

# University of Missouri System

## Accounting Policies and Procedures



**Policy Number:** APM-2.20

**Policy Name:** Feeders

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### General Policy and Procedure Overview:

This policy provides guidance to the University concerning the procedures for initiating a campus feeder system and the subsequent responsibilities of the feeder system owner and other University units once the feeder system is in operation.

### Definition of Key Terms:

GL Feed – the transfer of data from either an external computer system or a PeopleSoft module to the PeopleSoft General Ledger

Feeder system – a database and/or dedicated system in a campus department or a PeopleSoft module that contains the information that will be transmitted to the PeopleSoft General Ledger

Feeder system owner – the University staff person and/or department responsible for the feeder system

GL – General Ledger

### Detail Policy and Procedure:

At the University of Missouri, the transfer of accounting data from an external computer system, a PeopleSoft module (e.g., Accounts Receivable/Billing, Accounts Payable) or similar interface to the GL is called a GL feed. The accounting data that is fed into the GL may have originated from a third party vendor system, an in-house system, a PeopleSoft module, or manually inputted into an Excel spreadsheet. The process of uploading the file to the GL may be an automated or manual process. The layout of the file that is fed may be organized by MoCode or by ChartField. This policy focuses primarily on the procedures to be followed by University or campus departments for feeding accounting data to the GL from external computer systems.

### Requesting Approval to Initiate a Feeder System

Each campus accounting office should establish campus procedures for departments to follow when requesting a new GL feeder system. At a minimum, the request from the department to the campus accounting office should include the following information:

1. Name of the department responsible for the feeder system
2. Functional Contact (primary and backup)

3. Technical Contact (if different from Functional Contact; primary and backup)
4. Feed Type: MoCode or ChartField
5. Feed frequency: Daily, Weekly, Monthly
6. Estimated volume per feed (estimated average number of lines per file submission)
7. Describe feed content, purpose for feed, and benefits to be gained by implementing this feeder
8. Indicate what steps the feeder owner will follow to ensure that the file contents imported into the GL are valid and correct

After the feeder is approved, the campus accounting office will assign a 3-digit source code to the feeder. The feeder system owner must then submit three test files to the PeopleSoft test server. After successful testing, the feeder system owner may then submit feeds to the PeopleSoft production environment. The feeds will create journal transactions in the GL.

## **Responsibilities of the Feeder System Owner**

### **Internal Approval process**

Before a feed is submitted to the GL, the department processing the feed must generally have received prior approval from an authorized individual (authorized signer) before processing a charge to a particular department ChartField. The approval documentation may be on a request form, such as UM 48-Internal Order Form, or received from an authorized individual via electronic means. Certain feeder transactions that occur on an ongoing basis, such as telephone charges, can be approved on a “blanket” basis if the costs are allocated in a consistent manner. The feeder system owner must maintain documentation of written or electronic approval. Unlike journal entries created in the MIS Web Applications, such as Internal Service Entries (ISE’s), feeder journals cannot be formally approved on a post-audit basis. All requests for feeders are reviewed and approved by the Controller’s Department to ensure adequate controls are in place before the feed becomes operational.

### **Feeder Journals**

Feeder system owners are responsible for ensuring that the data they feed to the GL is authorized, accurate, and timely. Feeder system owners must also ensure that the data will be fed to the correct accounting period (must be an open period) and has not been previously submitted. The journal header and journal line description fields should contain sufficient information for the department end user to readily identify the transaction when reviewing their financial reports.

If a GL feed contains sufficient errors to cause the file to be rejected and no journal is created, the feeder system owner must correct the transactions that caused the error and resubmit the feed in a timely fashion. If a feeder journal that is created contains one or more edit errors due to invalid MoCode or ChartField data, it is the responsibility of the feeder system owner and the campus accounting office to correct the edit errors in the journal so that it may post to the GL.

### **Internal Controls**

The feeder system owner is responsible to ensure the transactions included in the feed are properly authorized, accurate, and complete. The feeder system owner is responsible for ensuring that all transactions fed into the GL are in accordance with University business policies

and comply with applicable regulatory agency policies. The department responsible for the feeder must maintain appropriate preventative and detective internal controls. An example of a preventative control would be the comparison of a manually inputted control total of all transactions to be fed to the sum of the actual transactions contained in the feed, prior to the transmittal to the GL. If the totals agreed, the feeder system owner is assured that no transactions have been omitted. The following business day, the feeder system owner should also review the journal created from that feed to assure that the amount intended to be fed equals that amount posted in the GL. Feeder system owners are required to maintain records of their transactions and provide them to recipients of their charges as requested.

The feeder system owner should also maintain appropriate detective activities after the feed of data, such as reconciliation of posted transactions to their department ChartFields each time the feed is processed, to ensure completeness, timeliness, and accuracy of processing. The feeder system owner may also prepare periodic variance analyses and spot-checking of transactions posted to other University department ChartFields to ensure that the charges appear reasonable. If the feeder system owner detects an unauthorized or inaccurate charge to a department ChartField, it is the responsibility of the feeder system owner to follow up with a representative of the department that was charged to either secure authorization for the initial charge or process another feeder journal or correcting entry to reverse/adjust the charge. If the correcting entry cannot be prepared within two months after the end of the accounting period in which the original transaction posted, the feeder system owner must contact the campus accounting office for assistance.

## **Responsibilities of Campus Departments**

### **Posted Transactions Requiring Correction Due to Dispute or Other Reason**

If a representative from a campus department discovers an unauthorized or inaccurate charge posted to their ChartField that originated from a feeder journal, it is the responsibility of that department representative to contact the feeder system owner in a timely fashion concerning the disputed item. If it is determined that the charge was unauthorized or inaccurate, the feeder system owner must attempt to process the reversing transaction in either another feeder journal or prepare a correcting entry within two months after the end of the accounting period in which the original transaction posted. If the campus department and feeder system owner cannot resolve the dispute or the correcting entry cannot be processed within the two month timeframe, a representative from either unit must contact the campus accounting office to assist in the resolution.

## **RESPONSIBILITY**

Controller's Office:

- Review and authorize the use of a feed to PeopleSoft

Feed Owner:

- Reconcile the feed to the posting to PeopleSoft each time the feed is run.
- Ensure the accuracy, and authorization of transactions being included within the feed.

*Effective Date: July 1, 2006*

*Revised Date: August 1, 2007*

## **Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.