Basic Steps in the Process

- Print Statement(s) of Account.
- Gather documentation and supplies.
- Verify that the prior month’s ending balance agrees with the current month’s beginning balance on the Statement of Account.
- Verify that prior month errors have been corrected.
- Compare supporting documentation to the Statement of Account and document discrepancies and resolutions.
- Show evidence of reconciliation.
- Prepare Summary of Reconciliation.
- Obtain approval from department head.
Step 1 Print the Statement(s) of Account

- Use the DEFINE IF5 command.
- Input the requested information.
- The Statement of Account will print on campus overnight and be delivered the next business day.

NOTE: Statements are available after the 5th working day of the month.
# Statement of Account Sample

### Account: 94:0443-0165
- **Name:** Jancha, Kimberly C
- **Description:** Vision Plan

## Statement of Account

### Beginning Balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>94:0443-0165</td>
<td>0.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td></td>
</tr>
<tr>
<td>94:0443</td>
<td>0.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td></td>
</tr>
<tr>
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<td>0.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td></td>
</tr>
<tr>
<td>94:0443</td>
<td>0.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td>0.00</td>
<td>4,920,000.00</td>
<td></td>
</tr>
</tbody>
</table>

### Total Transactions: 4

### Ending Balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,920,000.00</td>
<td>0.00</td>
<td>408,151.74</td>
<td>4,510,848.26</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Object Class Analysis

#### Premiums: INS
- **D1/D1:** 0.00
- **D1:** 0.00
- **D1/B:** 0.00

#### Office Budget
- **D1/D1:** 0.00
- **D1:** 0.00

#### Departmental General Fund
- **D1/D1:** 0.00
- **D1:** 0.00

#### Object Class Totals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
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<td>0.00</td>
<td>408,151.74</td>
<td>4,510,848.26</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Step 2

Gather documentation and supplies

• Pencil and/or pen
• Straight edge
• Paper documentation
• Access to Accounting & Purchasing Services (APS) Library on FileNet
• Previous month’s reconciliation
Step 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 to the account after the prior month Statement of Account was printed.
**Step 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.
Compare documentation to the 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 Statement of Account:

a. Is there documentation?

b. Does the amount **AND** vendor on the Statement of Account agree to the documentation?

c. Was the transaction approved by the department head or delegated signature authority?

d. Document discrepancies and resolutions.
If documentation is available for the transaction, go to next step.

If not, locate the 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 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.
Look up voucher information in DEFINE

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

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

Start Internet Explorer.
Go to https://dm.utsystem.edu/ic/

Type your User ID and Password - make sure UTSystem CS Library is selected.

Choose your departmental template (By Document Search Template).

Enter (or paste) the DOC ID you got from DEFINE.

Choose
In this example, the reconciler used annotation to document evidence of reconciliation. This procedure is considered a best practice when using FileNet as your on-line support repository for all reconciliation documents.
Do the amount AND vendor AGREE?

If the information on the Statement of Account for amount AND vendor AGREES with the documentation, go to next step.

If information does not agree, use the following resources:

- Look up voucher # using the 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 the documentation in FileNet.
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 the approval is appropriate, go to next step.

If there is not appropriate approval:

- Bring it to the attention of your supervisor or department head.
- Revise the department’s internal control processes to mitigate the risk of such an occurrence in the future.
- Document all steps taken and file with the reconciliation paperwork.
If there are no discrepancies or outstanding, unresolved transactions, go to next step.

If discrepancies exist:

- DOCUMENT THE ACTIONS TAKEN TO RESOLVE.
- FILE WITH THE RECONCILIATION PAPERWORK.
Are steps 5a through 5d complete?

- If you answered yes to steps 5a through 5d, place a check mark (and the Doc ID if the documentation is in FileNet) next to the transaction on the Statement of Account as evidence of reconciliation.
- Go to next transaction on the Statement of Account and repeat steps 5a through 5d.
- Continue until all transactions have been checked off or discrepancies documented.
Is there supporting documentation with no entry on the Statement of Account?

If all documents relate to Statement of Account entries, go to next step.

If documentation exists that does not refer to any of the Statement of Account entries:

- Use the DEFINE GT1 command to verify that the 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.
Step 6

Show evidence of reconciliation

The reconciler should initial and date the Statement(s) of Account.
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 Line for Reconciler
- Signature and Date Line for Department Head approval

(EXAMPLE ON NEXT SLIDE)
## ACCOUNT RECONCILIATION

**ACCOUNT NUMBER:** 53-0215-0050 - M&O  
**October 2004**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance (Budgeted)</strong></td>
<td>$10,000.00</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
</tr>
<tr>
<td>Prior Month's Cumulative Expenditures</td>
<td>(100.00)</td>
</tr>
<tr>
<td>Current Month's Expenditures</td>
<td>(700.00)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>(800.00)</td>
</tr>
<tr>
<td><strong>Encumbrances:</strong></td>
<td></td>
</tr>
<tr>
<td>John's computer</td>
<td>(2,000.00)</td>
</tr>
<tr>
<td><strong>Total Encumbrances</strong></td>
<td>(2,000.00)</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$7,200.00</td>
</tr>
<tr>
<td><strong>Adjusting Items:</strong></td>
<td></td>
</tr>
<tr>
<td>Voucher #J107734 - error to correct in October</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Total Adjusting Items</strong></td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Adjusted Balance</strong></td>
<td>$7,400.00</td>
</tr>
</tbody>
</table>

Reconciler:  
Expenditures have been agreed to supporting documentation. Encumbrances, if any, have been reviewed for unusual items.

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John Doe, Administrative Assistant  
Date

Jane Smith, Department Head  
Date
Obtain approval

• The department head should review each Statement of Account reconciliation.

• After review, the department head approves and dates each reconciliation on the Summary Sheet.