



Accounting and Administrative Manual

Section 100: Accounting and Finance

General Ledger Balance Sheet Account Reconciliations

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General:

The application of good financial management requires the prompt reconciliation of accounts. Since departmental revenue and expenditure accounts are scrutinized monthly by concerned departments, a certain level of account reconciliation occurs routinely without the necessity for a formal policy. However, general ledger balance sheet accounts do not get the same exposure and therefore require special consideration in terms of oversight and reconciliation.

General Requirements:

1. All campuses are required to reconcile general ledger balance sheet accounts under their control on a monthly basis.
2. All campuses must forward completed reconciliations for September, December, March and June to Statewide Fund Accounting no later than the end of the month following the end of each quarter, if the account had activity during that quarter. Note, campuses should submit reconciliations for specialized accounts (such as bank accounts) using the schedule prescribed in the University of Alaska Accounting and Administrative Manual, Section 100 (see G-01 "Bank Reconciliations – General" and G-02 "Depository Account Bank Reconciliation") specific to the account.
3. The following accounts are excluded from the account reconciliation reporting process:

Account Code 0262 - Accounts Receivable Control
Account Code 0302 - Unbilled Contract Receivable
Account Code 0521 - Interfund Receivable/Payable
Account Code 0607 - Accounts Payable Control
Account Code 09xx - Fund Balances, Reserves for Encumbrances, and Control Accounts

Procedures:

- | | |
|--------------------------------------|--|
| Relevant Department
or Individual | 1. Prepares monthly reconciliations for all balance sheet accounts that had activity during the month. A sample format for the reconciliation is on page six. Limited supporting documentation is required and |
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additional details regarding this backup are listed by account starting on page three.

2. The reconciliation compares the ending balance according to the general ledger (FGRGLTA) to the detail of the items within the account. Each reconciliation should include:
 - a. Campus and title of the account.
 - b. The effective date of the reconciliation, i.e. month ended.
 - c. The account code and fund number.
 - d. The ending balance according to the general ledger (FGRGLTA).
 - e. List the items which require adjustments. The adjustment entry should be prepared and a copy of the document attached to the reconciliation. If adjustment has already occurred, list the adjusting document number. If adjustments have not been made, list reasons, amounts and expected date of resolution.
 - f. The correct balance is the general ledger balance plus or minus the necessary adjustments. This should equal the adjusted detail listing.
 - g. The preparer should date and sign.

Preparer's Supervisor
or Designated Campus
Reconciliation
Coordinator

1. Reviews reconciliation and provides telephone number to contact for questions. Approves by dating and signing as approver.
2. Quarterly, submits copies of reconciliations with appropriate back-up to Statewide Fund Accounting.

Statewide Fund
Accounting

1. Maintains a checklist of accounts that require reconciliation and logs in reconciliations as they are received. Maintains a list of contact persons at each campus.
2. Reviews reconciliations for content and accuracy.



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3. Contacts preparer's supervisor or designated campus reconciliation coordinator for missing reconciliations, improper reconciliations, appropriate adjustments, and clarification or action.

Guidelines for Supporting Detail:

The most frequently used balance sheet accounts are listed below with details of what should be attached to the reconciliation. Supporting documentation should be limited to one page, if possible, in addition to the last page of the FGRGLTA report used for the reconciliation.

There are many other accounts used for specialized purposes, which are not listed below. Assistance on reconciling these accounts may be obtained from the designated campus reconciliation coordinator or Statewide Fund Accounting.

<u>Account Code</u>	<u>Support Required</u>
0191 Change Funds 0192 Petty Cash	List funds by custodian/location and amount. Receipts and cash on hand at quarter end must equal the change or petty cash fund. Differences, if material, should be investigated prior to being expensed.
0258 Travel Advances 0259 Employee/Student Misc. Advances	List names, dates issued and balance. Summarize at bottom with an aging schedule showing 30, 60, 90, 120, 180 and over 180 days outstanding. Provide detail explanation of why balances outstanding over 60 days have not cleared.
0261 A/R Pass Through 0267 AR/A/P Clearing 0268 AR/CB Clearing 0269 AR/PR Clearing 0270 AR/FAS Clearing 0271 AR/SF Clearing 0272 Contract Clearing 0467 Tuition Waiver Clearing – Non CBU 0468 Tuition Waiver Clearing – CBU	All clearing accounts should have a zero balance. List reconciling items and detail their disposition.



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0263	NSF Checks	List checks by date of check, payer and amount.
0264	Miscellaneous A/R	List of receivables. Provide aging by 30, 60, 90, 180, and over 180 days.
0285	Payroll Advances	List name, date paid, and amount for each advance. Summarize at bottom with an aging schedule showing 30, 60, 90, 120, 180 and over 180 days outstanding. Provide detail explanation of why an advance outstanding over 60 days has not cleared.
0286	Intercampus Pass Thru Account	List dates and descriptions of transactions.
0291 0292	Allowance for Doubtful Accounts Allowance for Doubtful Contracts	Provide support to justify the allowance for doubtful accounts. See A-05 and A-06 in Section 100 in the University of Alaska Accounting and Administrative Manual for guidance. Adjust to the estimated amount if the difference between the balance in the account and the estimation exceeds 5% of the estimated amount or \$5,000.
0414- 0429	Inventories	Inventory amount should agree with the latest physical inventory figure. Make reference to that worksheet and note date of inventory taken. Review account for any change in balance if physical inventories are only taken once a year. List necessary adjustments to the balance or indicate on reconciliation if there is no adjustment needed.
0433 0437 0438	Prepaid Postage Bulk Mailing Prepaid Meter Postage	List funds by location and amount. These accounts should agree with the unused amounts at month end. Any difference should be expensed.
0443	Security Deposits Receivable	List of security deposits receivable including date, name and amount.
0445	Prepaid Miscellaneous	List of specific prepaid items by date, name, purpose, amount and period the item applies to.
0446	Prepaid Travel Tickets	List tickets on hand, including number of tickets, cost per ticket, and expiration date.
0603- 0606	Telephone, Auxiliary, and Wire Transfers Payable	List in detail only outstanding, uncleared transactions as of the reconciliation date.



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0627	Federal Backup Withholding Tax	Items should be transferred monthly by journal voucher to Statewide with appropriate backup. Explain resolution of any outstanding balances.
0616	Miscellaneous Liability	This account is only used under unusual circumstances. List liabilities by date, name, purpose and amount. Comment on when items are expected to clear.
0621-0699	Payroll Liability Accounts	List detail of outstanding balances, the month they arose and when payment is due.
0756-0767	Deferred Revenue Accounts	List of deferred revenue items including date received, payer, amount, and which period the revenue applies to.
0766-0776	Deposits Payable Accounts	List of deposits including date of deposit, depositor and amount.
0777	Unidentified Deposits	List date, description of deposit, and amount. These items need to be moved through a journal voucher to the appropriate account. Attach copies of pending journal vouchers, or explanation of why items have not been moved.



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SAMPLE FORMAT FOR RECONCILIATION

GENERAL LEDGER BALANCE SHEET ACCOUNT RECONCILIATION

Campus _____ Report for Month Ended _____

Account Name _____

Account Code _____ Fund Number _____

Ending balances per FGRGLTA \$ _____

Detail listing of adjustments:

Explanation	\$
_____	_____
_____	_____
_____	_____

Total adjustments \$ _____

Correct balance (must equal attached detail listing) \$ _____

Prepared by _____ Date _____

Reviewed by _____ Date _____

Phone _____