

ACCOUNTING LEDGER EXPLANATIONS

A major financial tool for departments is the monthly ledger report which gives a budget summary and a detail transaction ledger. The monthly ledger consists of several reports to provide information to the department concerning financial activity.

- (1) The **account number** assigned for the budget unit.
- (2) The **account title** and distribution address.
- (3) **Dates** relating to the information in the report, the month-end summary gives information through the end of the month while the current budget summary reflects information up to the date the report is actually run. Any transactions in the new month that have been processed will be reflected in these updated totals.
- (4) **Budget-Current Budget** approved for the department-reflects any changes in the budget since the budget was first set up.

Open Encu-Current open encumbrances (outstanding purchase orders) for which no cash payment has been made to the vendor. Also see (13) and (14).

YTD Actual- Year To Date - actual expenses recorded by the department which represents cash paid for goods and services purchases.

Balance-Balance of funds remaining in each budget or budget group (See (8) and (9)). This column tells the department what funds are still available to be spend in the current fiscal year. (Budget less Open Encumbrances less YTD Actual equals Balance.)

- (5) **Percentages-** The three management percent figures are shown to assist the department.

%A - the percentage of the current fiscal year's budget expended to date this year (YTD Actual divided by Budget).

%B - the percentage of the prior fiscal year's budget expended to date (FY YTD divided by FY Total).

%C - the percentage of free balance available to be spent (Balance divided by Budget).

- (6) **FY 90 TOT** - Prior fiscal year total representing the total funds expended by the department in the previous fiscal year.

ACCOUNTING LEDGER EXPLANATIONS CONTINUED:

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- (7) **FY 90 YTD** - Actual funds expended through the current month by the department in the previous fiscal year. Compare FY90YTD and YTD Actual to see the relationship of expenses between the current and previous fiscal years.
- (8) & (9) - **GP** -Grouped budgets are a control technique that allows line item budget categories to be grouped together for free balance checking (Travel, Services and Supplies have unique line item budgets but, the department expends against the total of the three budgets. This eliminates the need for budget changes and allows more departmental flexibility in spending. Budget groups are identified by the unique GP codes 1, 2, 4, etc. and the # on the right hand side next to the balance column.)
- (10) **07-01-90 BUDG** - The department's original budget that was set at the beginning of the current fiscal year. It can be compared with (4) to see what budget changes have been made in the current fiscal year.
- (11) **Monthly Transaction Ledger** - Listing of detail transactions (one line per transaction) of the account for the current month for 12's, 22's and 62's and year-to-date for 32's. Transactions are sequenced by budget category and totaled for each month or group.

The TC or Transaction Code denotes the type of transaction processed.

TRANSACTION CODES (TC)

JR - Journal Voucher - Internally prepared accounting entries usually initiated from a departmental request (memo), a correction, or other internal entry such as computer services, postal services, telephone etc.

CR - Check Request - indicates a check has been written for payment of goods or services.

PO - Purchase Order - indicates a purchase order has been issued to a vendor based on a requisition submitted by a department. This reduces your free balance and represents a future commitment of funds.

EC - Encumbrance Change - indicates a change to an existing purchase order (encumbrance). Used to increase or decrease a purchase order and also to process a partial liquidation (payment) of a purchase order where the amount of the check written the vendor (CR) differs from the amount to be liquidated on the purchase order.

LEDGER EXPLANATIONS CONTINUED:

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PA - Payroll - indicates a charge entry based on the processing of a Biweekly, Student or Monthly Payroll.

ID - Interdepartmental - indicates the processing of interdepartmental charges based on the processing of an intracampus requisition from one department on campus to another, such as Bookstore, Printing Department, Food Services, Motor Pool, etc.

RF - Receipts Form - represents cash or checks deposited with Comptroller's Office, Cashier.

IS - Invoice Statement - represents a billing to an off-campus (non-university) entity for which an amount is due to be paid Louisiana Tech. Billings by Housing, Food Services, Athletics, etc. for goods or services received.

OB - Original beginning balance.

BA - Budget Adjustment - Increases or decreases the budget.

A brief description accompanies all transactions and the Dept # and the Admin # assist in identifying the transaction to the department and the Comptroller's Office.

Changes in Actual - Represents actual cash paid out or received (-) into the account.

Changes in Free Balance - Represents transactions that increase or decrease (-) the balance the department can spend. For example, a PA (payroll entry) results in a change in actual (cash paid out) and a change in free balance. A BA (budget adjustment) will not affect changes in actual (cash paid out) but will affect changes in free balance as the department's budget is increased or decreased. A CR - paying a purchase order (encumbrance) will show a change in actual of the amount paid and no change in free balance if the payment is exactly for the amount encumbered; however, payment for a larger or smaller amount will also show a decrease or increase in free balance.

(12) **X and U** - X represents a complete liquidation and payment of an outstanding purchase order. This is the final closing of an open purchase order. Results from a complete receiving report or purchase order cancellation.

U represents a partial liquidation and part payment of an outstanding purchase order. It may also represent a change order increasing or decreasing a purchase order amount.

(13) & (14) **Open Encumbrances** - This is a detailed listing of all open (unpaid and merchandise not received) purchase orders.

This report should be reviewed by the department to assure that purchase orders do not remain open for an excessive period of time. For goods not received, please contact Purchasing. For goods received and not paid, please contact Accounts Payable in the Comptroller's Office. The report shows the original amount of the purchase order and the current amount open and unpaid. For regular orders, invoices with correct **Purchase Order Numbers** should be promptly forwarded to the Comptroller's Office to assure that discounts can be taken and that your orders are efficiently and accurately paid.

Each year money is lost because some departments do not keep track of outstanding orders. The list of outstanding orders should be checked each month to assure that:

1. Items received are paid for. If not, money could be lost and the department would have to be charged again for the same item when paid.
2. Items not to be received are cancelled; the department can then use the money for something else.

All coding should be done carefully to insure that the proper department is charged and the proper expenditure code is used. Please remember to include fund numbers on your requisitions as many accounts have numbers which are very similar.

For errors detected on your ledger, please make a copy of the ledger and highlight the transactions you have a question about and forward to our office for attention. Please bring all questions to our attention as soon as possible so that any needed adjustment can be made by your next month's ledger.

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 ** LA TECH MONTH END LEDGERS **

NUMBER D-6

GP BU	TRAVEL	CURRENT BUDG	BUDGET SUMMARY CARRYFWD BUDG	AS OF CURRENT BUDG	90 OPEN ENCU	YTD ACTUAL	BALANCE 09-30
20	65 OTHER CHGS	.00	.00	.00	.00	.00	.00
	6506 MISC OTHER C	.00	.00	.00	.00	.00	.00
1	11 SALARIES	.00	.00	.00	.00	.00	.00
1	1120 UN-REG-9MO	19,187.00	.00	19,187.00	.00	4,796.73	#
1	1121 UN-INSTR-12M	.00	.00	.00	.00	.00	#
1	1123 UN-INSTR-OTH	420,152.00	.00	420,152.00	.00	105,037.86	#
1	1125 SUMMER SAL	.00	.00	.00	.00	.00	#
1	1126 CLASS-12 MO	.00	.00	.00	.00	.00	#
1	1127 GRAC ASST	263,312.00	.00	263,312.00	.00	59,059.75	#
1	1130 FR BENEFITS	8,000.00	.00	8,000.00	.00	1,999.98	#
1	15 TOTAL GR	139,714.00	.00	139,714.00	.00	32,379.40	#
2	30 OPER SVCS	850,365.00	.00	850,365.00	.00	203,273.72	647,091.28
2	3035 BINDING	27,572.00	.00	27,572.00	.00	15,600.69	#
2	3042 COMP SVCS	35,500.00	.00	35,500.00	.00	6,861.02	#
2	40 SUPPLIES	.00	.00	26.54	.00	26.54	#
3	50 PROF SERVICE	14,949.00	.00	14,949.00	.00	2,540.66	#
3	5080 PROF TRAVEL	78,021.00	.00	78,047.54	1,953.16	25,028.91	40,176.49
4	TOTAL GR	.00	.00	.00	.00	.00	.00
4	73 EQUIPMENT	.00	.00	.00	.00	.00	.00
4	7361 LIB REF MAT	139,000.00	.00	.00	576.80	76.97	#
4	7362 SUBSCRIPTION	149,000.00	.00	54,898.57	5,000.00	28,777.53	#
4	7363 STANDING ORD	110,000.00	.00	7,100.00	.00	3,433.01	#
4	TOTAL GR	398,000.00	.00	61,998.57	5,576.80	32,287.51	24,134.26
*****	ACCOUNT	1,407,231.00	*.00	*1,071,256.11	18,418.94	281,952.81	770,884.36
*****	P MONTHLY INV	DATE DEPT #	ADMIN ADMIN	09 30	90 CHANGES IN ACTUAL	CHANGES IN FREE BAL	ACCT SERV
GP BU TC N	DESCRIPTION	DATE	DEPT #	VO #	M		
1124 PA	PAYROLL- MONTHLY	0928	000003	0928	6,075.22	6,075.22-	1030
	****TOTAL		****TOTAL	BODG 1124****	6,075.22 *	6,075.22-*	
1241 PA	PAYROLL- STUDENT	0928	000003	0928	1,874.62	1,874.62-	1077
	****TOTAL		****TOTAL	BODG 1241****	1,874.62 *	1,874.62-*	

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** LA TECH MONTH END LEDGERS **

NUMBER D-7

***** MONTHLY TRANSACTION LEDGER *****														
GP	BU	IC	DESCRIPTION	INVT	DATE	DEPT #	ADMIN #	ADMIN DATE	VO #	M	09 30 90	CHANGES IN ACTUAL	CHANGES IN FREE BAL	ACCT SERV
2	3010	JR	XEROX 9200--AUG 90	0912	0912	000438	0925	0925	12		468.00	468.00-	468.00-	1824
2	3070	JR	LONG DISTANCE	0920	0920	000400	0920	0920			38.23	38.23-	38.23-	1883
2	3034	JR	COMPUTER MAINT-9/90	0927	0927	000482	0927	0927			14.09	14.09-	14.09-	1885
2	3061	JR	POSTAGE 08/28-09/26	0927	0927	000485	0930	0930			247.24	247.24-	247.24-	1906
2	3060	RF	STATE OF WASHINGTON	0914	153387	002534	0918	0918			4.64-	4.64	4.64	1755
2	3060	RF	PNL	0919	153575	002537	0921	0921			214.66-	214.66	214.66	1800
2	3035	CR	HERTZBERG NEW	METHOD	0726	005056	0817290	0917			3,559.78	3,559.78	3,559.78	1721
2	3035	CR	HERTZBERG NEW	METHOD	0816	005056	0817290	0917			40.92-	40.92-	40.92-	1721
2	3035	CR	HERTZBERG NEW	METHOD	0828	005056	0817290	0917			3,293.33	3,293.33	3,293.33	1721
2	3035	CR	HERTZBERG NEW	METHOD	0615	005056	0817290	0917			233.90-	233.90-	233.90-	1721
2	3035	CR	HERTZBERG NEW	METHOD	0215	005056	0817290	0917			5.30-	5.30-	5.30-	1721
2	3035	CR	HERTZBERG NEW	METHOD	0823	005056	0817290	0917			28.71-	28.71-	28.71-	1721
2	3035	CR	HERTZBERG NEW	METHOD	0702	005056	0817290	0917			308.96	308.96	308.96	1721
2	3035	CR	HERTZBERG NEW	METHOD	0731	005056	0817290	0917			7.78	7.78	7.78	1721
2	3042	BA	COMPUTING	08/90	0924	100021	0924	0924			.00	.00	.00	1822
2	3042	JR	UNIVERSITY PRODUCTS,	08/90	0924	000439	0924	0924			21.80	21.80-	21.80-	1825
2	4010	CR	DEMCO	0816	004356	314217	0904	0904			224.67	224.67-	224.67-	1633
2	4010	CR	GAYLORD BROTHERS INC	0816	004703	314226	0911	0911			122.10	122.10-	122.10-	1684
2	4010	CR	HIGHSMITH CO INC	0814	004704	314225	0911	0911			115.35	115.35-	115.35-	1684
2	4010	CR	BRODART	0815	004707	314224	0911	0911			14.10	14.10-	14.10-	1684
2	4010	CR	BRODART	0905	005374	314239	0919	0919			232.78	232.78-	232.78-	1684
2	4010	CR	HOLLINGER CORPORATION	0905	005377	314235	0919	0919			11.95	11.95-	11.95-	1771
2	4010	CR	QUILL CORPORATION	0830	005378	314233	0919	0919			140.89	140.89-	140.89-	1771
2	4010	CR	DEMCO	0831	005379	314234	0919	0919			113.57	113.57-	113.57-	1771
2	4044	CR	STEPHENSON LUMBER &	0730	005473	314242	0921	0921			246.63	246.63-	246.63-	1793
2	4044	CR	PEARCE LUMBER	0803	005474	314241	0921	0921			15.83	15.83-	15.83-	1793
2	4044	CR	PEARCE LUMBER	0802	005474	314241	0921	0921			26.35	26.35-	26.35-	1793
2	4010	ID	BOOKSTORE	0917	003424	000085	0924	0924			52.69	52.69-	52.69-	1793
2	4010	ID	BOOKSTORE	0919	003245	000090	0925	0925			84.53	84.53-	84.53-	1818
2	4010	PU	GAYLORD	0919	314208	093346	0924	0924			204.85	204.85-	204.85-	1837
2	4010	PU	GAYLORD	0919	314208	093346	0927	0927			.00	.00	.00	1820
2	4010	PU	HOLLINGER CORP	0924	314221	093374	0925	0925			.00	.00	.00	1900
4	7320	PU	DESIGN STATION	0913	314210	092988	0917	0917			10,615.94	10,615.94	10,615.94	1732
4	7361	BA	GENERAL	0925		100023	0926	0926			.00	.00	.00	1843
4	7361	PU	BOOK HOUSE INC	0827		081776	0910	0910			.00	.00	.00	1676
4	7362	BA	GENERAL	0925		100023	0926	0926			.00	.00	.00	1843

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