

Review Your Accounts

Guide to Complete the Monthly Financial Reports Reconciliation



Finance & Accounting
University of Florida

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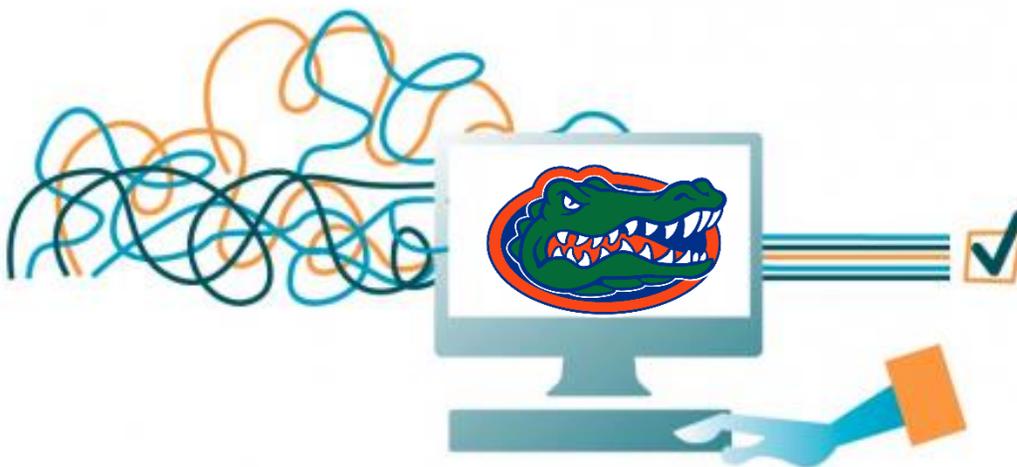
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Introduction

The purpose of this manual is to provide best practice suggestions to help guide you through the monthly financial reconciliation and review process. The first three sections provide background information to set a foundation of understanding about your reconciliations and Monthly Financial Reports (also called **departmental ledgers**). The Departmental Ledgers reconciliation and review is a key fiscal management control ensuring University financial transactions are accurate, allowable and complete.

It is important to understand the information below before you begin the reconciliation and review process. The later sections provide a more detailed guide on suggested steps to complete the monthly reconciliation and review, and offer additional resources that may be helpful to you throughout this process.

Note: The guide is **not** meant to be prescriptive in nature or dictate a process that must be followed by every department. The University is made up of a variety of departments and one size does not fit all. Instead, the guide is meant to provide best practice suggestions, tips, and reminders – especially for those who are new at the reconciliation and review process. Ultimately, the Vice President, Dean, Director, or Department Head is accountable for the department’s financial activities and will decide on the reconciliation and review process that is best for each department.



Who Does the Reconciliation and Review?

Typically, one employee within a department would prepare the reconciliation. This person should have familiarity with routine transactions for a department's accounts. The completed reconciliation should then be reviewed by another employee (someone other than the person preparing the reconciliation). The reconciliation reviewer is responsible for assessing each transaction to ensure its accuracy, verifying that all expected transactions are charged or credited correctly and matching transactions with supporting source documentation. The Vice President, Dean, Director, or Department Chair may choose to delegate the monthly financial reconciliation and review process to another employee. Finally, a third employee will approve the reconciliation and review. **The final approval should be performed by the Vice President, Dean, Director, or Department Chair, who should document the approval.**

When assigning these roles, it is essential to remember effective separation of duties. For example, an employee who makes purchases for the department could prepare the reconciliation, but there should be a separate employee reviewing the reconciliation and a high-level approver.

If you are responsible for completing reconciliations and reviews, please make sure you are subscribed to the UFACC listserv. This listserv alerts subscribers when the Monthly Financial Reports (departmental ledgers), the reports needed to complete the reconciliation and review process, are updated each month.

Instructions on how to be added to the listserv are found here:

<http://www.fa.ufl.edu/departments/general-accounting/staying-informed/>

The Basic Reconciliation Process

The basic idea of reconciliation is to match the **transaction data** to **source documents** to ensure your records are accurate, complete, and in compliance with University policies and regulatory requirements.

Transaction data comes from myUFL and includes the following:

- Delivered reports (such as the Monthly Financial Reports)
- FIT Cube or Query Studio reports

For the purposes of this guide, we are specifically referring to the delivered Monthly Financial Reports (departmental ledgers) when we talk about transaction data.

Source documents are receipts/proof of the transaction and include the following:

- Hardcopies (receipts, invoices, etc.)
- Electronic (PDF, images, snips of email conversations, etc.)
- Image from Accounts Payable (AP) subsystem (voucher images, etc.)

Remember: The goal of a reconciliation is to make sure that the transaction data is correct. Since our transaction data comes from myUFL, think carefully about what information produced in myUFL would be appropriate to use to reconcile to source documents.

For example, if there is an image of a receipt in OnBase (which is usually connected to the “View Documents” link in various myUFL screens), then that receipt image can correctly be used as a source document. Documents that can be used to reconcile payroll are Hyperion Budgeted Lines & Benefits reports, Payroll Cost Distribution reports, and/or an outside source that validates the correct payroll distribution percent, salary, and pay amount. A final payroll can also be used as a source document to reconcile payroll. However, typically source documents will come from outside of myUFL, such as a receipt from a hotel.

Important Information

- **Reconciliations are required monthly.** The best practice for reconciliations is to complete the reconciliation the month immediately following the month being reconciled. This practice provides the opportunity to correct errors as quickly as possible. Reconciliations may be performed more frequently depending on the needs of a department.
- All transactions over \$100 are **required** to be matched to source documents. Confirmation that source documents have been reviewed should be noted on the appropriate page.
 - The exception to this is payroll; **all** payroll transactions should be reviewed and reconciled regardless of amount.
- Transactions under \$100 should be spot-checked
 - This means the source document does not have to be reviewed, but all other aspects of the transaction, such as Chartfield, appropriateness, duplicate payments, unfamiliar vendors, etc., should be verified.
- All inaccuracies or incomplete information should be noted, investigated, and corrected in a timely manner.
- All reconciliation documentation for the **current and five prior fiscal years** should be maintained to document that a reconciliation was completed. It is suggested to have an electronic file/folder saved, keep a drawer in a filing cabinet, or have a binder for your reconciliation documentation. Departments should retain evidence that the account reconciliation is prepared and approved on a monthly basis.
- Reconciliation of contract and grant transactions may require more detail than the process illustrated in this manual. When performing such reconciliations, be sure to use reporting tools such as the monthly financial reports in Enterprise Reporting or myinvestiGator and review and understand sponsor specific requirements that need to be met in addition to this basic process. Work with the Principal Investigator (PI) responsible for the financial transactions reported in their ledgers to ensure financial transactions are allowable for the specific funding source/grant/contract.
 - See Appendix A for a list of expenditures that should receive additional scrutiny during this process.
- When recording transactions for your department, it is in your best interest to give as much detail as possible in the description. Detailed transaction descriptions make the reconciliation and review process easier.

The reconciliation and review process may feel tedious, but is essential to your department and the University's internal controls and integrity! Proper and timely reconciliation and review of accounts prevents and detects fraud, assists in assigning accountability among employees, and improves financial information accuracy.

Reconciliations and reviews are key internal controls!

Sub-Systems

The University's official records system is the PeopleSoft General Ledger. All official financial reports that are presented for the University of Florida are created using the data generated by using this software. Every month, **the Vice President, Dean, Director, or Department Chair** should review the reconciliation of the PeopleSoft-generated Monthly Financial Reports as outlined in the guide.

At times, departments may find it helpful to maintain an additional sub-system. This system is a program/spreadsheet that is:

- Developed/purchased by the end user (department)
- Outside of the direct control of Finance and Accounting
- Used to help manage fiscal operations locally/internally.

An example may be an accounting software program (Quickbooks, Sage, Great Plains, etc.), a Point of Sale (POS) Software, spreadsheets used to track grants/projects, etc.

If a sub-system is utilized to process University transactions (such as customer billing), that activity should be reconciled monthly, at a minimum, to the departmental ledgers generated in PeopleSoft. All University policies, guidelines and internal control requirements apply to the data and processes within the shadow system.

The University Controller's Office recognizes the demand for sub-systems due to department-specific needs, customer billings, Point of Sale needs or detailed tracking requirement. Sub-system reports could be used as support for reconciliations but should not be the basis of the reconciliations. For example, an end-of-day report could be used to support deposit information. As stated above, **the PeopleSoft General Ledger is the official University record and should be the basis of all reconciliations.** If management places fiscal reliance on Monthly Financial Reports generated by the sub-system, a reconciliation should be provided showing the variances between the PeopleSoft General Ledger (official University record) and the sub-system. The Vice President, Dean, Director, or Department Chair is responsible for review of the PeopleSoft General Ledger records and should be aware of variances due to the use of the sub-system.

Various resources are available within PeopleSoft which may allow for elimination/reduced reliance on sub-systems and help in reduction of risk of inconsistent information. Please contact the University Controller's Office for questions about sub-systems or PeopleSoft financial resources.

Performing the Reconciliation and Review

There are only four basic steps to performing the reconciliation and review.

1. **Obtain** Monthly Financial Reports
2. **Reconcile and Review** the Monthly Financial Reports
3. **Research** and correct any errors noted
4. **Document** the completed Monthly Reconciliation

There are 8 standard Monthly Financial Reports.

The Monthly Financial Reports include:

1. Transaction Detail
2. Payroll Reconciliation Detail
3. Appropriations Summary
4. Budget Transaction Detail
5. Cash Summary
6. KK to GL Summary Comparison
7. Open Encumbrance Summary
8. Projected Payroll Detail

Each of these Monthly Financial Reports provides different information about your department's monthly financial activities. This guide will provide detailed information about reconciling and reviewing the reports in Step 2 – Reconcile the Monthly Financial Reports.

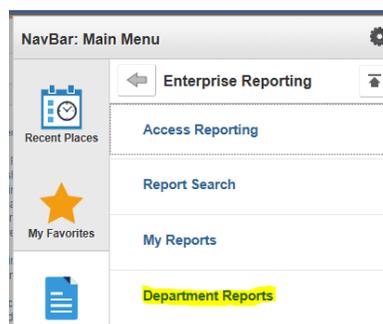
Note: You may not have all of these reports each month, depending on what applies to your department. Save and complete the reconciliation and review for all reports available for your department each period.

Step 1 – Obtain Monthly Financial Reports

The delivered Monthly Financial Reports (department reports or ledgers) found in myUFL should be used for reconciliation. The reports are usually ready by the 5th business day of the month.

The UFACC listserv sends out an email when these reports are updated and ready for use – please refer to “Who Does the Reconciliation and Review?” for more information about this listserv.

myUFL navigation: Main Menu → Enterprise Reporting → Department Reports



1. If the page is blank, click “Show all content” at the bottom of the page



If the page is blank and there is no option to “Show all content” it is a browser issue:

Firefox: Click the green “lock” image to the left of the web address. On the pop-up box, click the arrow next to it and select “Disable Protection.”

Chrome/Edge: Click the shield on the right of the web address. On the pop-up box, click “Allow Unsafe Script.”

Note: Some browsers do not understand that information from Enterprise Reporting within myUFL is secure and attempts to block the information. Although the browser makes it appear that the content is unsafe, this information is contained within myUFL and is actually secure.

2. Select your college.

Department Reports

Select a College
00000000 BOARD OF TRUSTEES
01000000 OFFICE OF PRESIDENT
02000000 OFFICE OF PROVOST

3. Select your department.

Department Reports

04000000 OFFICE OF STUDENT AFFAIRS**Select a Department**

04000000 OFFICE OF STUDENT AFFAIRS

04010000 SA-STUDENT AFFAIRS

04010100 SA-DEVELOPMENT OFFICE

04010200 SA-PROG-MULTICULTURAL SERIES

4. Select the period – it defaults to the most recent month available.

Department Reports > 64000000 FINANCE ACCOUNTING

64101000 FA-CONTROLLER-ADMINISTRATION

To print or view a report, select the Period you wish to review from the drop down list in the up open the corresponding report. To view or print the entire group of reports, click the PDF or E:

Delivered Reports (Currently Selected Period: January 2018)Period **January** 2018

5. Save the reports.

Helpful hint: Click on the PDF icon at the very top – this will save all the reports at once, instead of having to open and save each report separately.

Step 2 – Reconcile and Review the Monthly Financial Reports

As a reminder, reconciliation is done by matching the data in the Monthly Financial Reports to source documents, such as invoices or receipts.

In addition, the transactions on each report should be reviewed for the following:

- Correct posting and/or Chartfield
- Unusual dollar amounts
- Appropriateness of the transaction
- Duplicate payments (repetitive dollar amounts, multiple payments to the same vendor, duplicate invoice numbers, etc.)
- Unfamiliar vendor/payee names
- Unusual or incorrect account codes or types of expenditures.
For example, a federal grant that does not allow foreign travel should not have any expenditures related to foreign travel
- Unusual purchase order numbers that may not belong to your department
- Unauthorized cardholders for purchasing card transactions and appropriateness of purchasing card transactions
- All journal entry transactions must have supporting documentation stored as part of the journal entry in myUFL, such as source documents, and/or items necessary to substantiate the accuracy and appropriateness of a journal entry. Typical supporting documentation should include general ledger reports, related e-mails, worksheets, etc.

Report #1 – Transaction Detail (Reconcile)

Reconciliation should begin by obtaining a Transaction Detail Report.

The Transaction Detail Report includes information about each transaction that affected your department during the month, such as:

- Cardholder names for PCard transactions
- Voucher numbers
- Journal entry numbers
- Descriptions of the transaction

Remember, the more information entered at the start of a transaction, the more useful this report will be during reconciliation.

Reconcile each cost center:

1. Match transactions to source documents
2. Verify the information in your the Transaction Detail report matches the source document, including:
 - a. Correct Chartfield
 - b. Appropriateness of transaction
 - c. Unfamiliar vendor/payee or Pcard holder names
3. Mark items verified (typically with a checkmark or other notation), and make notes of any items requiring explanation or further research. This will help your reviewer, as well as someone auditing the reconciliation at a later date.
4. Confirmation that source documents have been reviewed should be noted on the appropriate page.

Information to look up transaction in myUFL

Description of the transaction

Transaction Detail
FA-CONTROLLER-ADMINISTRATION
For Month Ending: December 31, 2017

Run Date: 01/06/2018

Acctg Date	Flex Code	UFID	CRIS	Transaction ID	Encumbrance ID	ID	Name/UFID if applicable	Description Detail	Amount
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)									
12/08/2017	-	-	-	PCard# UFLOR - TXN04012286	VCHR# UFLOR - 05355347			PAYPAL ALTASYSTEMS - order 1833	28.91
Subtotal 793200 - OFFSET PRINTING									\$54.17
793900 PRINTING REPRODUCTION - OTHER									
12/11/2017	-	-	-	JE# UFLOR - IDC1712315	-	-		UF ID CARD SERVICES BILLING, B	60.00
Subtotal 793900 - PRINTING REPRODUCTION - OTHER									\$60.00
794000 POSTAGE									
12/18/2017	-	-	-	JE# UFLOR - PST1712273	-	-		UF POSTAGE BILLING, Billing Pe	0.46
Subtotal 794000 - POSTAGE									\$0.46
Subtotal Other Operating Expenses									\$6,330.95
64101000-101-CRRNT (Department-Fund-Budget Reference)									\$64,401.94

Reminder – all transactions over \$100 are **required** to be matched to source documents. This can be done electronically.

Report #2 – Payroll Reconciliation Detail (Reconcile)

The Payroll Reconciliation Detail reflects the payroll transactions for your department during the month. There is a separate section for each cost center.

Reconcile each cost center:

1. Match transactions to source documents (if needed - such as lump sum payment documentation, etc.)
2. Employees are being paid out of the correct combination code.
3. The “Earn %” for the combination code is 100% for each employee.
 - 100% is reflected as a “1” in the report.
 - Please note, small differences such as .99999 or 1.00001 are due to rounding, and are okay.
 - Your department may only have one combination code to pay employees out of or multiple. If there are multiple, make sure the total amount between combination codes equals 100% for each employee.
 - Exception to “100% rule”: If an employee is paid by different departments, divisions, or funds, you should manually verify the “Earn %” to be 100%. Verification can be done by calling or emailing University Payroll (contact information can be found at the end of this manual).
- Unusual or unknown names or dollar amounts.
- Duplicate payments.
- Hours paid (e.g. greater than 80 hours, more than usual, etc.).
- Best practice is to mark items, either electronically or on the paper, that you verified (typically with a checkmark or other notation), and make notes of any items requiring explanation or further research. This will help your reviewer, as well as someone auditing the reconciliation at a later date.

The correct combination code and distribution percentage for each employee can be found at: Main Menu → Human Resources → Set Up HCM → Product Related → Commitment Accounting → Budget Information → Department Budget Table USA

myufl

Cost center the Combination Code reflects
 Payroll Reconciliation Detail
 FA-CONTROLLER-ADMINISTRATION
 For Month Ending: December 31, 2017

Should match FTE with allowance for rounding issues
 such as 0.9999 or 1.0001
 Sun Date: 01/06/2018

Name	Employee ID	Account Code	Account	Combination Code	FTE	Earn %	Retro Indicator	Salary	Fringe Pool Amount
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)									
For Accounting Date: 12/14/2017 ← This is the pay date, there will be one for each pay period in the month									
EXEMPT TEAMS/USPS									
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	1	O		0.00
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	0.2	O		0.00
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	0.25	O		0.00
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	0.25	O		0.00
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	0.9999	O		0.00
	621110		EXEMPT TEAMS/USPS-EARNINGS	0029529	1	0.9999	O		0.00
	621120		EX TEAMS/USPS-EARN FRNG POOL		0	0			6,942.30
EXEMPT TEAMS/USPS Subtotal									\$6,942.30
NON EXEMPT TEAMS/USPS									

Report #3 – Appropriations Summary (Review)

The Appropriations Summary lists expenses in your department for the cost centers where spending authority is based on budget (KK or Commitment Control). There is a separate section for each cost center.

myufl Cost center Verify these match your expenses for the month/year Run Date: 01/06/2018

Appropriations Summary
FA-CONTROLLER-ADMINISTRATION
For Month Ending: December 31, 2017

	YTD Budget	Open Encumbrances	YTD Expenses	Available Balance	MTD Budget	MTD Expenses
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)						
Personnel Expenses						
600000 SALARY EXP (4) - BUDGET ONLY		0.00	0.00		\$0.00	\$0.00
Subtotal Salary Budget		\$0.00	\$0.00		\$0.00	\$0.00
621110 EXEMPT TEAMS/USPS-EARNINGS		263,099.63	263,199.25		\$0.00	\$38,777.21
621120 EX TEAMS/USPS-EARN FRNG POOL		94,189.67	94,225.23		\$0.00	\$13,882.24
Subtotal EXEMPT TEAMS/USPS		\$357,289.30	\$357,424.48		\$0.00	\$52,659.45
631110 NONEXEMPT TEAMS/USPS-EARNINGS		23,236.62	21,686.05		\$0.00	\$3,379.86
631120 NONEX TEAM/USPS-EARN FRNG POOL		10,502.95	9,802.02		\$0.00	\$1,527.69
Subtotal NON EXEMPT TEAMS/USPS		\$33,739.58	\$31,488.07		\$0.00	\$4,907.55
Subtotal Salary Expenses	\$968,949.00	\$391,028.87	\$388,912.55	\$189,007.58	\$0.00	\$57,567.00
650000 OPS SAL EXP (4) - BUDGET ONLY		0.00	0.00		\$0.00	\$0.00

Should be positive

Review each cost center:

1. Check that the "Available Balance" is positive (or justified to be negative). Annotate reason for any negative available balances and actions taken to correct.
2. Review the month-to-date, and year-to-date expenses for each cost center to check if they are reasonable and in line with the cost center's budget.
 - a. Remember: More information about the month-to-date expenses can be found in the Transaction Detail Report for the cost center.

Report #4 – Budget Transaction Detail (Review)

The Budget Transaction Detail report is similar to the Transaction Detail report, except it only provides information about Budget Adjustments or Transfers.

It is likely this report will not be included in your Monthly Financial Reports every month, as it is only generated when there are Budget transactions.

This report includes the following:

- Journal ID of the transfer
- Description of the transfer
- Employee ID of the person who entered the transfer

Review each cost center:

1. Each Budget Transaction should be reviewed for accuracy and appropriateness.
2. In addition, this report will help review the Appropriations Summary, as budget adjustments will affect the “YTD Budget” column shown on that report.



Journal ID of transfer

Budget Transaction Detail
FA-CONTROLLER-ADMINISTRATION
 For Month Ending: 7 Fiscal Year: 2018

Information about budget transaction

Run Date: 02/06/2018

Jrnl Dt	EmplID	Jrnl Type	Journal ID	Journal Desc	Jrnl Ln #	Jrnl Ln Desc	Amount
Cost Center: 64101000~101~CRRNT (Department~Fund~Budget Reference)							
Other Operating Expenses: All Expense Budget							
700000 ~ OTHER EXP (4) - BUDGET ONLY							
01/22/2018		Transfer Adjustment			1	OTHER EXP (4) - BUDGET ONLY	

Report #5 – Cash Summary (Review)

The Cash Summary lists the revenues in cash funds for your department, and the expenses that were paid for with those revenues. There is a separate section for each cost center.

Note: This report does not mean literal cash; our process refers to “cash” as your revenues and the spending of those revenues.

Review each cost center:

1. Check that the “Available Balance” is positive (or justified to be negative). Annotate reason for any negative available balances and actions taken to correct.
2. Review the month-to-date, and year-to-date expenses for each cost center to check if they are reasonable and in line with the cost center’s budget.
 - a. Remember: More information about the month-to-date expenses can be found in the Transaction Detail Report for the cost center.

***This is the same process as the Appropriations Summary, even though the reports look different.*

YTD Revenue/Expenses for this cost center | Cash Summary
FA-CONTROLLER-ADMINISTRATION
 As of: January 31, 2018

Reconcile this activity to source documents for that month
 Run Date: 02/06/2018

myufl Cost Center

	Beg Bal	YTD Revenue	YTD Expense	Available Balance	MTD Revenue	MTD Expense	Encumbrances	Avail Bal w/ Encumbrances
Cost Center: 64101000-159 (Department-Fund)								
ALL REVENUE								
469000 OTHER OPERATING REVENUE -OTHER		0.00	0.00		0.00	0.00	0.00	
Subtotal Revenue Operating		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
521000 INTEREST ON INVESTMENT-TM ONLY		0.00	0.00		0.00	0.00	0.00	
571100 TRANSFERS WITHIN BUSINESS UNIT		0.00	0.00		0.00	0.00	0.00	
571800 Transfers Within Fund		1,030.00	0.00		0.00	0.00	0.00	
Subtotal Revenue Non Operating		\$1,030.00	\$0.00		\$0.00	\$0.00	\$0.00	
Subtotal ALL REVENUE		\$1,030.00	\$0.00		\$0.00	\$0.00	\$0.00	

Encumbrances are shown on this side

Report #6 – KK to GL Summary Comparison (Review)

The KK to GL Summary Comparison shows your Commitment Control transactions (i.e. budgeted transactions) compared to your General Ledger transactions (i.e. actual/recorded transactions). Again, there is a separate section for each cost center.

Review each cost center:

1. You already verified the amounts in the “YTD KK Amount” and “YTD GL Amount” columns when reviewing the Appropriations Summary and Cash Summary reports. These do not need to be verified again.
2. The final column “Variance,” shows the difference between KK and GL. This should be \$0.00 for all accounts and all cost centers, and should be reviewed.
3. Mark all variances that were verified (typically with a checkmark), and make notes of any items requiring explanation or further research. This will help your reviewer, as well as someone auditing the reconciliation at a later date.
4. If some variances are not zero, it may be due to timing differences.
 - a. Example: A transaction arrives at the end of the month and is paid, but has not yet hit the general ledger.
 - b. All timing differences will be fixed in next month’s report.**
5. If a variance does not change in the following month, or if you know it is due to anything other than timing, investigate and correct.

Run Date: 02/06/2018

KK to GL Summary Comparison
FA-CONTROLLER-ADMINISTRATION
For Month Ending: January 31, 2018

Cost Center	YTD KK Amount	YTD GL Amount	Variance
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)			
794100 FREIGHT	\$36.97	\$36.97	\$0.00
795000 INSURANCE	\$305.67	\$305.67	\$0.00
799900 MISCELLANEOUS OPERATING EXP	\$195.00	\$195.00	\$0.00
Subtotal Other Operating Expenses	\$52,843.08	\$52,843.08	\$0.00

myufl

This is the column being verified

All variances should be zero

Report #7 – Open Encumbrance Summary (Review)

The Open Encumbrance Summary reflects all active encumbrances (i.e. purchase orders, travel authorizations, etc.) in myUFL for each cost center.

Review each cost center:

1. The open amount of each encumbrance is correct.
2. Funds still need to be encumbered. If encumbrances are no longer needed, closing the purchase order (PO) or travel authorization (TA) will release the funds back to the department’s available balance.
3. Encumbrances are all appropriate and belong to your department



Open Encumbrance Summary
FINANCE / ACCOUNTING
As of: December 31, 2017

Run Date: 01/06/2018

Flex	UFID	CRIS	Acctg Date	Encumbrance ID	Encumbrance Description	Encumbered Amount	Open Amount
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)							
732900 OFFICE EQUIP & FURNITURE <5000							
-	10487109	-					
-	-	-					
Subtotal 732900 OFFICE EQUIP & FURNITURE <5000							

ID, such as PO or TA
Description (such as vendor name)
Total encumbered
Amount still unpaid

Report #8 – Projected Payroll Detail (Review)

The Projected Payroll Detail is a projection of your department’s payroll expenses. This report is to be used for budgeting purposes as it is a projection of future expenses, and does not reflect transactions that have already taken place.

Therefore, it does not need to be reconciled, but should be reviewed to help ensure departments remain within their salary and benefits budget.



Projected Payroll Detail
64000000~FINANCE / ACCOUNTING
 12/29/2017 Through 06/30/2018

Run Date: 01/06/2018

Employee Name	Employee ID	Emp Rec No	Combination Code	FTE	Distribution Commitment Begin Date	Distribution Commitment End Date	Distrib %	Salary Admin Plan	Class Code	Projected Earnings	Proj Fringe Benefits	Projected Total
Cost Center: 64101000-101-CRRNT (Department-Fund-Budget Reference)												
Fiscal Year: 2018												
Employee Group: Salary Expenses												

Step 3 – Research and Correct Any Reconciling Items

***Please note, this step can take place during Step 2 – Performing the Reconciliation, or after the reconciliation is complete.*

Each reconciling item (those identified as an issue, error, or that you do not understand) should be researched and, if needed, corrected. This is where the Transaction Detail Report (Report #1 above) is very helpful. Never ignore the reconciling items!

Each reconciling item will vary in terms of the research and correction needed, below are some steps that are likely to be required:

1. Using the Transaction Detail Report, pull up the details of the transaction to get information such as the PCard holder, employee entering the journal, back-up attached to the voucher/journal in PeopleSoft, etc.
2. Contact any employees involved in the transaction to get more information. If the information they provide shows the transaction is valid, either electronically or on paper note the results or information provided.
3. If the transaction belongs to another department, contact that department and process an E2E to transfer the expense. Note the E2E information on your departmental ledgers.
4. If the transaction is an error, such as the wrong account being used, process an E2E to transfer the expense to the correct Chartfield. Note the E2E information on your departmental ledgers.
5. If the transaction is not appropriate, there are several possible options:
 - a. Talk to your supervisor about the transaction to keep him/her informed and decide on a plan to correct.
 - b. Contact the UF PCard team if there is a question about if a PCard transaction is allowable. Contact information is at the end of this guide.
 - c. Contact the appropriate core office, such as Payroll, Disbursements, or General Accounting, to get more information or assistance on the best way to correct the error. Contact information is at the end of this guide.
 - d. Speak to the employee responsible for the transaction to get more information and advise him/her why the transaction is not appropriate (expenses not allowed for this fund, not an allowable PCard charge, etc.).
6. **If you suspect fraud, take action immediately!**
 - a. Bring the issue to your supervisor right away.
 - b. Contact the Office of Internal Audit – 392-1391
 - c. Call the anonymous UF Compliance Hotline – 1-877-556-5356
 - d. Submit an anonymous online report at:
www.reportlineweb.com/welcome.aspx?client=UF
 - e. Visit www.compliance.ufl.edu for a full list of reporting channels.

Step 4 – Document the Monthly Reconciliation and Review

Departments must provide evidence that the account reconciliation is completed, reviewed, and approved on a monthly basis. The preparer, reviewer, and approver can do so by noting their names and the date on the reconciliation with a signature. Documentation can be done electronically (see below).

Transaction Detail
FA-CONTROLLER'S OFFICE
For Month Ending: December 31, 2017

Reconciled by: First Last Name
Date: 01/15/xxxx

Reviewed by: First Last Name
Date: 01/18/xxxx

Run Date: 01/06/2018

Account Review Tips for Leadership

Vice Presidents, Deans, Directors, or Department Chairs may choose to delegate the monthly financial reconciliation and review process to another employee. However, **the final approval should be performed by the Vice President, Dean, Director, or Department Chair, who should document the approval.**

Below are some tips for leadership:

- A review of departmental activity should begin at a high level. A reviewer's focus should be on unanticipated/unreasonable activity. Reviewer should:
 - Analyze unusual activity, fluctuations in balances or activity levels by comparing actual data for different periods.
 - Review activity for reasonableness.
 - Review Chartfields for unexpected balances or with static (no) activity.
 - Identify deficit spending.
- One of the purposes for the review is to determine if general ledger adjustments may be required to properly reflect revenues and expenses of the department. Look for unusual activity or balances by comparing actual data for different periods.
 - Compare budgeted revenue and expenditures with actual activity for the period, and investigate unusual and significant variances to budget or prior periods.
 - Compare current period activity with prior period activity.
 - Compare current year activity and balances with same-period last year.
- The reviewer should drill down to specific transactions to determine where variances exist and identify unusual activity that needs to be investigated. The Transaction Detail report (page 10) is a useful tool for your entire review because it provides detailed information including PCard holder names, vouchers, and journal IDs for all the transactions affecting each cost center during the month.
 - Review the referenced source documents to ensure charges are valid and appropriate.
 - Look for unfamiliar vendors/payees and review those source documents.
 - Review PCard transactions for unfamiliar cardholder names or inappropriate charges
 - *For example, a PCard should not be used to pay for gift cards.*
 - The list of allowable, conditional, and non-allowable PCard purchases can be found at: <https://procurement.ufl.edu/uf-departments/procurement-cards-pcards/procedures/allowable/>
 - Look for duplicate payments, which can be indicated by the following:
 - Multiple payments to the same vendor
 - Duplicate invoices
 - Repetitive amounts

- Any inaccuracies (wrong account code, disputed Pcard charge, etc.) should be noted on the ledgers, investigated, and corrected (if needed) by the person performing the reconciliation. The person performing the reconciliation should note any research, phone conversations or corrections on the ledgers (can be done electronically).
 - For any corrections noted on the ledger, review the steps taken and note for follow-up the following month.
 - *For example, a correcting journal entry might be needed if an expense was charged to the wrong cost center. You should see the correction show up on the following month's Monthly Financial Reports.*
- Salary and fringe expenses are typically the largest expense for a department, so payroll activity should be reviewed for accuracy. The Payroll Reconciliation Detail (page 16) and Projected Payroll Detail (page 17) are helpful in viewing transactions for the selected pay periods.
 - For payroll reconciliation, look for the following:
 - Unfamiliar employee names
 - Unusual dollar amounts
 - FTE greater than 1.0 or an Earn % greater than 1 (with the exception of slight rounding such as 1.0001)
 - Duplicate payments
 - Terminated employees
- If your unit is a recipient of sponsored project funding, myinvestiGator is an additional reporting tool available to you that can be used for reconciliation. In addition you should be familiar with sponsor specific rules and regulations for sponsored project transactions. Work with the Principal Investigator (PI), who is primarily responsible for administration of sponsored projects to ensure expenditures are necessary, allowable, consistently treated and allocable expenditures per award terms. Ensure regulatory requirements are met.
 - *For example, a grant that does not allow foreign travel should not have any expenditures related to foreign travel.*

Most importantly – ask questions about anything in the ledgers that does not make sense.

Additional Resources

Training

- PST130 - Reconciliation
- PRO303 – Internal Controls at UF
- PST117 – Reporting: PowerPlay (i.e. FIT Cube)
- PST910 – Reporting: Basics

Contact Information

Office of the Controller

PO Box 113200
207 Tigert Hall
Phone: (352) 392-1321
Fax: (352) 392-4760

Office of Internal Audit

PO Box 113025
University of Florida HR Building
Phone: (352) 392-1391

Contracts & Grants Accounting

PO Box 113001
29 Tigert Hall
Phone: (352) 392-1235
Fax: (352) 846-0137

Division of Sponsored Programs

PO Box 115500
207 Grinter Hall
Phone: (352) 392-1582

General Accounting and Financial Reporting

PO Box 113202
East Campus Office Building
Phone: (352) 392-1326
Fax: (352) 846-0166
gahelp@admin.ufl.edu

University Disbursements

PO Box 115350
114 Elmore Hall
Phone: (352) 392-1241
Fax: (352) 392-0081
disbursements@ufl.edu

University Payroll and Tax Services

PO Box 113201
East Campus Office Building
Phone: (352) 392-1231
Fax: (352) 846-0166
payrollhelp@admin.ufl.edu
taxhelp@admin.ufl.edu

University PCard Team

PO Box 115250
971 Elmore Dr, Rm 109
Phone: (352) 392-1331
Fax: (352) 392-8837
pcard@ufl.edu

Asset Management

PO Box 115300
116 Elmore Hall
Phone: (352) 392-2556
Fax: (352) 392-468

University Procurement

PO Box 115250
971 Elmore Dr, Rm 102
Phone: (352) 392-1331
Fax: (352) 392-8837
Helpdesk: (352) 392-1335
procurement@ufl.edu

University Travel

PO Box 115350
114 Elmore Hall
Phone: (352) 392-1331
Fax: (352) 392-8837
travel@ufl.edu

Cost Analysis & Construction Accounting

PO Box 115350

114 Elmore Hall

Phone: (352) 392-5778

cahelp@admin.ufl.edu

Treasury Management

PO Box 112008

S-113 Criser Hall

Phone: (352) 392-9057

Fax: (352) 846-3576

tmhelp@admin.ufl.edu

Appendix A: Sponsored Programs Expenditures That Should Receive Additional Scrutiny

Additional Pay: Normally requires sponsor approval on federal awards. Typically required to be cross departmental.

Animal Care/Use Costs: Normally must have an IACUC certification in place.

CAS Items: Review account codes such as lab supplies for CAS items such as event tickets, entertainment, food & beverage, books, furniture, wireless device allowances, audio visual equipment, and especially computer and computers supplies.

Equipment: If allocated to more than one project document allocability. If purchased toward the end of an award or if unbudgeted document necessity of purchase.

Even dollar expenditures: Especially internal charges

Fellowships/Graduate Assistants and related Tuition: Should not overlap the grant end date nor predate the start date. The tuition distribution should typically follow the same proportion as the student's payroll (to match their effort).

Human Subject Payments: Must have an IRB certification in place. Documentation confirming that all HSP expenditures were actually issued to research subjects.

Expenditures in the final 2-3 months: Higher number/amount of expenditures within the last 90 days.

Lab Supplies: Quick review for anomalies in expenditure patterns. Higher number/amount of expenditures in the last 90 days.

Maintenance and Repair: Allocability to be based on proportional benefit.

Miscellaneous: Review for anomalies. Large number of expenditures coded as Misc. Descriptions that suggest a valid/available account code should have been used.

Participant Support: Must be separated out in a participant support project and cannot be re-budgeted for use on non-participant support activities.

Patient Care: For clinical services agreements only and must be separated out in a patient care costs project for NIH grants as these cannot be re-budgeted.

Publications: Printing costs for research dissemination purposes or for other purposes consistent with the purpose of the award.

Rentals of Space: Not allowable on awards with an on-campus F&A rate.

Stipends/Scholarships: Should be included as a component of the award.

Travel: Airfare purchased in the final 3 months; travel should take place prior to end of POP. Travel costs should be for individuals who have effort on the award.