

# Account Reconciliation

Basic Steps

UT System Administration

November 2009

# Basic Steps in the Process

**STEP 1** -Print Statement(s) of Account.

**STEP 2** -Gather documentation and supplies.

**STEP 3** -Verify that prior month's ending balance agrees with current month's beginning balance on the Statement of Account.

**STEP 4** -Verify that prior month errors have been corrected.

**STEP 5** -Compare supporting documentation to Statement of Account and document discrepancies and resolutions.

**STEP 6** -Show evidence of reconciliation.

**STEP 7** -Prepare Summary of Reconciliation.

**STEP 8** -Obtain approval from department head.

# 1 Print Statement(s) of Account (SOA)

- Use the DEFINE IF5 command.
- Input the requested information
- The SOA will print and be delivered the next business day.

```
*DEFINE          PRINT MONTHLY STATEMENT OF ACCOUNT - IF5          Year: 04 05
Command: IF5    Account: _____ Misc: _____          Month: SEP
=====
                          Statement of Account Print Job

View: _____ (Administrative: _ OR Inquiry: _ )
                  (current view: UT12012 )

Unit Code: _____

Fund/Budget/Account Group Range
Begin: _____
End: _____

Accting Copy: _
Dept Copy: X

Report will be submitted for   Month: 08_ Year: 03 04

-- 9 UT System ----- PF1=Options ----- PF8=Exit ----- 9/14/04 03:49 PM --
```

**NOTE:** SOAs are not available until close of the month which occurs on the 5<sup>th</sup> working day of the month.

# 1

## Sample Statement of Account

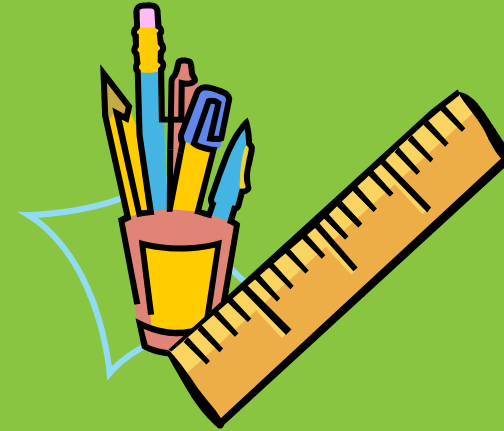
ACCOUNT NUMBER AND TITLE: 54-0243-0166 SELF INSURANCE - VISION PLAN SUPERIOR VISION P2700 SYS-EMPLOYEE GROUP INSURANCE -- JANCHA, KIMBERLY C										
THE UNIVERSITY OF TEXAS AT AUSTIN OFFICE OF ACCOUNTING STATEMENT OF ACCOUNT 09-30-03										
YEAR 2003-04 SHEET NO. 1 ORIGINAL -- OFFICE OF ACCOUNTING IF5 10/08/03										
NAME OR DESCRIPTION	P.O. NO.	VOUCHER NO.	DATE	OBJ. CLASS	BALANCE FWD	TRANS & ADJ	ORIG BUDGET	EXPI/INC	ENC/INV	FREE BALANCE
54-0243-0166 BEGINNING BALANCES					.00	.00	.00	.00	.00	.00
SET-UP BUDGET		J250045	090103	9020			4,920,000.00			4,920,000.00
SET-UP BUDGET		J250045	090103	9153		4,920,000.00				9,840,000.00
SET-UP BUDGET		J250045	090103	9199		4,920,000.00-				4,920,000.00
SUPERIOR VISION PREM 9-		J285852	092603	1579				409,151.74-		4,510,848.26
TOTAL TRANSACTIONS:	4			ENDING BALANCES:	.00	.00	4,920,000.00	409,151.74-	.00	4,510,848.26
* * *										
OBJECT CLASS ANALYSIS										
			OBJ. CLASS		MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	YEAR-TO-DATE
PREMIUMS-INS			DI/DI 1579					409,151.74-		409,151.74-
ORIG BUDGET			BD/BD 9020			4,920,000.00	4,920,000.00			4,920,000.00
BUD-OTHER OP			BA/BA 9153			4,920,000.00				4,920,000.00
BUD ADJ OFF			BA/BA 9199			4,920,000.00-				4,920,000.00-
			OBJECT CLASS TOTALS:		.00	.00	4,920,000.00	409,151.74-	.00	4,510,848.26

04/03

# 2

## Gather Documentation and Supplies

- ☀ Pencil and/or pen
- ☀ Straight edge
- ☀ Support (paper copies)
- ☀ Access to Accounting & Purchasing Services (APS) Library on FileNet
- ☀ Previous month's reconciliation



# 3

## Verify Statement of Accounts Balances Agree

Does prior month's ending balance equal the current month's beginning balance?

***If the balances agree, go to next step.***

***If balances do not agree,***

- Use the DEFINE GT1 command.
- Find the transaction(s) causing the discrepancy. Additional transactions may have been posted after prior month SOA was printed.

# 4

## Verify Previous Errors were Corrected

*If all transactions noted as errors, problems or exceptions have been corrected, go to next step.*

*If corrections have not been made, follow up with the individual responsible for correcting the error.*

**Document** all actions taken in your follow up.

For example, if you contact the individual by email, keep a copy of the email with the reconciliation documentation.

# 5 Compare documentation to Statement of Account

This step contains multiple criteria that must be met in order for the comparison to be complete.

**For each transaction on the SOA:**

- A Is there support?**
- B Does the amount AND vendor on the SOA agree to the support?**
- C Was the transaction approved by the department head or individual with delegated signature authority?**
- D Document discrepancies and resolutions.**

# 5a

## Documentation for the Transaction?

*If documentation is available for the transaction, go to next step.*

*If not, locate missing documentation by finding the source of the transaction using the following resources:*

- Consult with department sources.
- Look up the voucher number using the DEFINE GT2 command. Find out who created the voucher:
  - If created by APS,
    - Use Voucher # or DOC ID to access documentation in FileNet, or
    - Call APS for more information
  - If created by a U. T. Austin employee, contact the employee directly for information.

# 5a

## Look up Voucher Information in DEFINE

- Use the DEFINE GT2 command
- Type in voucher number from the SOA in the MISC space at the top of the screen

```
*DEFINE          TRANSACTIONS BY VOUCHER - GT2          Year 03 04
Command: GT2    Account: _____ Misc: L894154      Month: AUG
=====
Rec-Date Voucher Description          Obj AC/RT          Transaction Status: C
Document-ID DTN      P.O.Number Chk.Nbr T-Code Prc-Date  Amount S
-----
- 06/04/04 L894154 AT&T CORP          1780 EX DI          16.11- C
  QVVP2946007 0408890          5608415 0800 06/04/04 54-0224-0150
```

```
>> This is page 1 of back pages. ENTER --> Forward | PF4 <-- Backward <<
*DEFINE          TRANSACTIONS BY ACCT/DATE - DIRECT ONLY - GT1  Year 03 04
Command: _____ Account: _____ Misc: _____      Month: SEP
=====
VCAD For detail information on a transaction or to see or print the document ENTER a character in the transaction selection space below.
Rec-Date Voucher Description          Obj AC/RT          Amount S
Document-ID DTN      P.O.Number Chk.Nbr T-Code Prc-Date  Account
-----
- 1/72 Q0          216.41- C
? 1/72 Q0          349.00- C
  01/72 Q0          158.80- C
  01/72 Q0          5,000.00- C
  01/72 Q0          13,666.79- C
  01/72 Q0          594.88 C
  01/72 Q0          195.00- C
  OTHER Display detail screen 1.
Selection: _
-- 9 U 4 09:53 AM --
```

- To obtain more information about the voucher, type a question mark (?) in the space next to the transaction to get additional options.
- Follow directions on the screen to exit.

```
*DEFINE          TRANSACTIONS BY VOUCHER - GT2          Year 03 04
Command: GT2    Account: _____ Misc: L894154      Month: AUG
=====
Rec-Date Voucher Description          Obj AC/RT          Amount S
Document-ID DTN      P.O.Number Chk.Nbr T-Code Prc-Date  Account
-----
- 06/04/04 L894154 AT&T CORP          1780 EX DI          16.11- C
  QVVP2946007 0408890          5608415 0800 06/04/04 54-0224-0150
```

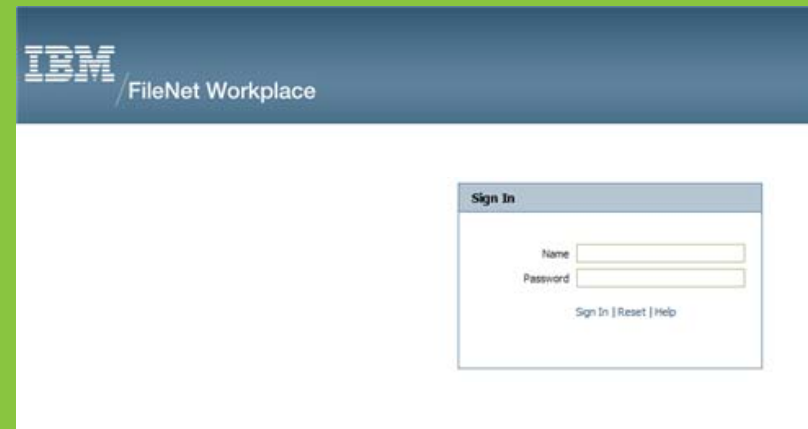
If the voucher was created in APS, copy the DOC ID and use it to find the document in FileNet.

# 5a Access Documentation In FileNet

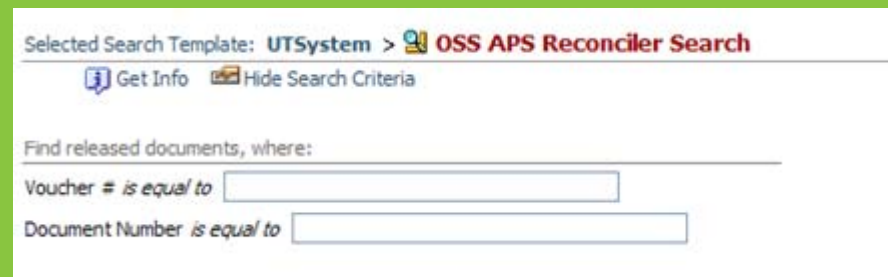
Start Internet Explorer.

Go to <https://fn.utsystem.edu/Workplace>

Type your SNAC ID and Password



Choose the OSS APS Reconciler Search Template.



Enter (or paste) the VOUCHER # or the DOC ID from DEFINE.



Choose Search



# 5a View Documents in FileNet

PUT ONE STAPLE HERE

SEND THIS PAGE TO ACCOUNTING

POVP288609

POST-AUDIT DO NOT WRITE ABOVE THIS LINE Amt: \$ 48.00  
 Transmittal Form for Document: POVP288609  
 Attachments To Be Mailed with Check: NO Check Distribution Code: U

After ALL departmental approvals are complete, this page MUST be sent with all supporting documentation to: QA DOCUMENT PROCESSING, MAI 132, K6000

Payment To: WEST PUBLISHING CORPORATION  
 Vendor ID: 14114249732006 PO#: Acct: 54-0224-0150  
 Address: PO BOX 6292  
 CAROL STREAM, IL 60197629292

Description: TX VERN STAT 2004 PP 1ST HALF V1,V2,V3,V4 SUB-  
 Scription  
 Service from: 09/23/2003 to 10/22/2003

Record Date: 11/14/03 Created by: SPVHC HERNANDEZ, VICKY P 499-4571

ACCOUNT	OBJ	OBJ CODE	DESCRIPTION	PO NUMBER	DTN	AMOUNT
54-0224-0150	1407		SUBSCRIPTIONS, PERIOD		0402945	48.00

**THOMSON WEST** 2945  
**Subscription Invoice**

P.O. Box 64933  
 St. Paul, MN 55164-0833

BILLING ACCOUNT # 1000132646  
 SUBSCRIPTION INVOICE # 805310468  
 INVOICE DATE 10/22/2003  
 BILLING PERIOD Sep 23,2003 - Oct 22,2003  
 PAYMENT DUE DATE 11/21/2003  
 AMOUNT DUE 48.00

IMPORTANT NEWS  
 Asterisk (\*) indicates Annual/Monthly Charge  
 For payment instructions and contact information see reverse side

POSTING DATE NUMBER	DELIVERY NUMBER	DESCRIPTION	QTY	UNIT PRICE	TAX	TOTAL
10/21/03	6019072584	628073880 TX VERN STAT 2004 PP 1ST HALF	1	12.00		12.00
		TX VERNONS STAT FAMILY V1 2004 PP	1	12.00		12.00
		TX VERNONS STAT FAMILY V2 2004 PP	1	12.00		12.00
		TX VERNONS STAT FAMILY V3 2004 PP	1	12.00		12.00
		TX VERNONS STAT FAMILY V4 2004 PP	1	12.00		12.00
		Subtotal		48.00	0.00	48.00

EMPLOYEE GROUP INS.  
 APPROVED: [Signature]  
 DATE: 11/14/03  
 REVIEWED: [Signature]  
 DATE: 11/12/03

THANK YOU

RETURN BOTTOM PORTION WITH PAYMENT

SUBSCRIPTION INVOICE 805310468  
 VENDOR # 41-1426873  
 ACCOUNT # 1000132646  
 AMOUNT DUE 48.00

West Group Payment Center  
 P.O. Box 6232  
 Carlisle, IL 60197-0232

UNIV OF TEXAS SYSTEMS EMPLOYEE GROUP INS  
 730 COLORADO ST STE 630  
 AUSTIN TX 78701-3004

Account Services  
 NOV 13 2003  
 RECEIVED

080531046 00000000000000000000 20031022 ZCMI 00000400 0010 1000132646 2

**THOMSON WEST** Shipment Notice  
 Not a Remittable Document

7023627436

FROM: West, 525 Wescott Rd, Eagan, MN 55123  
 SHIP TO: UNIV OF TEXAS SYSTEMS EMPLOYEE GROUP INS, 730 COLORADO ST STE 630, AUSTIN TX 78701-3004

SHIP-TO ACCOUNT#	PURCHASE ORDER#	ORDER DATE	ORDER#	DELIVERY#
1000132646		10/20/2003	7023627436	628143336

MATERIAL#	PRODUCT DESCRIPTION	ORDERED	SHIPPED	
40181820	TX VERN STAT DV V14 2004 PP	116	1	1
40181821	TX VERN STAT DV V14A 2004 PP	115	1	1
40181822	TX VERN STAT DV V14B 2004 PP	116	1	1
40181823	TX VERN STAT DV V14C 2004 SUPP PAM	117	1	1
	TOTAL			48.00

Account Services  
 NOV 13 2003  
 RECEIVED

Use label below and enclose packing slip for returns. Questions? Please contact West Customer Service at 1.800.328.4880.

RETURNS TO:  
 West  
 Returns - Bldg B  
 525 Wescott Rd  
 Eagan, MN 55123

Delivery# 628143338  
 Order# 7023627436

Group # 225

PAGE 1 OF 1

In this example, the reconciler used annotation to document evidence of reconciliation.

# 5b

## Do the amount **AND** vendor **AGREE?**

*If information on the SOA for amount **AND** vendor **AGREES** with documentation, go to next step.*

*If information does not agree, use the following resources:*

➤ Look up voucher # using DEFINE GT2 command and...

- Find out who created the voucher and contact them to find out why a change was made, or

- If the voucher was created by APS, use the DOC ID to access documentation in FileNet.

# 5c

## Was the transaction approved?

by the department head or delegated signature authority?

- An expenditure paid to a department head must be approved by the Executive Officer to whom the department head reports.
- An expenditure paid to a delegated signature authority must be approved by their department head.

*If approval is appropriate, go to next step.*

*If there is not appropriate approval:*

- Bring it to attention of your supervisor or department head.
- Revise department's internal control processes to mitigate risk of such an occurrence in the future.
- Document all steps taken and file with reconciliation paperwork.

# 5d Document Discrepancies

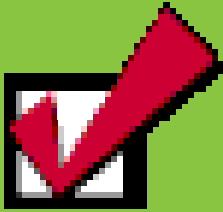
*If there are no discrepancies or outstanding, unresolved transactions, go to next step.*

*If discrepancies exist:*

- DOCUMENT ACTIONS TAKEN TO RESOLVE.
- FILE WITH RECONCILIATION PAPERWORK.

# 5

## Are steps 5a through 5d complete?



- ☀ If you answered yes to steps 5a through 5d, place a check mark (and Doc ID if documentation is in FileNet) next to the transaction on the SOA as evidence of reconciliation.
- ☀ Go to next transaction on the SOA and repeat steps 5a through 5d.
- ☀ Continue until all transactions have been checked off or discrepancies documented.

# 5

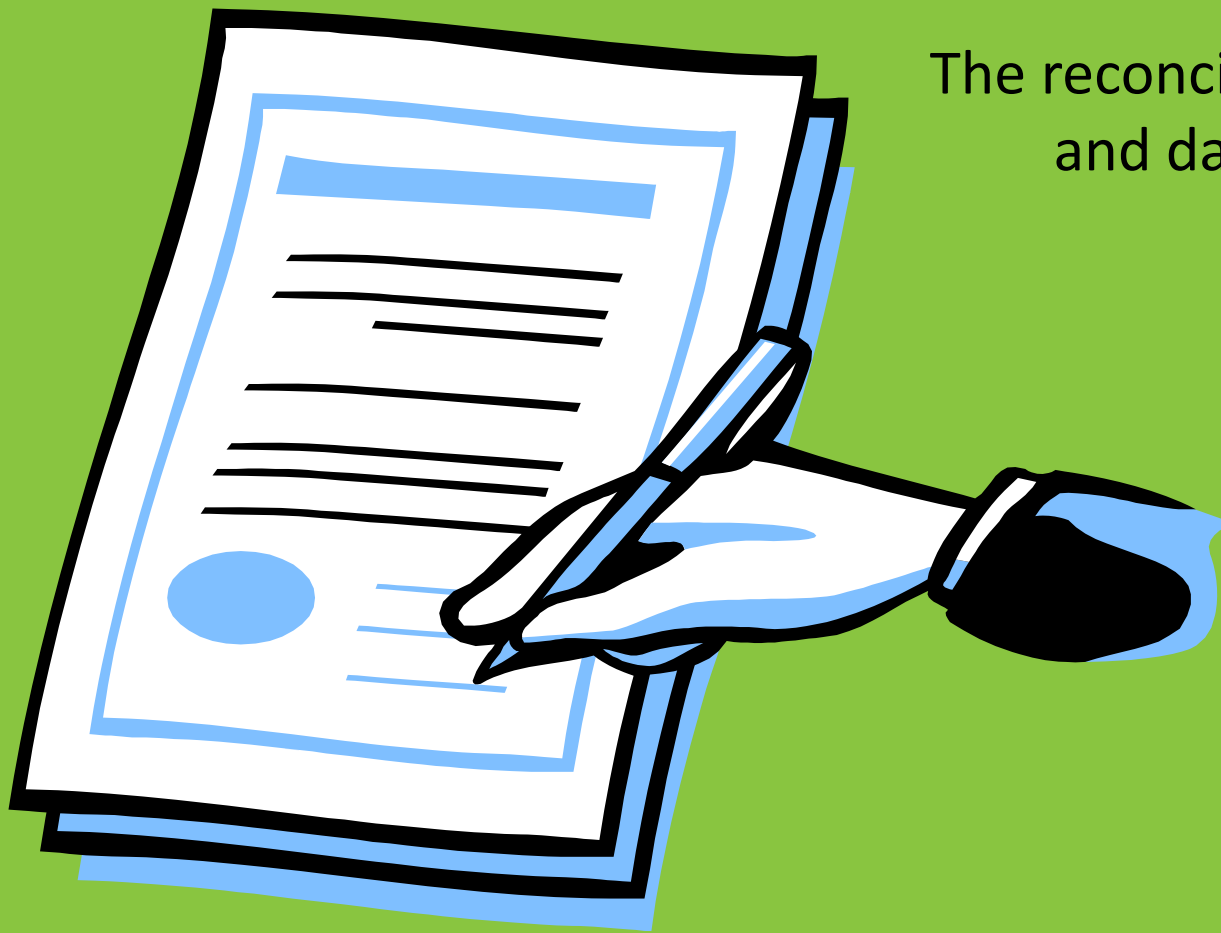
## Is there supporting documentation with no entry on the Statement of Account?

*If all documents relate to SOA entries, go to next step.*

*If documentation exists that does not refer to any of the SOA entries:*

- Use DEFINE GT1 command to verify that transaction has been posted.
- If it has not been posted, check the status with APS and document the response for the following month's reconciliation.

# 6 Show Evidence of Reconciliation



The reconciler should initial and date the SOA.

# 7 Prepare Summary of Reconciliation

Create Summary Sheet to include the following information:

- Account Number
- Month
- Beginning Balance
- Total Expenditures/Revenue
- Ending Balance
- Adjustments
- Signature and Date for Reconciler
- Signature and Date for Department Head approval

**(EXAMPLE ON NEXT SLIDE)**

# Summary Sheet Example

NAME OF OFFICE			
ACCOUNT RECONCILIATION			
ACCOUNT NUMBER 53-0215-0050 - M&O			
October 2004			
<b>Beginning Balance (Budgeted)</b>			\$ 10,000.00
<b>Expenditures:</b>			
Prior Month's Cumulative Expenditures		(100.00)	
Current Month's Expenditures		(700.00)	
<b>Total Expenditures</b>			(800.00)
<b>Encumbrances:</b>			
John's computer		(2,000.00)	
<b>Total Encumbrances</b>			(2,000.00)
<b>Ending Balance</b>			\$ 7,200.00
<b>Adjusting Items:</b>			
Voucher #J107734 - error to correct in October		200.00	
<b>Total Adjusting Items</b>			200.00
<b>Adjusted Balance</b>			\$ 7,400.00
Reconciler:			
Expenditures have been agreed to supporting documentation. Encumbrances, if any, have been reviewed for unusual items.			
			11-15-04
John Doe, Administrative Assistant			Date
			Nov. 17, 2004
Jane Smith, Department Head			Date



# 8 Obtain Approval

- Department head should review each SOA reconciliation.
- After review, department head approves and dates each reconciliation on the Summary Sheet.

