

RECONCILING ACCOUNTS

Why is reconciling important?

Reconciliation is an important part of cash control procedures. It is the only way you can be assured there are no errors or irregularities; it is the only way you can verify what is in your department budget, your faculty development budget as well as your lab fees budget.

What is reconciliation?

Reconciliation is the process by which you take your department/school balance and match it to the balance on your statement of operations.

Reconciliation is a two pronged process:

1. Reviewing the things you have recorded in your departmental/school books but that have not cleared the transaction register (such as outstanding Small Order Forms, Purchase Requisitions, Budget Transfer Requests, etc.), and
2. Reviewing the things that have cleared the transaction register but that have not been recorded in your departmental books (Plant Service Requests, Long-Distance charges, etc.)

Department/school books will likely never agree with the balance shown on the statement of operations because of the delay in checks and deposits clearing PeopleSoft, automatic charges and credits you haven't recorded, and errors that may have been made.

Goals to accomplish when you reconcile:

- Verify that all transactions belong to your department/school
- Verify what is available in your department/school budget

Preparing reconciliation:

1. The Department/School Secretaries will be responsible for reconciling the Department/ School Operational Budget. The Budget Manager will provide any necessary training. The PIs are responsible for any Grants in their name. The Budget Manager will provide any necessary training. The Budget Manager reconciles the Tech Fee Budget, as well as, the Faculty Development Budget.
2. When the month closes, run a transaction register and a statement of operations
3. Using the transaction register, compare the current month's activity to your outstanding Small Order Forms, Purchase Requisitions, Journal Entries, Budget Transfer Requests, etc. Note all differences in the dollar amounts. Items that have not cleared remain outstanding for the following month. Items that are outstanding for two consecutive months are issues that require additional follow-up for resolution.

4. Review items on the transaction register that you were not previously aware of. Confirm with Accounts Payable and/or Purchasing if necessary that these charges belong to your department.
5. File all backup documentation for items that have hit the statement of activity. Keep outstanding items in a separate file.
6. Using the statement of operations, review budgets to ensure that are sufficient. If necessary, forward a Budget Transfer Request to the Dean's Office for processing. This should be done monthly for all accounts between 0300 and 0999.