**GRANT REVENUE JOURNAL ENTRY PREPARATION**

1. Follow the procedures listed in UPDATING CONFORMANCE REPORTS. Upon completion prepare the grant revenue entry as follows:
2. Open the “Direct & Indirect” worksheet of the Conformance Report workbook.
3. Review the Indirect Column of the worksheet for the month in question to determine that all formulas are in place and accurate for the relevant grants.
   1. As each new grant is put into place it is added to the Conformance Report workbook and reviewed for indirect cost revenue applicability. The grant agreement and budget must be reviewed and the applicable indirect cost revenue percentage placed into Column C. N/A indicates no indirect cost revenue for the grant. C/S indicates that this grant has a cost share or match required. A highlighted percentage indicates a special calculation for indirect cost revenue for that grant. Otherwise the indirect cost revenue percentage is applied to total direct cost to determine the indirect cost revenue portion.
   2. If the indirect cost revenue requires a special calculation, proceed to the individual grant worksheet to set up the calculation. For example, the indirect cost revenue calculation relative to many grants is a percentage applied only to salaries and fringe rather than total direct cost. On the grant worksheet below the section of the Conformance Report that is sent to the PI, label a row “Indirect Cost Base.” In that row under each month’s expense column, place the formula that will sum all relevant cells to calculate the indirect cost base (example, all salary and fringe). Then link the cell that contains the indirect cost base to the “Direct & Indirect” worksheet in the relevant indirect cost revenue calculation cell for the month and the grant. Modify that link within the cell by multiplying the link times the percentage in Column C. Do this for each month of the fiscal year.
   3. The “Direct & Indirect” worksheet is summed by type of grant, that is, State, Federal, or Private, as well as Total.
4. The key to managing the grant accounts receivable aging and grant revenue entries is a correct and up-to-date “Direct & Indirect” worksheet. Each individual grant worksheet is linked to the “Direct & Indirect” worksheet thereby populating the “Direct & Indirect” worksheet with the direct and indirect costs for each grant for each month of the fiscal year. Then the “Direct & Indirect” worksheet is used to populate other important worksheets in the Conformance Report workbook by links from the “Direct & Indirect” worksheet to the other worksheets.
   1. As the individual grant worksheets are populated with direct costs from the GLTB, the links populate the “Direct & Indirect” worksheet to enable the grant accountant to calculate the monthly grant revenue entry.
   2. The “Direct Expense” worksheet is linked to the “Direct & Indirect” worksheet and is populated by the monthly direct total from the “Direct & Indirect” worksheet.
   3. The “Aging” worksheet is linked to the “Direct Expense” worksheet Column N thereby populating Column J (Direct Expenses) on the “Aging” worksheet. Column K on the “Aging” worksheet is populated by the Direct Revenue worksheet. (More on this later.) Column L on the “Aging” worksheet calculates the difference between Columns J and K. Column L on the “Aging” worksheet is then linked to Column H on the “Revenue JE” worksheet thus creating the direct revenue portion of the grant revenue entry.
   4. Column M (Indirect Expense) on the “Aging” worksheet is linked to and populated by the “Direct & Indirect” worksheet Column AE (Total Indirect Cumulative). The individual totals of State, Federal, and Private Indirect Cost Revenue from Column M of the “Aging” worksheet are linked to the “Revenue JE” worksheet Column H (State, Federal, and Private Overhead, respectively) thereby populating the “Revenue JE” worksheet with indirect cost revenue to be recorded. The Overhead figures on the “Revenue JE” worksheet are modified by subtracting the amount of overhead previously recorded for the year which can be obtained by generating a GLTB report for the Overhead revenue object codes (47003, 47004, 47005).
   5. The Accounts Receivable State, Federal, and Private amounts on the “Revenue JE” worksheet are sums of the direct and indirect amounts to balance the entry and record the accounts receivable from grants.
   6. On the “Revenue JE” worksheet clear the numbers under the Recording Purposes columns (these are the prior month numbers). Copy the numbers from the Reconciliation Purposes columns and Paste Special, Values, into the Recording Purposes columns. Correct the debits/credits in the Recording Purposes columns. Print the “Revenue JE” worksheet being sure to correct the heading to reflect the current month of entries. Print the “Direct/Indirect” worksheet showing the prior and current month Direct and Indirect columns as well as the Cumulative Columns.
   7. Follow the instructions for RUNNING AND UPDATING FRX REPORT.
   8. Take a few moments to verify that the direct revenue amounts on the “Revenue JE” are in agreement with the FRX Summary amounts. You can also verify that the correct amount of direct revenue is about to be posted by comparing the prior month of the “Direct/Indirect” worksheet to the amount on the prior month’s worksheet. Any difference is backpostings and that difference is added to the current month. This ensures that the cumulative amount of direct revenue is posted. Indirect can be verified in a similar manner. Please refer to one of my prior grant revenue entries and support to see the reconciliations.
   9. After posting the grant revenue entry into Datatel, enter the direct revenue recorded into the “Direct Revenue” worksheet of the Conformance Report. This step completes the Grant Revenue entry and sets up the Conformance Report workbook for next month’s entry.