



## **OP 61.01: ACCOUNT RECONCILIATION**

### **POLICY**

Every financial activity must be monitored to ensure that all revenues earned/collected by a department/unit were credited to the correct account and to ensure that expenditures were allowable, properly approved, and charged to the correct account. This policy sets general guidelines for departments/units to follow in developing account reconciliation procedures.

### **PROCEDURE**

Account reconciliation is a comparison of detailed information as contained within the university's financial system (such as Banner Monthly Ledger Reports FWREXEG & FWREXDP) to supporting documentation retained within the department/unit (for example, department/unit copies of cash receipt vouchers, purchase orders, and procurement card statements). The Controller and Treasurer's Office will generate and distribute a Monthly Activity Report that includes Banner fund and organization combinations that incurred activity for the most current month closed to posting activity.

- A. Each department/unit shall develop procedures for reconciliation of all departmental/unit accounts. Although departments/units may review their ongoing ledger activity on the university's accounting system and print the ledgers at any time, a formal reconciliation of the accounting records should be performed on a monthly basis and completed no later than one month from the date the Monthly Activity Report is distributed. In addition to ensuring the completeness, accuracy, and appropriateness of revenues and expenditures being reported, the reconciliation process should also include a comparison of actual revenues and expenditures to budget to ensure that overspending does not occur.

Each department/unit head is responsible for ensuring that adequate documentation is maintained to support the reconciliation process. Documentation should include the signatures of both a reconciler and a reviewer (the reconciler and reviewer should not be the same person). For non-sponsored funds, the reviewer is often the department/unit head; however, review responsibilities may be delegated by the department/unit head to a designee with sufficient knowledge of the fund. Principal investigators should always review their own account reconciliations. Signature lines for the reconciler and reviewer are provided on the summary page of Banner Monthly Ledger Reports FWREXEG & FWREXDP.

- B. Each department/unit is responsible for ensuring that individual funds do not develop a deficit balance. Exceptions are allowable for certain reasons such as cost reimbursable projects, revenue timing differences, etc. Fund balances should be monitored by department heads/directors, deans, and vice presidents.

- C. Account reconciliations, including evidence of review and approval by the appropriate person, shall be maintained at the department/unit and made available to internal or external auditors upon request. Monthly account reconciliations are to be retained for a minimum of three years beyond the current fiscal year unless a longer retention term is required by the funding agency for that fund.
- D. The oversight and control value of account reconciliation is greatly enhanced when performed by an employee who is independent of the processing of cash receipts/revenue and expenditure transactions. Therefore, it is recommended that the duties of account reconciliation be separated, if possible, from the duties of processing cash receipts/revenues and expenditures.
- E. The Controller and Treasurer's Office will compile a Fund Balance Monitoring Report annually and forward to the appropriate fiscal officer. If any fund is identified as having a deficit balance, a formal written plan to address the deficit within a reasonable time period should be provided to the Controller and Treasurer's Office. This documentation will be forwarded to the Office of the Vice President for Finance and Administration for possible follow-up action.

### **REVIEW**

The Vice President for Finance and Administration is responsible for the review of this operating policy every four years or as needed.

**REVIEWED BY:**

/s/ Kevin Edelblute 04/20/2026  
Associate Vice President for Finance Date

/s/ Les Potts 04/20/2026  
Vice President for Finance & Administration Date

/s/ Joan Lucas 05/04/2026  
General Counsel Date

/s/ Tracey N. Baham 04/29/2026  
Associate Vice President, Institutional Strategy & Effectiveness Date

**APPROVED BY:**

/s/ Mark E. Keenum 06/22/2026  
President Date