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## The Steps Transactions Go Through

### ***ConnectCarolina Financial Concepts***

*A series of documents to help you understand the financial information in ConnectCarolina and InfoPorte*

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Each financial transaction goes through a series of steps from start to finish. Understanding what those steps are for each transaction is helpful in understanding how ConnectCarolina works and in understanding the financial information you see in InfoPorte. There are lots of transactions you can do in ConnectCarolina, but the ones we're focusing on for now are:

- purchase requisitions
- vouchers
- GL journal entries
- budget transfers and budget journals

Key Concept

## 1 The Basic Process for Transactions

In ConnectCarolina, all the transactions listed above go through the same basic process:

1. Create the transaction (for example, create a purchase requisition or a voucher)
2. Check for chartfield errors (also called "combo edit errors") The system does this step automatically when you save the transaction or when you budget check it.
3. Pre-Budget check or budget check (GL journal entries) the transaction. Pre-Budget checking makes sure there is enough money to cover the amount on the transaction at the time it was checked, but it doesn't hold the money for the transaction like a regular budget check. Pre-budget checked transactions are budget checked after approvals.
4. Approve the transaction
5. Budget check purchase requisitions (PRs), vouchers, budget transfers and budget journals.
6. Post the transaction (handled by Accounting Services for some transactions; makes an official record of the transaction in our accounting system)

This is the process from a high level and we'll refer back to it in future documents in this series. But it's also good to understand the processes in more detail. To do that, we'll take a look at each transaction individually. But before we do that, there's one more concept to highlight.

Key Concept

## 2 Every Purchase Order Has a Matching Voucher

In ConnectCarolina, every payment starts with a voucher, since the voucher is what manages the payment process. It makes sense that when we receive an invoice that needs to be paid, we enter that as a voucher. But it's not as obvious that vouchers also get created behind the scenes to pay for goods and services that we purchase.

In ConnectCarolina, every purchase order (PO) that gets fulfilled will end up having at least one voucher associated with it. Each time the vendor invoices against a PO, a voucher is created to manage the payment of that invoice. Even orders from BuyCarolina are paid using a voucher.

## The Lifecycle for a Campus Voucher

For a campus voucher, the first few steps start outside the system. For example, you buy materials and they arrive at your desk. It isn't until the invoice arrives that ConnectCarolina becomes involved. So the lifecycle for a campus voucher, as far as ConnectCarolina is concerned, is this:

### Create the voucher

You receive an invoice and you create the campus voucher in ConnectCarolina. When you save the voucher, the system checks the chartfields (which is called the "combo edit").



### Budget pre-check the campus voucher

This step ensures that there is enough money in the budget at the time of the pre-check, but it doesn't hold the funds for the voucher.



### Approve and budget check the voucher

The voucher goes through the approval process for your school or division and the central offices. After final approval, the budget check process runs automatically.



### Post the voucher

Accounts Payable posts the campus voucher (which means it is recorded in the accounting system as having happened in the current month). There's no check number yet—payment comes later.

The Current Month	
Voucher 111	\$\$
Voucher 123	\$
Voucher 145	\$

### Pay the voucher

A process runs every night to check for vouchers that are ready to pay. A voucher is ready to pay when it is posted and when the payment terms are met. So for example, if the payment terms are net 30 days, then the system pays the voucher 30 days after the invoice date.



### The voucher payment posts

## The Lifecycle for a Purchase Requisition (not BuyCarolina)

The lifecycle for purchase requisition (or “purchase req”) has more steps than the lifecycle for vouchers. Pay particular attention to the step where the invoice arrives. In ConnectCarolina, vouchers manage the payment process. So every time a vendor invoices against a PO, a voucher gets created to manage the payment for that invoice. Each purchase order ends up having at least one voucher associated with it.

**Note:** The process for purchasing items from BuyCarolina is a little different, so we’ll cover that separately.

### Create the purchase req

You create a purchase req for purchase of \$5,000 and over, for services, or for items not found in BuyCarolina. If you save the purchase req, the system checks the chartfields (which is called the “combo edit”).

Req 456

### Budget pre-check the purchase req

This step ensures that there is enough money in the budget at the time of the pre-check, but it doesn’t hold the funds for the requisition.



### Approve and budget check the purchase req

The purchase req goes through the approval process for your school or division, the central offices, and any special approvals (such as Environmental Health & Safety). After final approval, the budget check process runs automatically.

Req 456

### The purchase req becomes a purchase order (PO)

Procurement Services creates a purchase order from the purchase req.

PO 789

### The PO gets budget checked

Procurement Services budget checks the PO.



### The PO gets dispatched to the vendor

Procurement Services sends (dispatches) the PO to the vendor, who fills your order and sends your items or begins delivering your services.

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## Continued: The Lifecycle for a Purchase Requisition (not BuyCarolina)

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### You enter a receipt for items or services

You enter receipts in ConnectCarolina for goods and services as you receive them.

### The vendor sends an invoice, which becomes a voucher

When the vendor ships items or delivers services, they send an invoice (through VISP or through the mail). Like an invoice that comes to you directly, Accounts Payable enters this invoice into ConnectCarolina as a voucher.

### The voucher is budget-checked

The voucher that is managing the payment process for the PO is budget-checked.



### The voucher, PO, and receipt are matched up

Accounts Payable compares the voucher, the PO and the receipt to ensure that the amounts match up and to ensure there are no other errors (to make sure it's okay to pay the voucher). This is called the "three-way match."

### The voucher is posted

Accounts Payable posts the voucher (which means it's recorded in the accounting system). There's no check number yet—payment comes later.

### The voucher is paid

A process runs every night to check for vouchers that are ready to pay. A voucher is ready to pay when it is posted and when the payment terms are met. So for example, if the payment terms with the vendor are net 30 days, then the system pays the voucher 30 days after the invoice date.



**The voucher payment posts, and if everything has been received on the PO, the PO is closed.**

## The Lifecycle for a BuyCarolina Purchase

The lifecycle for a purchase from BuyCarolina is a little different than other types of purchases. But one key thing to remember is that every BuyCarolina order ends up with a matching voucher that is created to manage payment for that order. The steps are:

### Create a purchase req by placing an order from BuyCarolina

You place an order from one or more of the vendors in BuyCarolina, which creates a purchase req. If you save the purchase req, the system checks the chartfields (which is called the “combo edit”).

Req 456




### Budget pre-check the purchase req

This step ensures that there is enough money in the budget at the time of the pre-check, but it doesn't hold the funds for the requisition.



### Approve (if applicable) and budget check the purchase req

All orders from the software acquisition catalog go through approvals. Other purchases go through approval if your department has approvals for BuyCarolina orders or if any special approvals apply (such as Environmental Health & Safety). After final approval, the budget check process runs automatically.

Req 456




### The purchase req automatically becomes one or multiple POs

For BuyCarolina orders, a PO is automatically created for each vendor on the req.

PO 789






### The PO gets budget checked

The PO automatically gets budget checked.

### The PO is dispatched to the vendor

The PO is automatically dispatched to the vendor, who fills your BuyCarolina order.



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## Continued: The Lifecycle for a BuyCarolina Purchase

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### The vendor sends an invoice, which becomes a voucher

When the vendor ships the items, they send an invoice to Accounts Payable. ConnectCarolina automatically creates a voucher to manage the payment for this invoice. So even BuyCarolina orders have a matching voucher(s).

### The voucher is budget-checked

The voucher(s) that manages the payment for the BuyCarolina order is budget-checked.



### The voucher is posted

Accounts Payable posts the voucher (which means it's recorded in the accounting system). There's no check number yet—payment comes later.

### Pay the voucher

A process runs every night to check for vouchers that are ready to pay. A voucher is ready to pay when it is posted and when the payment terms are met. So for example, if the payment terms with the vendor are net 30 days, then the system pays the voucher 30 days after the invoice date.



### The voucher payment posts and the PO is closed.

## The Lifecycle for a GL Journal

GL journals (also called “campus journals” or “journal entries”) go through a shorter lifecycle than vouchers and purchase reqs. The steps they go through are:

### Create the GL journal

You need to move funds so you create a GL journal.



### Edit and budget check the GL journal

Once the journal is saved, you send the journal through the edit process, which checks the chartfields (the “combo edit”). If the journal passes the edit process, the system budget checks the journal to ensure that all chartfield strings have enough available budget.



### Approve the GL journal

The GL journal goes through the approval process for your department and central offices.



### Post the GL journal

The GL journal posts, which means it is recorded in the accounting system as having happened in the current month.



**IMPORTANT:** Any GL journals that aren’t approved through your school or division approvals by month end have to be deleted (Accounting Services lets you know what the exact date is). That’s because the month can’t be closed with unposted journals. Once the journal is fully approved, then you no longer have to worry about it being deleted, because it will be posted.

You can use the `NC_GL_JRNL_NOT_POSTED_DEPT1` query to identify journals that haven’t posted. Refer to the Resources page on the [ccinfo.unc.edu](http://ccinfo.unc.edu) website for a recorded webinar on how to use the queries in ConnectCarolina.

## The Lifecycle for a Budget Transfer or Budget Journal

The lifecycle for budget adjustments (which can be budget transfers or budget journals) is a bit different than other transactions. Their lifecycle is:

### Create the budget adjustment

You need to make a change to a budget so you create a budget adjustment.

budget adjustment 567

### Budget pre-check the budget adjustment

You can run the optional (but recommended) budget pre-check to check:

- 1) whether the adjustment meets the rules defined for the budget
- 2) whether it meets the chartfield rules (the “combo edit rules”)
- 3) whether there is enough budget to make the change



If you don’t run the budget pre-check, then ConnectCarolina checks the first two when you submit the budget adjustment for approval.

**Note:** The pre-check doesn’t place a hold on the funds—it just makes sure you have enough budget at this moment.

### Approve the budget adjustment

The budget adjustment goes through the approval process for your department and the central offices.

budget adjustment 567

### Budget check and post the budget adjustment

A process runs overnight to budget check and post all approved budget adjustments.

**Note:** Unlike GL journals, budget adjustments are not usually deleted at the end of the month if they aren’t approved and posted. (A budget journal could be deleted if it has been in an incomplete status for a long time.) To see which have not posted, you can use the NC\_GL\_BUD\_JRNL\_NOT\_POSTED\_DEPT query. Refer to the Resources page on the ccinfo.unc.edu website for a recorded webinar on how to use the queries in ConnectCarolina.

## Key Points About the Steps Transactions Go Through

Understanding the steps transactions go through is fundamental in understanding information you see in ConnectCarolina and on InfoPorte reports. We'll refer to these steps in documents later in this series. For now though, remembering these key points is important:

- Journals need to be fully approved by month end or they'll be deleted. Accounting Services will let you know the date journals need to be approved by.
- Vouchers are used to manage the payment process. Every completed purchase has at least one voucher associated with it.
- Vouchers are paid according to the payment terms set with the vendor. For example, if payment terms are "net 30," the voucher is paid 30 days after the invoice date.