>AMOUNT</u>	<u>Jln Line Description</u>
ACTUALS	UMS08	8000000	00			11001		5,000.00	BOA deposit
ACTUALS	UMS08	8000000	00			11006		5,000.00	Key deposit
ACTUALS	UMS01	1013100	00			16100		-10,000.00	Cash clearing
ACTUALS	UMS01	1000099	00			13900		10,000.00	InterUnit
ACTUALS	UMS08	8000099	00			13900		-10,000.00	InterUnit

Please note that because the \$10,000 was processed through ISIS, the credit in the journal entry is made to the cash clearing chartfield combination.

Illustration 2: The University of Maine makes several deposits in one day:

- 1) A deposit of \$2000.00 made by the Bursar’s office to Bank of America representing student payments of \$1,000.00 and a gift of \$1,000.00.
- 2) A deposit of \$500.00 made by the Bookstore to Bank of America representing postage of \$100.00 and paperback sales of \$400.00.
- 3) A deposit of \$300.00 made by the Murdock Bookstore in Machias to Machias Savings Bank representing postage of \$50.00 and trade sales of \$250.00. The Orono Bookstore manages the University of Maine at Machias’ bookstore.

The University of Maine posts the following entry to record the deposits.

<u>LEDGER</u>	<u>BU</u>	<u>DEPT</u>	<u>FUND</u>	<u>PROGRAM</u>	<u>PROJECT</u>	<u>ACCOUNT</u>	<u>CLASS</u>	<u>AMOUNT</u>	<u>Jln Line Description</u>
ACTUALS	UMS08	8000000	00			11001		2,000.00	BOA - Bursar
ACTUALS	UMS05	5013100	00			16100		-1,000.00	Cash clearing
ACTUALS	UMS05	5800100	00			25002		-1,000.00	Gift clearing
ACTUALS	UMS08	8000000	00			11001		500.00	BOA - Bookstore
ACTUALS	UMS05	5920100	03			60400		-100.00	Bkst postage
ACTUALS	UMS05	5920100	03			48015		-400.00	Sales - paper backs
ACTUALS	UMS08	8000000	00			11009		300.00	MSB - Bkstr
ACTUALS	UMS05	5920500	03			60000		-50.00	Bkstr postage
ACTUALS	UMS05	5920500	03			48012		-250.00	Sales - trade books
ACTUALS	UMS05	5000099	00			13900		2,800.00	InterUnit
ACTUALS	UMS08	8000099	00			13900		-2,800.00	InterUnit

Please note that the above entry includes credits to chartfield combinations other than that for cash clearing. This is because the bookstore receipts/revenue were not processed through an ISIS cashiering session.

System Office Daily Banking Activity in PeopleSoft General Ledger

The process of gathering the banking information that needs to be entered in the accounting system remains unchanged from what it was prior to the PeopleSoft GL implementation. Daily bank reports will still need to be analyzed and the transactions identified. The process of entering the information into the accounting system does, however, change. The System Funds Management Department will enter the information themselves via an Excel journal entry process.

To aide in the transition from FAST to PeopleSoft GL, a template has been developed that contains the most commonly used FAST account numbers and the PeopleSoft chartfield combinations to which the FAST numbers translate. Funds Management can use this file to copy and paste the chartfield strings needed each day to record the banking activity.

The valid Journal Entry Header information to be used with these entries is as follows:

Item	Valid Value
Ledger Group	ACTUALS
Source	Value assigned to the person entering the entry.
Journal ID	CM8xxx.