Account Reconciliation: Updates (Summer 2018)
Agenda

- Account Reconciliation Policies & Procedures
- Why should we reconcile?
- Salary Review (A1000, A2000, A2100)
- Wages Review (A1200)
- Operating Expenses Review (A4000)
- Paper vs Electronic Reconciliations
- New functionality in Budget Overview page
- Account Recon Reminders
Policies and Procedures

• **The University of Texas System**
  – “Certification of Financial Responsibility” done in Oct

• **The University of Texas at El Paso**
  – Handbook of Operating Procedures (HOP); Section VII, Financial Services, Chapter 5
    • Link: [https://admin.utep.edu/Default.aspx?alias=admin.utep.edu/hoop](https://admin.utep.edu/Default.aspx?alias=admin.utep.edu/hoop)
  – VPBA: Business Process Guidelines:
    • Budget and Financial Accounting> Account Review
    • Link: [https://admin.utep.edu/Default.aspx?tabid=73981](https://admin.utep.edu/Default.aspx?tabid=73981)
Reasons we Reconcile

• **Salaries (A1000,A2000,A2100) Accounts**
  – Verify employees are paid from correct account/amount
  – Detect errors and/or fraud in a timely manner

• **Wages (A1200) Account**
  – Verify students processed from correct account

• **Operating Expenses (A4000)**
  – Supporting documents with correct information
  – Documents entered with correct accounts
  – Journals posting to correct accounts
Salary Review (A1000, A2000, A2100)

1) Run Acct Recon Reports from the prior month.
2) Compare Salary Balances on the “Summary Report” from PRIOR to CURRENT month.
3) Identify if there are any significant salary differences
   a) If “No” significant differences
      ➢ Attach “Summary Page” of prior month to current recon
   b) If “Yes” significant differences
      ➢ CONTINUE with reconciliation using the “Detail Reports” from prior to current month to identify discrepancies
4) Attach supporting documentation for discrepancies
   ❖ HRAC, SAR, Appointment Action Request Forms, Additional Pay Requests, Separation/Retirement forms...
Salary Recon (Step 1)

Run Acct Recon Reports from prior & current month
Salary Recon (Step 2)

- Compare Salary balances on Summary Reports: (A1000, A2000, A2100)
Salary Recon (Step 3a)

➢ If “NO” significant salary differences

1) Include copy of “Summary Reports” for current and prior month
2) You have completed reconciliation of the Salary accounts

### Summary Financial Report

**Business Unit:** UTEP1  
**Cost Center:** 14021600 - PEOPLESOFT  
**For the period (From) JAN 2018 - (To) JAN 2018**

<table>
<thead>
<tr>
<th>COST CENTER EXPENSES</th>
<th>JAN 2018 - JAN 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Center</td>
<td>Cost Center Descr</td>
</tr>
<tr>
<td>14021600</td>
<td>PEOPLESOFT</td>
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<tr>
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### Summary Financial Report

**Business Unit:** UTEP1  
**Cost Center:** 14021600 - PEOPLESOFT  
**For the period (From) DEC 2017 - (To) DEC 2017**

<table>
<thead>
<tr>
<th>COST CENTER EXPENSES</th>
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</table>
**Salary Recon (Step 3b)**

- If “YES” significant salary differences
  1. Run account recon “Detail Reports” for current and prior months
  2. Reconcile by names and amounts and identify variances

### Detail Financial Report

Cost Center: 14021600 - PEOPLESOF T VPBA  
For the period (From) JAN 2018 - (To) JAN 2018

Account: A1000 Staff Salaries  
Expense/Revenue Total: $25,533.91

<table>
<thead>
<tr>
<th>Cost Center</th>
<th>Acctg Date</th>
<th>Vendor Descr/Employee Name</th>
<th>Acct Desc</th>
<th>Enc</th>
<th>Exp/Rev</th>
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<tbody>
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<td>60000001 - Wayne Bruce</td>
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<td>SW Admin</td>
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<td>SW Admin</td>
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</table>

### Detail Financial Report

Cost Center: 14021600 - PEOPLESOF T VPBA  
For the period (From) DEC 2017 - (To) DEC 2017

Account: A1000 Staff Salaries  
Expense/Revenue Total: $25,712.48

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<td>60000005 - Parker, Peter</td>
<td>SW Admin</td>
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Salary Recon (Step 4)

- Attach supporting documentation for all salary discrepancies
  - **For Example:**
    - Separation/Retirement
    - Appointment Action Request
    - Additional Pay
    - HRAC, SAR

- Use the **Job Data & DBT** pages in PeopleSoft to research salaries
  - **Job Data:** Workforce Administration>Job Information>Job Data
  - **DBT:** Set Up HRMS>Product Related>Commitment Accounting>Budget Information>Department Budget Table USA
Wages Review (A1200)

1) Attach a copy of Student Time Sheets
   - Signatures and dates are required for employee, supervisor, budget authority

2) Validate PeopleSoft Timesheets
   - Verify total hours match the Student Time Sheets
   - Calculate pay (Hours x Hrly Rate)

3) Validate wages amount for each employee on the Reconciliation Report for “Wages”
Operating Expense Review (A4000)

• **Travel and Employee Reimbursements**
  – Include all expense reports and supporting documentation including mileage reports, receipts, hotel invoice, etc...

• **Vouchers (PO & Non-PO)**
  – Include all invoices for Miner Mall and Non-PO vouchers

• **Journal Entries**
  – Include all supporting documentation for Service Center (SC028), Banner (UTZ), and screen shots of the PeopleSoft header page for all other Journal entries
    • Please use the special queries developed for Service Center and Banner transactions. These provide detailed information.
## Recon Supporting Documentation

<table>
<thead>
<tr>
<th>Review Type</th>
<th>Supporting Documentation</th>
</tr>
</thead>
</table>
| **Salaries (reoccurring transactions):**  
* A1000, A2000, A2100 | • Verify names of employees, employee status, amounts paid  
• HR Separation/Retirement Form  
• Funding source changes |
| **Salaries (new transactions):**  
* A1000, A2000, A2100 | • Appointment Actions Request Form  
• HRAC form with supporting documentation  
• Additional Pay Request  
• Supplemental Authorization Request (SAR) |
| **Fringe Benefits:**  
* A3000 | • No supporting documents required  
• Verify that there is little fluctuation month to month  
• Notify Budget Office of any discrepancies |
| **Wages:**  
* A1200 | • Daily Time Record (with hours worked)  
• Calculate pay amount (Hours x Pay Rate)  
• Validate wages amount for each employee |
| **Operating Expenses:**  
* A4000 | • Copies of Purchase Requisitions & Purchase Orders  
• Invoices for both PO and Non-PO Vouchers  
• IDT’s and associated purchase requisitions  
• Pro Card Transaction Logs (note: keep receipts separate)  
• Expense Reports with attachments or supporting documentation |
Paper vs Electronic Reconciliations

– **Paper Reconciliations**
  • Create monthly **paper recon packets** and retained for a period of one fiscal year within the department.
    – **Summary Page** with signatures/dates for reconciler & signature authority
    – **Detail Pages** for: 1) Salaries, 2) Wages, 3) Operating Expenses
    – Include supporting documentation all accounts including Salary & Wages

– **Electronic Reconciliations**
  • Create monthly electronic **PDF recon packets** (in server/shared drive) by account to include the following:
    – **Summary Page** with signatures/dates for reconciler & signature authority
    – **Detail Pages** for: 1) Salaries, 2) Wages, 3) Operating Expenses
    – Include supporting documentation all accounts including Salary & Wages
    – Include IAP’s and Miner Mall docs to provide evidence
New Budget Overview
Encumbrance Functionality

1. Navigate to the **Budgets Overview** page.
2. Under the “Encumbrance” column look for the A4000 (Operating Expense) row.
3. Click the hyperlinked amount under the A4000 encumbrance column to go to the activity log page.
1. Go to the **Budgets Overview** pages
2. Drill down and navigate to the “**Activity Log**” page of the Budgets Overview
3. Click the “**Display open encumbrances only**” check box to **only** pull transactions with open encumbrances on the account
4. Click the icon to export transactions to an Excel file for review.
Open Encumbrance Excel Extract

1. Review transactions with open encumbrance balances

2. Open Encumbrance examples:
   - **Orange**: Travel Auths still open and pending
   - **Green**: Purchase Order (Copier) still pending
   - **Purple**: Purchase Order (Misc PO) still pending
   - **Blue**: Journals for cell phone allowance

PeopleSoft Tip
- Create Help Desk tickets for assistance reviewing and clearing encumbrances for any travel authorizations or purchase orders
Account Recon Reminders

1. Reconciliations should be done on a monthly basis
2. Emails sent out to the signature authority each October for the annual “Certification of Financial Responsibility”
3. Reconciliations must be signed and dated by the reconciler and the signature authority
4. Timesheets need to be signed and dated by the employee, supervisor, and the budget authority
5. Additional queries are available for Banner (UTZ) and IDT (SC028) transactions.
6. Reconciliations should include invoices Miner Mall & Non-PO Vouchers.

7. Reconciliations should now include a detailed review of the Salary & Wage accounts and provide detail documentation backup.

8. Create a monthly reconciliation (paper or PDF) packet that includes:
   - **Summary Page**: signatures & dates by reconciler & signature auth
   - **Detail Pages**: Salary, Wages, Operating Expenses
   - **All supporting documentation** for salaries, wages & operating expenses

9. Account Reconciliation training classes and Account Reconciliation Work sessions are scheduled two times per month and available on the PeopleSoft calendar.

10. Per University policy, discrepancies should be cleared within 60 days.
Thank You