

Town of Lancaster
JOURNAL ENTRY POLICY
Adopted 12/17/2018

Purpose

To define procedures for the Town of Lancaster for posting transactions to the general ledger through the journal entry process.

The Town of Lancaster recognizes that manual journal entries are needed and made for various reasons including but not limited to recording revenues, expenditures, transfers of funds and balance sheet accruals. The procedures below are hereby established to create proper segregation of duties to ensure that journal entry approval is performed by a person other than the preparer of the journal entry.

Policy

Manual journal entries are to be processed as follows:

- The Director of Administration & Finance, the Assistant to the Supervisor and the Payroll Supervisor are approved to enter recurring manual journal entries for all funds and departments.
- Appropriate documentation/support shall be included to support all journal entries.
- The Director of Administration & Finance will review all non-recurring journal entries prepared by the Assistant to the Supervisor and the Payroll Supervisor. Additionally, any recurring journal entry that affects cash or a miscellaneous revenue/expenditure account will be reviewed by the Director of Administration & Finance. If the entry requiring review is prepared by the Director of Administration & Finance, the Assistant to the Supervisor will conduct the review and approval function.
- Both the preparer and reviewer will date and sign the entry, either manually or electronically, upon completion and prior to posting. The signatures on the entry will confirm that proper procedures were followed and that the entry is properly coded, in balance and is prepared using the correct posting date and fiscal period.
- After completing the review and determining the journal entry is correct, the preparer of the journal entry will post the journal entry to the general ledger.
- Every effort will be made to post entries in a timely manner, defined as within 10 days.