

## Reconciliation Procedures

A reconciliation is the process of comparing one set of records with another set of records. To ensure reasonableness and accuracy of data provided through an interface between a third-party system and the University's financial system or between modules/sub-modules of the University's financial system, a periodic reconciliation of the third-party system or module/sub-module to the general ledger balance is required as noted in the following sections.

Only departments meeting the criteria in this procedure document are required to perform these reconciliations.

### Payroll Systems

A reconciliation is required to ensure that accounting data in the Human Resources/Payroll System agrees or reconciles to the cumulative balances maintained in the general ledger. This should include all salaries, benefits, and payroll deduction transactions which are recorded as expenses in the general ledger.

**Frequency:** Monthly, at a minimum

**Responsible Unit:** Payroll Department.

**Reconciliation Documentations:** Documentation confirming these reconciliations should be maintained by the Payroll Department for three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

**Other Responsibilities:**

- 1) Reconcilers are responsible for tracking reconciling items to their conclusion and reviewers should confirm this follow through. As reconcilers or reviewers identify errors or omissions, they will take appropriate action to record adjustments/corrections prior to the next month end (June 30<sup>th</sup> if discovered in June).
- 2) Care should be exercised that balances in payroll deduction agency funds do not become debit balances as a result of disbursing an amount greater than the amount of deductions taken in the payroll system. Prior to each fiscal year end, an analysis must be performed to confirm a zero balance in these agency funds or that appropriate action(s) are taken to correct the debit balance.

### Student Information Systems

A reconciliation is required to ensure that accounting data in the student information system agrees to the cumulative balances maintained in the general ledger. This should include all accounts receivable balances, all scholarship disbursements, student account payments, refund transactions, and all related clearing accounts.

**Frequency:** Student system data feeds should be reconciled daily but are required no less than weekly. The TGRRECON report (Banner report) must be reconciled at least monthly, as it provides the detailed activity of accounts receivable supporting the general ledger.

**Responsible Unit:** Student Account Services

**Reconciliation Documentation:** Documentation confirming these reconciliations should be maintained by Student Account Services for three (3) years and include all relevant supporting

documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

### **Bank Accounts/Investment Accounts**

A monthly reconciliation is required to ensure that cash and investment balances per the general ledger agree or reconcile to statements provided by the financial institution(s).

**Frequency:** This reconciliation should be completed within thirty (30) days of receiving the statement(s). In all cases, the reconciliation must be completed before the closing of the next accounting month (or prior to June 30<sup>th</sup> if June).

**Responsible Unit:** The Controller will maintain a list of the preparer's and reviewer's responsible for bank and investment account reconciliations; the Controller will review this list for appropriateness on an annual basis and make adjustments as necessary.

**Reconciliation Documentation:** Each reconciliation must include evidence of the preparer and date prepared, reviewer and date reviewed. Reviews must be completed by the preparer's supervisor or higher-level manager with requisite authority and responsibility and must be performed within forty-five (45) days of performing the reconciliation. Documentation confirming these reconciliations should be maintained by the responsible department for three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

#### **Other Responsibilities:**

- 1) A review of outstanding checks must be accomplished during each reconciliation process. Checks that have not cleared within the time limit printed on the face of the check, normally ninety (90) days, should be considered potential "unclaimed property." The payee of the outstanding check should be contacted in writing to facilitate delivery of the amount owed. To comply with state law, the write-off of old outstanding checks should not be made to a net asset account for "surplus" for return to the State Treasurer but must be done via the Unclaimed Property Report so that the State of Georgia has a centralized pool of information about unclaimed property from all sources.

### **Accounts Payable**

A reconciliation of the Accounts Payable sub-ledger (detail) to the general ledger is required to ensure that accounting data in the sub-ledger agrees to the corresponding balance(s) in the general ledger.

**Frequency:** A monthly reconciliation is required.

**Responsible Unit:** Accounts Payable

**Reconciliation Documentation:** Documentation confirming these reconciliations should be maintained by Accounts Payable for three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

### **Accounts Receivable**

A reconciliation of the Accounts Receivable sub-ledger (detail) to the general ledger is required to ensure that accounting data in the sub-ledger agrees to the corresponding balance(s) in the general ledger.

**Frequency:** A monthly reconciliation is required.

**Responsible Unit:** Accounts Receivable

**Reconciliation Documentation:** Documentation confirming these reconciliations should be maintained by Accounts Receivable for at least three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

### **Capital Assets**

A reconciliation the Capital Assets sub-ledger (detail to the general ledger is required to ensure that accounting data in the sub-ledger(s) agrees to the corresponding balance(s) in the general ledger.

**Frequency:** A monthly reconciliation is required.

**Responsible Units: Asset Management and Accounting**

**Reconciliation Documentation:** Documentation confirming these reconciliations should be maintained in the institution's files for three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

**Other Responsibilities:**

- 1) Both the Asset Management module to the Capital Ledger, as well as the Capital Ledger to the Actuals Ledger.
- 2) In addition, capital outlay expenses must be reconciled to additions to the Capital Asset sub-ledger. This should be done in conjunction with reviewing repairs and maintenance expense accounts for omissions to the Capital Asset sub-ledger.

### **Other University or Third-Party Systems**

University departments responsible for a third-party application(s) or system(s) with integrations to the University's financial system or any sub-module or other system that interfaces with the University's financial system are required to perform a reconciliation between the activity generated by that system and the general ledger.

Some examples of third-party systems include: AiM, Campus Mail, Bulldog Print + Design, and various Auxiliary Enterprise systems. Third-party systems are used to record initial business transactions that are then grouped/batched and processed to record general ledger journals or associated data feeds that impact ledger balances on a daily or other periodic basis.

**Frequency:** Reconciliations should be performed at least monthly. Depending on the volume of activity, many departments will find a daily or weekly reconciliation to be more beneficial for determining that account balances are being accurately processed and reported in the general ledger.

**Responsible Unit:** School/College/Unit responsible for the third-party system

**Reconciliation Documentation:** Documentation confirming these reconciliations should be maintained in the responsible department's files for three (3) years and include all relevant supporting documentation, including evidence of the individual who prepared or reviewed the reconciliation and the dates of those actions.

Any school/college/unit/department who maintains a "shadow" accounting system to book financial transactions, create reports for decision making, and which functions as a duplicate of the University's financial systems of record, is required to meet these requirements to ensure those duplicate systems reconcile the University's official general ledger records. Spreadsheets to track budgets for planning

purposes, perform analysis, or to track pending transactions are not considered “shadow” accounting systems.