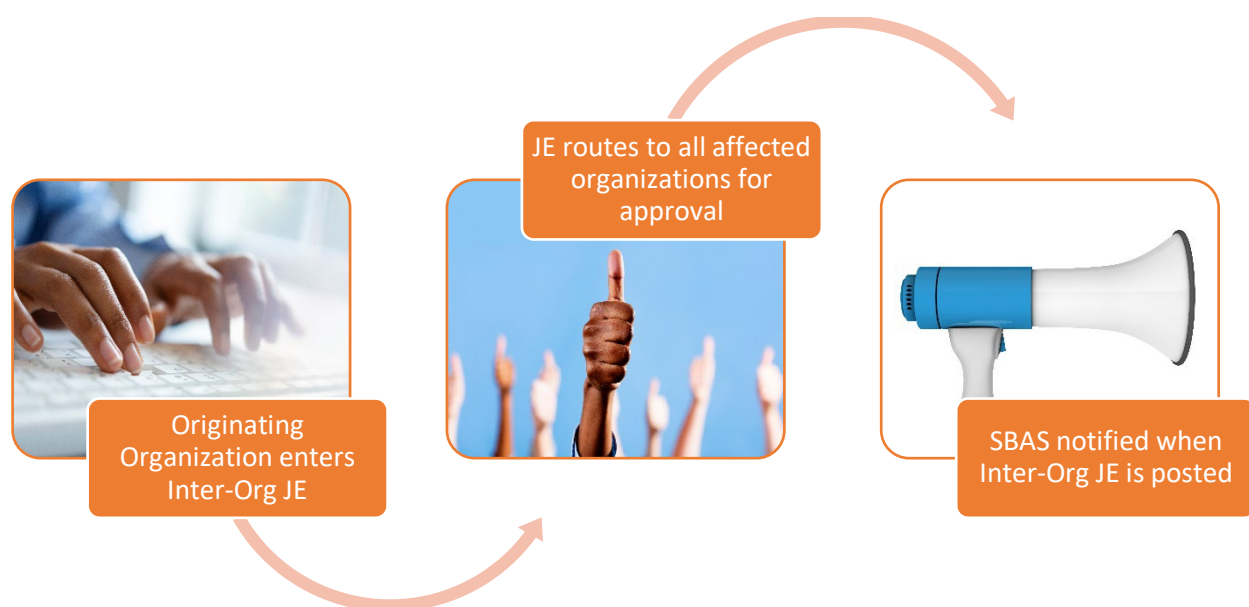# Inter-Org Journal Entry

An Inter-Org Journal Entry is an activity in Escape used to transfer funds between organizations (i.e., in-lieu tax transfers, administrative oversight fees, etc.) without the use of an accounts payable warrant. The Originating Organization will create an Inter-Org Journal Entry using accounts that the Destination Organization has given them permission to access. The entry will automatically route to the affected organizations for approval and post when complete.

Originating Organization enters Inter-Org JE

JE routes to all affected organizations for approval

SBAS notified when Inter-Org JE is posted

Escape Setup (SBAS)

School Business Advisory Services enables the Inter-Org Journal Entry activity and assists districts and charters with establishing workflow definitions and approval paths.

1. **Turn on the Inter Org JE feature.** Set the Allow Inter Org Journal Entries flag to **YES** in the Organization Record (General Tab) for both the Originating and Destination Organizations. Functionality will be available to users with a Fiscal Role and above.

2. **Establish organization workflow for approvals and notifications.** Set up a workflow for approvals and notifications for both the Originating and Destination Organizations.

Allow Account Access

Destination Organization

To be part of an Inter-Org Journal Entry, the Destination Organization must first allow the Originating Organization to access its accounts.

1. Navigate to **Finance - Setup - Chart of Accounts - Inter Org JE Accounts**

2. Select **New** and add one account at a time <u>for each organization</u> (use **Copy** to save time)

The account you are allowing the Originating Organization to access

The Originating Organization you are allowing to access this account

   a. <u>Fiscal Year From</u>: Enter the first fiscal year when this account will be available to the Originating Organization.
   b. <u>Fiscal Year Thru</u>: Enter the last fiscal year when this account will be available to the Originating Organization. Enter 9999 to indicate no end date.
   c. <u>Account</u>: Enter the account number manually or use the account widget. You must enter the full account number (account masks are not allowed).
   d. <u>Originating Org ID</u>: Use the lookup for a list of active organizations and select the organization that you are allowing access to this account.
   e. <u>Active</u> - Defaults to YES; To deactivate, set to NO.

3. Once you **Save/Close** the record, the Originating Organization will be able to use your account number in an Inter-Org Journal Entry.

Additional Information

When the Originating Organization selects your organization (far right column), they can **only** see the accounts that the Destination Organization provided access to via the Inter-Org JE Accounts activity

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The system uses the account link ID behind the scenes so that rolling forward keeps the record active. If you expire an account or merge an account to a different link ID, you will need to update the record in this activity.

Do not delete an account record unless it has never been used; deactivate account access using the Active flag.

Create Inter-Org Journal Entry

Originating Organization

The Originating organization creates an Inter-Org Journal Entry that includes accounts from the Destination Organization(s).

1. Navigate to **Finance - Fiscal - Inter Org Journal Entry**

2. Select **New** and enter the Inter-Org JE

   a. <u>Org ID</u>: Enter the Destination or Originating Organization ID (use the lookup).
   b. <u>Account Number</u>: Enter the account number (the account lookup displays only those accounts that the Origination Organization has access).
   c. <u>DR/CR</u>: Enter amounts, balancing cash between the Originating Organization and the Destination Organization(s).

3. Select **Tasks > Submit** to route for approvals

   A read-only JE field <u>Net Change to Cash</u> ensures that DR = CR for all cash lines across all orgs before submission.

Additional Information

Originating organizations can copy, reverse, submit, and return to open

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The Originating Organization sees all lines in the journal entry with associated org #; The Destination Organization will only see the lines that pertain to their district/charter.

Approvals

The Inter-Org JE is routed to all affected organizations at once (it does not route to one organization and wait for their approval before moving to the next organization). Each organization's workflow is independent, and the JE will remain in submitted status until all approvals are complete.

Originating Organization

The Originating Organization will need to obtain approval from a board authorized signer <u>and</u> from board authorized signers at each Destination Organization. There is no Approval Override option for this activity.

- View: Finance > Fiscal > Journal Entries
- Approve: Finance > Fiscal > Budget/JE Approvals

    Tip: Use the search filter 'Inter-Org JEs only'

Destination Organization(s)

The Destination Organization must review and obtain approval from a board authorized signer. Inter-Org Journal Entries cannot be posted by the Originating Organization without the Destination Organizations approval.

- View: Finance > Fiscal > Journal Entries
- Approve: Finance > Fiscal > Budget/JE Approvals

    Tip: Use the search filter 'Inter-Org JEs only'

<u>Note</u>: Destination Organizations can only see line items in the JE for their organization. They cannot see the line items for the Originating Organization or the line items for any other Destination Organization affected by the JE.

School Business Advisory Services

School Business Advisory Services is **notified** when an Inter-Org Journal Entry is posted since COE is responsible for ensuring all cash transactions are posted with the Santa Barbara County Auditor-Controller and reconciled to Cash in Treasury. COE users are not included in the approval process.