

Department Reconciliation Training



University Controller's Office
General Accounting

Objective

- Reconciliation Requirements
- Finance Reconciliation Reports
 - Snapshot by Organization
 - Transaction Detail Report
- Additional Reconciliations

Reconciliation Requirements

- Compliance with Policy 3100: Fiscal Responsibility
 - <http://www.policies.vt.edu/3100.html>
 - **This policy states that “managers shall perform monthly reviews of financial transactions . . . a procedure must be in place to ensure the monthly reports received from the finance system reflect all items the manager authorized for payment, that no inappropriate expenditures exist and that revenues collected for the operation have been deposited (if applicable).”**

Reconciliation Requirements

- Complete reviews soon after the close of each month.
- Complete corrections within 60 days of the original posting.
- Document the review by certifications signed by the person who performed the reconciliation as well as by the manager responsible for the final review of the funds.

Separation of Duties

The person who approves transactions on funds (normally the department head) should not be the same person who is initiating the transactions and reconciling the funds for independence considerations.

Reconciliation Reports

- **Snapshot by Organization**
 - At a minimum, the Snapshot by Organization web report must be run monthly.
 - This report provides a summary listing of activity for all departmental funds that should be reconciled each month.
 - This report also provides a certification statement for the reconciler and the department head to sign.

Snapshot by Organization

FIN_SNAP_BY_ORGN (V4)

Virginia Tech - Warehouse PROD
Banner Finance System: Snapshot by Organization
Fiscal Year 2002 thru the period ended 30-JUN-2002

18-JUN-2004 15:39:36

Sr Management: S99 Central - University Funds
Management: M993 Central - Univ. Controller
Department: 0525 Central Insurance Accounts
Expenditures
Budget Avail. Fund: 1000 208 E & G Operating Funds

Fund Code	Description	Manager Name	Budgets		Actual Expenditures to Date		Commitments	Balance Available	Percent Used
			Adopted	Revised	Current	Fiscal Year			
121714	Work Comp Premium		2,396,383.00	996,383.00	1,900,000.00	2,520,184.00	0.00	(1,523,801.00)	252.93
121828	Insurance Settlement		250,000.00	295,000.00	24,340.11	295,000.00	0.00	0.00	100.00
121836	Insurance - Auto		38,482.00	38,482.00	0.00	26,439.45	0.00	12,042.55	68.71
121837	Rental Accidents		1,000.00	1,000.00	0.00	442.55	0.00	557.45	44.26
121838	Ins-Property-Casulty		589,499.00	544,499.00	(903.50)	524,075.00	0.00	20,424.00	96.25
Total 1000 208 E & G Operating Funds			3,275,364.00	1,875,364.00	1,923,436.61	3,366,141.00	0.00	(1,490,777.00)	179.49

Snapshot by Organization

FIN_SNAP_BY_ORGN (V4)

Virginia Tech - Warehouse PROD
Banner Finance System: Snapshot by Organization
Fiscal Year 2002 thru the period ended 30-JUN-2002

18-JUN-2004 15:39:36

Sr Management: S99 Central - University Funds
Management: M993 Central - Univ. Controller
Department: 0525 Central Insurance Accounts
Expenditures
Budget Avail. Fund: None

Fund Code	Description	Manager Name	Budgets		Actual Expenditures to Date		Commitments	Balance	
			Adopted	Revised	Current	Fiscal Year		Available	Percent Used
121835	Aux Insurance Rec		(325,192.00)	(325,192.00)	(27,099.32)	(358,440.78)	0.00	33,248.78	110.22
123836	Aux Wkr Comp Rec		(311,290.00)	(311,290.00)	(25,940.75)	(311,289.00)	0.00	(1.00)	100.00
124090	229 Insurance Recov		(101,909.00)	(101,909.00)	(8,492.42)	(101,909.04)	0.00	0.04	100.00
124094	229 Wkr Comp Refund		(763,727.00)	(763,727.00)	(63,643.92)	(763,727.04)	0.00	0.04	100.00
Total None			(1,502,118.00)	(1,502,118.00)	(125,176.41)	(1,535,365.86)	0.00	33,247.86	102.21
Total Expenditures			1,773,246.00	373,246.00	1,798,260.20	1,830,775.14	0.00	(1,457,529.14)	490.50

Snapshot by Organization

Based on my review or a review completed by my staff, I certify that the detailed expenditure transactions that support the activity summarized above are properly recorded on the monthly statements. The monthly reports reflect all items authorized for payment, no inappropriate expenditures exist, and (if applicable) the revenues collected by the department(s) have been deposited and the deposits have been reconciled to the monthly statements by a staff member other than the one making the deposits. All reconciliations have been signed and dated by the preparer.

Department(s) Reviewed _____

Preparer Signature _____ Date _____

Department Head Signature _____ Date _____

(Retain this printout and certification in the department files for 3 years.)

Snapshot by Organization

This report and certification statement must be retained in the department's files for 3 years.

Reconciliation Reports

- Transaction Detail Report
 - It is recommended that the Transaction Detail Report be run for each fund on the Snapshot by Organization report.

Transaction Detail Report

FIN_TRANS_DETAIL_OL (V6)

Virginia Tech - Warehouse PROD
Banner Finance System: Transactions Month to Date
Fiscal Year 2001 for the period(s) ended 30-JUN-2001

18-JUN-2004 15:41:11

Department: 0525 Central Insurance Accounts
Organization: 052540 Insurance-Motor Vehicles
Fund: 121836 Insurance - Auto

Acc-	Transaction		Rule	Document	Reference	Encumb	Budget	Revenue or			Activity
ount	Date	Description	Code	ID	ID	ID	Entries	Expenditures	Commitments	User ID	Date
15120	061301	00-01 COMP/COLLISION FOR 3 TRUCKS	JE9	J0097450	J0094041		0.00	(90.37)	0.00	HAMBLIN	061301
15120	061501	LONDON & NORFOLK - INV 9394	JE9	J0097880	I0352067		0.00	43.00	0.00	HAMBLIN	061501
15120	061501	LONDON & NORFOLK - INV 9395	JE9	J0097880	I0352066		0.00	96.00	0.00	HAMBLIN	061501
15120	061501	LONDON & NORFOLK - INV 9396	JE9	J0097880	I0352068		0.00	40.00	0.00	HAMBLIN	061501
Total 15120 Automobile Liability Insurance							0.00	88.63	0.00		
Total 121836 Insurance - Auto							0.00	88.63	0.00		
Total 052540 Insurance-Motor Vehicles							0.00	88.63	0.00		
Total 0525 Central Insurance Accounts							0.00	88.63	0.00		
Grand Total							0.00	88.63	0.00		

Transaction Detail Report

- Review the transactions
 - Verify that transactions were properly initiated and authorized.
 - Verify that transactions were initiated and posted in a reasonable period.
 - Review all transactions for accuracy and agree amounts back to the department's originating documentation (invoice, journal voucher, etc.).
 - Scan for unusual amounts or vendors.

Transaction Detail Report

- Review the transactions
 - For those transactions for which you have no documentation, contact the Controller's Office for supporting documentation.
 - Refer to the Departmental Business Management Guide for more guidance on CNS charges, AMEX transactions and Budget & Encumbrance transactions.

Transaction Detail Report

- Salary Funds

- At a minimum, salary fund transactions should be reviewed for reasonableness.
- Be familiar with the names of people who are being charged to each fund.
- Follow up on any unusual names or amounts by first reviewing with the person in your department who is responsible for payroll. Contact the Payroll Office if further information or clarification is needed.

Transaction Detail Report

- Reconciling items
 - Document those items that do not agree to your originating documents and follow up with the proper personnel in order to resolve the item within 60 days of identification.
 - Use tick marks or highlight items that are reconciling items. This shows evidence of reconciliation.
 - Initial the transaction report after your review is complete.

Reconciliation Summary

- Monthly run the Snapshot by Organization and Transaction Detail Reports.
- Review all transactions for reasonableness.
- Certify completion by initialing or signing the Transaction Detail Reports and signing the Snapshot by Organization reports.
- Retain reconciliations for 3 years.

Additional Reconciliations

- **Cash Receipts reconciliation** (if applicable)
 - Varies by type of activity and frequency of occurrence.
 - Should be completed monthly.
 - Refer to the Bursar's website at <http://www.bursar.vt.edu/fs/funds.shtml> for the proper cash receipts handling for your department.

Additional Reconciliations

- **Accounts Receivable reconciliation** (if applicable)
 - Varies depending on type of activity and frequency of occurrence.
 - Should be performed monthly.
 - Refer to the Bursar's website at <http://www.bursar.vt.edu/misc/arprocedures.shtml> for the proper procedures for your department.

Additional Guidance

- Departmental Business Management Guide
 - Available at <http://www.co.vt.edu/> (click link in the left column).
 - Enter PID and password to access the guide (uses the same PID and password as Leave Reporting).

Contact Information

- Additional Training opportunities on Scholar
- Additional Training opportunities including Finance Web Reporting
 - Contact Lora Sellors
- Questions or concerns,
 - Contact Stacy King at kings@vt.edu (1-8624)
 - Contact Carla Linkous at linkousc@vt.edu (1-3381)