

ACCOUNT RECONCILIATION POLICY AND PROCEDURE

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 provide to each budget unit a list of 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 periodically, preferably on a monthly basis. 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). The reviewer is normally the department/unit head; however, review responsibilities may be delegated by the department/unit head to a designee such as a business manager. Principal investigators should always review their own account reconciliations. Reconciler and reviewer signature lines are provided on the summary page of Banner Monthly Ledger Reports FWREXEG & FWREXDP.

- B. 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. Periodic/monthly account reconciliations are to be retained for a minimum of one year. Fiscal year-end reconciliations are to be maintained for a minimum of three years beyond the current fiscal year.

- C. 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 recommend that the

duties of account reconciliation be separated, if possible, from the duties of processing cash receipts/revenues and expenditures.

REVIEW

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

RECOMMENDED BY:

/s/ Kevin Edelblute
Kevin Edelblute
Controller and Treasurer

04/05/2012
Date

/s/ Wayne Bland
Wayne Bland
Associate Vice President for Budget & Planning

04/05/2012
Date

/s/ Don Zant
Don Zant
Vice President for Budget and Planning

04/11/2012
Date

/s/ Lesia Bryant
Lesia Bryant
Director of Internal Audit

04/19/2012
Date

/s/ Joan Lucas
Joan Lucas
General Counsel

04/26/2012
Date

APPROVED BY:

/s/ Mark Keenum
Mark Keenum
President

04/30/2012
Date

THIS POLICY HAS BEEN SUPERSEDED