Financial Management Using Compass: Accounting Basics

Participant Guide
Compass Financials Training
Financial Management Using Compass:
Accounting Basics

This course provides participants practical knowledge of how to set up the Compass financial management system to increase productivity, and how to perform basic accounting operations within the system.

Course Objectives
By the end of the course, you will be able to

- Set up and use Compass to increase productivity
- Use SmartKeys to enter ChartField values
- Create basic journal entries
- Explain what financial management tasks should be performed daily, weekly, and monthly
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# Lesson 1: Setting Up and Using Compass

This lesson includes the following topics:

- Compass User Tips
- Setting Up Your Computer
- Understanding Workflow Setup

## Compass User Tips

This section contains some helpful tips for using Compass.

### Basic Navigation Tips

- When you need to use multiple items in the menu bar, click on **New Window** to open them. This allows the various pages you need to line up and you can click browser pages to move around.
  - Firefox lines the tabs nicely at the top (just above the Compass blue bar)
  - Internet Explorer lines up the tabs as selection options at the bottom of your screen
- Avoid using the **browser back button** to move to the previous Compass screen. You can usually move to the previous screen using one of the options listed below.
  - If you see an **OK** button at the bottom left of the page, click it to move to the previous screen
  - If you see blue hyperlinks listing the previous screen names, click on the one you want to navigate to
  - Click on the open browser page that you want to navigate to
- When looking up a SmartKey, use the **% sign** in place of the leading digits (type `%01234` instead of `0000001234`). This will save you a few keystrokes.
Excel Downloads

- Look for the **download icon** (found in the top of each Results box and looks like a table with a red arrow). Click the icon to download the information shown into Excel.

Screen View Expansion

- You can click the ⏯️ sign at the top of the menu box on the left of your screen to hide the menu and have more working screen space.

- To make the menu visible again, click the ⏯️ icon just under the Compass logo on the top left of your screen.
Setting Up Your Computer

There are a number of ways you can set up your computer to increase productivity.

User Preferences

- When you navigate to most Compass pages, the business unit defaults to a value specified in Compass. You can change this default value or you can add a default value if the field does not default.

Activity: Set Up User Preferences

Follow the instructions below to set up User Preferences in Compass.

1. From the Compass main menu, use the following navigation path:

   <code>Set up Financials/Supply Chain > Common Definitions > User Preferences > Define User Preferences</code>

2. Enter or validate your User ID.

3. Click Search.

4. Click the Overall Preferences link.

5. Update the Business Unit, if desired.

6. Update the SetID, if desired.

7. Click Save.
Add a Favorite

- You use **Add to Favorites** to create shortcuts to frequently accessed folders and content. Once you add a favorite, it is maintained under the My Favorites folder in the menu. Once a favorite is saved, expand the My Favorites folder and click the hyperlink you want to view.

Personalize Your Screen

- Almost every page or results box contains a hyperlink with the word **Customize**. If you click the link, it takes you to a personalization page so you can hide columns you don’t need and make your screen more focused on what you care about. You cannot hurt anything by playing with these settings and we encourage you to do this to improve your experience.

Set Up Frequently Used Inquiries and Queries

- There are several inquiries you will want to run on a regular basis. You can save time by setting up these inquiries and naming them something meaningful to you. When you need a quick answer, you can easily access the inquiry and get the information you need.

- When you find a query you want to run on a regular basis, save it as a Favorite. This will save you the time and trouble of remembering the query name and searching for it each time you want to run it.
Notes

Activity: Review the Helpful Queries List

Use the Compass Reference Guide to answer the following questions on Compass queries.

Does the EU_GL_PAYROLL_DETAIL query provide salary information for specific employees?

__________________________________________________

Which query could you run to get voucher information for a specific vendor?

__________________________________________________

Set Up Your Boss’s Computer

- You can also use the tips discussed here to set up your boss’s computer.
Understanding Workflow Setup

The Workflow setup is different for AP, GL, and Emory Express approvals.

### AP Approvals (Expense Reports and Payment Requests)

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; level</td>
<td>NRA: This level only occurs if the payment is being made to a Foreign National.</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; level (required)</td>
<td>AP Specialist: Audits the report and makes sure it complies with Emory policy.</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; level (required)</td>
<td>Department Approver: Someone from the department charged must approve the expense.</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; level</td>
<td>Second Department Approver: This level only occurs if the dollar amount exceeds $500.</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt; level</td>
<td>Third Department Approver: This level only occurs if the dollar amount exceeds $5,000.</td>
</tr>
</tbody>
</table>

**Note:** Approvers are determined by the Senior Business Officer.

### Journal Approvals

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; level (required)</td>
<td>Supervisor: The supervisor of the employee who submitted the JE must approve it.</td>
</tr>
<tr>
<td></td>
<td>- If the JE is less than $10,000, the next two levels are skipped and it is sent to the Controller’s Office.</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; level</td>
<td>School Approval: Someone at the school level must approve any JE greater than $9,999.</td>
</tr>
<tr>
<td></td>
<td>- Unless the JE is grants-related, the next level is skipped and the JE is sent to the Controller’s Office.</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; level</td>
<td>OGCA Approval: The OGCA must approve any JE that is grants-related.</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; level (required)</td>
<td>Controller’s Office: Controller’s Office gives final approval on all journal entries.</td>
</tr>
</tbody>
</table>

**Notes:**
- When another business unit is on a JE line, additional reviewers are automatically added to the Workflow.

---

To request changes to the AP or Journal approvers for your department or school, complete the *Compass Workflow Request Form* located on the Compass web site.
Emory Express Approvals

Emory Express approvals are not hard coded like Compass, rather the approval workflow is dependent on many variables. Here are some of the rules for Emory Express approvals:

- Approvals are based on the department number charged
- Approval levels and assigned approvers are determined by Department Administrators
- Departments determine the number of approval levels, up to a maximum of six levels
- Multiple approvers are allowed at each level
- Departments can customize the dollar amounts requiring approval

To request changes to the Emory Express approvers or approval process for your department or school, send an email to amy.demore@emory.edu.

Workflow Email Notifications

If you are set up as an Approver in Compass, you can elect to receive or not receive automatic email notifications for workflow transactions.

Activity: Set Up Email Notifications

Follow the instructions below to set up Workflow Email Notifications in Compass.

1. From the Compass main menu, use the following navigation path:
   
   Smart Solutions > Smart Workflow > Setup > Approver Options

2. If necessary, click the Add a New Value tab, and then click the Add button.

3. Enter the type of Transaction for which you want to receive email notifications.

4. Click the Email User checkbox.

5. Click Save.
Helpful Translations

<table>
<thead>
<tr>
<th>Compass Language</th>
<th>FAS Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment Control</td>
<td>Budget</td>
</tr>
<tr>
<td>SmartKey</td>
<td>Closest = FAS Account # (except SmartKey should not be used for reporting like the FAS Account # could be)</td>
</tr>
<tr>
<td>Account</td>
<td>Sub-code</td>
</tr>
<tr>
<td>Department Number</td>
<td>Department Number (the FAS assigned number was changed in Compass)</td>
</tr>
<tr>
<td>Business Unit</td>
<td>Emory / University / Emory Clinic / EHC</td>
</tr>
<tr>
<td>Operating Unit</td>
<td>Closest = Sr Executive Level</td>
</tr>
<tr>
<td>Class Code</td>
<td>NACUBO Code</td>
</tr>
<tr>
<td>Fund Code</td>
<td>Ledger Category; the Fund Code in Compass replaces the budget rebalancing rules in FAS</td>
</tr>
<tr>
<td>Budget Journals</td>
<td>eJournal types 20 and 21</td>
</tr>
<tr>
<td>Journal Entries</td>
<td>eJournal types 60, 62, 67</td>
</tr>
<tr>
<td>Allocations</td>
<td>% Mechanical Entries</td>
</tr>
<tr>
<td>Recurring Entries</td>
<td>eJournal templates/$ Mechanical Entries (that did not change during the year)</td>
</tr>
<tr>
<td>Compound Entries</td>
<td>eJournal type 49</td>
</tr>
</tbody>
</table>
Lesson 2: Basic Compass Financial Concepts

This lesson includes the following topics:

- Understanding ChartFields
- Understanding Accounts and Debits/Credits

Understanding ChartFields

ChartFields are the individual values that make up the Chart of Accounts.

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Operating Unit</th>
<th>DeptID</th>
<th>Fund</th>
<th>Class</th>
<th>Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 characters</td>
<td>6 characters</td>
<td>4 characters</td>
<td>5 characters</td>
<td>5 characters</td>
<td>Type of activity - asset, liability, fund equity, expenditure, or revenue account</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Costing Business Unit</th>
<th>Project</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 characters</td>
<td>8 characters</td>
<td>5 characters</td>
</tr>
<tr>
<td>Identifies type of Project: Sponsored, Non-Sponsored</td>
<td>Identifies such activities as sponsored projects, select non-sponsored activities, and capital projects.</td>
<td>Activity ChartField is assigned to each Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 characters</td>
<td>4 characters</td>
</tr>
<tr>
<td>Additional ChartField used to capture financial information for a specific activity, e.g., common computation</td>
<td>Additional ChartField used to track specific information for departments</td>
</tr>
</tbody>
</table>

SmartKeys provide a way to quickly enter ChartField values. The SmartKey populates all values in the chart above, with the exception of Account. In addition to the SmartKey, therefore, you must also enter the Account number.
How Do I Know Which ChartFields are Active?

There are several queries you can run to determine whether certain ChartField values are active or inactive.

- Accounts: Run the EU_GL_ACCOUNT_LIST_BY_SETID query
  Enter EMUNV in the SetID field.
  *A list of accounts and their descriptions display, along with the status (A=Active, I=Inactive)*

- SmartKey: EU_GL_OPER_SMARTKEY
  Enter the Oper Unit (Dept Start and Dept End are optional).
  *A list of SmartKeys and the associated ChartFields display, along with the status (A=Active, I=Inactive)*

- Department: EU_DEPTID_LIST
  Enter EMUNV in the SetID field.
  *A list of departments and their descriptions display, along with the status (A=Active, I=Inactive)*

How Do I Inactivate a ChartField?

- Complete the form on the Compass Web site and follow the instructions to submit it.
Notes

Fund Codes

- Fund codes drive how you load a budget.
- The first and last digits of the fund code mean something.
- The last digit indicates what account level to use to load your budget.

<table>
<thead>
<tr>
<th>Fund Code</th>
<th>What Account Level to Use to Load Your Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX1</td>
<td>40000 level (Revenue); 50000 level (Expenses)</td>
</tr>
<tr>
<td>XXX2</td>
<td>Pools only; description always has “BDGXXX”</td>
</tr>
<tr>
<td>XXX3</td>
<td>Detail account. Ex: a specific supply or salary account</td>
</tr>
<tr>
<td>XXX9</td>
<td>No budget. Ex: Endowments</td>
</tr>
</tbody>
</table>

- Even though the system allows you to load a budget at the wrong level, it will error out when you try to post.
- The first digit of the fund code tells you the type of fund.

<table>
<thead>
<tr>
<th>Budgets</th>
<th>Fund Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UR</td>
<td>1XXX</td>
<td>Department level budget</td>
</tr>
<tr>
<td></td>
<td>2XXX</td>
<td>Non-sponsored projects</td>
</tr>
<tr>
<td></td>
<td>3XXX</td>
<td>EHC only</td>
</tr>
<tr>
<td></td>
<td>4XXX</td>
<td>Endowments/Trusts</td>
</tr>
<tr>
<td></td>
<td>5XXX</td>
<td>Sponsored projects</td>
</tr>
<tr>
<td></td>
<td>6XX9</td>
<td>Endowments/Trusts</td>
</tr>
<tr>
<td></td>
<td>7XXX</td>
<td>Agency / Capital / Debt</td>
</tr>
<tr>
<td>TR</td>
<td>8XXX</td>
<td>Endowments/Trusts</td>
</tr>
<tr>
<td>PR</td>
<td>9XXX</td>
<td>Endowments/Trusts</td>
</tr>
</tbody>
</table>

UR = Unrestricted
TR = Temporarily Restricted
PR = Permanently Restricted
Understanding Accounts and Debits/Credits

Comparing eJournals and Compass Journal Entries

There is a difference in the way debits and credits were entered in FAS and the way they are entered in Compass.

In FAS, you entered the debit account and subcode on the left and the credit account and subcode on the right. The dollar amount was always positive except on compound entries.

Complete the journal entry in Compass as follows:

- Key the debit SmartKey and account on Line 1. Enter the amount as a positive number.
- Key the credit SmartKey and account on Line 2. Enter the amount as a negative number.
Debits and Credits to Compass Accounts

Types of journal entries processed in Compass:

- Expense and revenue transfers are processed when an original transaction has posted to the GL and now needs to be transferred to a different ChartField set (SmartKey).

- Funds transfers are essentially the movement of cash from one project or department to another. Fund transfers cannot be used with business unit EMAFF (affiliates).

- Recharge transfers are processed when a service center or department incurs the costs of goods/services, then “recharges” the costs out to other departments.

The chart below illustrates which accounts to debit and credit.

<table>
<thead>
<tr>
<th>Account to Debit (+)</th>
<th>Account to Credit (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enter the amount as a positive number</td>
</tr>
<tr>
<td>Expense Transfer</td>
<td>5xxxxx</td>
</tr>
<tr>
<td></td>
<td>6xxxxx</td>
</tr>
<tr>
<td></td>
<td>7xxxxx</td>
</tr>
<tr>
<td></td>
<td>8xxxxx</td>
</tr>
<tr>
<td></td>
<td>Debit to Increase Expense</td>
</tr>
<tr>
<td>Revenue Transfer</td>
<td>4xxxxx</td>
</tr>
<tr>
<td></td>
<td>Debit to Decrease Revenue</td>
</tr>
<tr>
<td>Funds Transfer*</td>
<td>91100</td>
</tr>
<tr>
<td></td>
<td>Debit to Transfer Funds Out</td>
</tr>
<tr>
<td>Recharge Transfer</td>
<td>85xxx</td>
</tr>
<tr>
<td></td>
<td>Debit to Recharge customer</td>
</tr>
</tbody>
</table>

*Fund transfers cannot be used with business unit EMAFF (affiliates).
Lesson 3: Basic Journal Entries in Compass

This lesson includes the following topics:

- Online Journal Entries
- Recurring Journal Entries
- Spreadsheet Uploads
- Locating a Journal Entry
- Additional Journal Entry Topics

### Online Journal Entries

The Compass General Ledger journal entry pages allow you to make simple adjustments or to transfer items between funds.

### Activity: Review the Steps to Create an Online Journal Entry

Use the Desktop Reference Guide on Journal Entries to review the process for creating an Online Journal Entry.

### Exercise: Online Journal Entries

Enter a journal entry into Compass for the following scenario:

A department ordered and was billed for supplies to be shared with another department. Enter a journal entry to charge $500.00 to the second department.

- SmartKey for Department ordering supplies
- SmartKey for Department sharing supplies
- Account to which supplies were charged – 53200

**Note:** Pick any two SmartKeys to use for this exercise.
Activity: Online Journal Entries

Use the Compass Reference Guide to answer these questions:

How can you avoid some of the horizontal scrolling when working with journal entries?

What is the name of the tab where you record the transactions that comprise a journal?

In addition to the SmartKey, what other two fields must be completed for each line in the journal entry?

How do you initiate the edit process?

How can you find the due dates for journal entries?

When and why do journal entries get deleted?
### Activity: Copy a Journal Entry

Follow along as your instructor demonstrates how to copy a journal entry.

- Accounting Basics > Lesson 3: Basic Journal Entries in Compass > Copying a Journal Entry
<table>
<thead>
<tr>
<th>Notes</th>
<th>Recurring Journal Entries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring Journal Entries provides a second way to enter journal entries into the system. You use this type of entry for repetitive transactions that use the same accounting information and amounts.</td>
<td></td>
</tr>
<tr>
<td>Recurring Journal Entries are established and controlled by the Controller's Office. They are created on the 15th of each month.</td>
<td></td>
</tr>
</tbody>
</table>

Recurring Journal Entries are not intended to be changed during a fiscal year.
Notes

Spreadsheet Uploads

The Spreadsheet Upload feature in Compass provides a third way to enter journal entries into the system. In order to use this feature, you must complete the following tasks:

- Download three Excel files from the Compass website. From the Compass home page, click Compass Support Toolbox on the left side of the page. Scroll down the page and click General Ledger (Journal Entries). The files to download are in the Spreadsheet Journal Entry Instructions section.

- All three files must be saved to the same folder on your computer.

- Set up default spreadsheet information. This means you do not have to enter certain variables, such as business unit and ledger, each time you open the spreadsheet.

You are then ready to enter spreadsheet journal entries. After entering the journal entries, you import them into Compass.

Guidelines on When to Use a Spreadsheet Upload

- Do not use the spreadsheet upload feature unless your journal entry is 20 lines or more.

Instructions on Using the Spreadsheet Upload

The Compass Reference Guide has complete instructions on using the spreadsheet feature. Open the General Ledger chapter and click the link for the Spreadsheet Journal Entries section. This section has four topics:

- Setting up and Updating Workbook Defaults

- Entering Spreadsheet Journal Entries

- Updating Spreadsheet Journal Entries

- Importing Online Journal Entries
### Notes

#### Locating a Journal Entry

You can search for a journal entry if you know the Journal ID or a partial Journal ID. You can also conduct your search using a reference ID or the source for the journal.

- Enter a Reference ID in the Journal ID field to narrow your search to journals starting with that ID. For example, “EXP” returns journals related to Expense Payments.

- Enter a value in the Source field to narrow your search to journals from that source. For example, “EX” returns journals related to Expenses.

#### Exercise: Locating a Journal Entry

Use the Compass Reference Guide as needed to complete the tasks listed below. (*Locating a Specific Journal Entry* in the *General Ledger* chapter.)

1. Locate a journal entry whose ID contains **123**.

2. Locate a **posted** journal entry for **EMUNV** whose ID contains **172**.

3. Conduct a search for journal entries using the journal reference ID for **AP Payments**.

4. Conduct a search for journal entries whose source is **Accounting Adjustments**.

#### Locating a Journal Entry by User Name

If you need to locate a journal entry, but don’t know the Journal ID, you can run the Journal Inquiry to create a list of all of the journals for a specific user for a specific period.

General Ledger > Review Financial Information > Journals

Enter: Business Unit, Ledger, Year, From Period, To Period, User

Click Search.

*A list of journal entries for the specified user displays.*
Notes

Additional JE Topics

Determining Whether a Journal Has Been Approved


- Click the Find an Existing Value tab.

- Search by Business Unit and Journal ID.

- Click the Workflow tab.

  *This is where you can validate that your journal has been approved.*

Correcting Journal Entry Errors

You can view the status for a specific journal entry on the Lines tab. If the status is E (Error), you must correct the error before you can continue processing.

Activity: Identifying Journal Entry Errors

Follow the instructions below to identify a journal entry error.

1. From the Compass main menu, use the following navigation path:

   General Ledger > Journals > Journal Entry > Create/Update Journal Entries

2. Enter EMUNV in the Business Unit field.

3. Change the search criteria for Journal Date to “between”. Enter the date range provided by your instructor.


5. Click Search and select a journal.

6. Click the Errors tab to determine the type of error.

Discuss the method you would use to correct the error.
Lesson 4: Daily, Weekly, and Monthly Tasks

Accounting Tasks

The chart below shows some recommended tasks for financial managers to perform on a daily, weekly, or monthly basis.

<table>
<thead>
<tr>
<th>General Ledger</th>
<th>Perform Daily</th>
<th>Perform Weekly</th>
<th>Perform Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Key Journal Entries.</td>
<td>Check ledger inquiry for department or project to review activity and confirm transaction validity.</td>
<td>Run the query EU_EXC/GL_WRKFLO_AGING to see if there are open journal entries that need to be pushed through. Call the next person in the approval line if needed.</td>
</tr>
<tr>
<td></td>
<td>Check approval inbox and process open items.</td>
<td></td>
<td>Check ledger inquiry for department or project to review activity and confirm transaction validity.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Run Ledger Inquiry to balance Labor Distribution Report in eBiz to salary information in Compass.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Verify that monthly allocations/recurring entries are occurring.</td>
<td></td>
</tr>
</tbody>
</table>
Challenge Exercise

Complete the following tasks:

1. There is a query in Compass that lists SmartKey combinations for specific Operating Units and Departments.
   - Search for and run this query.
   - Save the query to your desktop.

2. A $625.00 expense was incorrectly charged to the Domestic Travel account. Create a journal entry to correct this item.
   - Split the offset between two accounts: the Office Supply account and International Travel.
   - Either use the same SmartKey for each line or use different ones for the two offset lines.
   - Make sure each line references the correct debit or credit amount.

3. Save and edit the journal.

4. Print the journal so it can be viewed online.

5. Find the journal you just created. Use either the Journal Lookup page or the query that allows you to search based on User ID.