Best practices for operational transaction reconciliation

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Operational reconciliation overview

Reconciling the monthly revenue and expense detail report is a critical fiscal management control to ensure revenue and expenditure transactions are correct, allowable and applied to the appropriate accounts.

Fiscal management officially rests with the department director, chair or other designated official. Account management is often the responsibility of specific administrative staff who report on the status of departmental accounts monthly to the director, chair or other designated official. Departments are responsible for reconciling accounts and proving and documenting that an account balance is correct at least once a month for the previous month's activity.

Preparers and approvers

The required reconciliation roles are preparer and approver. Preparers are administrative staff who handle a department's day-to-day fiscal responsibilities and should be familiar with routine transactions for a department's accounts.

Approvers are typically administrative staff reporting on the status of departmental accounts monthly to the director, chair or other designated official.

Departments with limited staff that does not have a preparer and approver should consult with their dean's office or vice president financial administrators to identify how to handle these roles appropriately.

Department responsibilities

Departments must provide evidence that the account reconciliation is prepared and approved. The preparer and approver can do so by noting their names and the date on the reconciliation. Departments should document reconciliation procedures. Complete monthly reconciliations before the month-end close of the previous month. Month-end close is typically the fourth business day after the last day of the month.

Reconciliation preparer responsibilities

Before the preparer begins the monthly reconciliation, they should identify the cost center hierarchy or cost centers they are responsible for. Use one or a combination of the following reports to complete your monthly operational transaction reconciliation:

- Sponsored grant, gifts and programs reconciliation report.
- Summary of funding sources by revenue category.
- Summary of funding uses by spend category.

Run the summary of funding sources by revenue category report in Workday. Type the report name in the search bar or refer to the department reports worklet to locate the report. In the example below, we are reconciling all programs, gifts, grants and projects in the cost center hierarchy CCH075, Financial Services and the month of August for the fiscal year 2020.

Click "okay" at the bottom of the screen.

Since you filtered the report by cost center hierarchy, the report will include all programs, projects, grants and gifts associated with the selected cost center hierarchy. Review the current month's transactions. Transactions may be reconciled without physically verifying supporting documentation if the reviewer knows the nature of the transactions.

If you identify an unfamiliar transaction:

1. Drill into the revenue category "Current Period Revenue" amount by clicking on the number. A window will appear with the individual transactions.
2. Click on the journal to view the transaction and attachments.

The transaction will display. To view the attachment:

1. Scroll down and locate the "Attachments" tab.
2. Click on "Attachments."
3. Click on the attachment to view.

Continue to review the remainder of the transactions while researching any questionable transactions. When you have completed reconciling the revenue transactions, run the Summary of Funding Uses by Spend Category report and follow the same steps to reconcile the operational expenses.

Another option is to run the Sponsored Grant, Gifts and Programs Reconciliation report. **Note**: This report is defaulted to exclude the following:

- Facilities and administrative costs.
- Internal allocation expenses.
- Payroll and ERE transactions.
- Transfers in.

Sponsored Grant, Gifts, and Programs Reconciliation Report

Field	Value	
Include Only this Journal Source		
Year	× 2020 ···	① **Enter the Fiscal Month and Year**
Period	× Aug ···	
Award		
Grant		
Grant Hierarchies		
Program		
Program Hierarchies		
Gift		
Gift Hierarchies		
Worker		
Cost Center		
Cost Center Hierarchies	× CCH075 Financial Services ···	② **Enter the desired Cost Center Hierarchy**
Include the Following Journal Status	× Posted	
Ledger	× Actuals ···	

Refer to the Best Practices Reconciling Payroll Expenses Procedures guide on the Best practices webpage.

Once you have completed the reconciliation for the month, export the Workday report to Excel using the Excel icon on the report.

From the Excel spreadsheet, make a notation of transactions needing to be corrected. Enter your name in the Excel spreadsheet as the reconciliation preparer with the date, and save the file in your department-approved network drive or Dropbox folder.

Notify the reconciliation approver that the month's reconciliation is ready for review and provide them with the file location.

Reconciliation approver responsibilities

Once you have been notified that the reconciliation for the month has been completed, review the report and verify the appropriateness and legitimacy of the transactions recorded against the department's account. Review any unusual or unexpected high dollar amount transactions in detail.

Reconciliaiton retention

Retain all reconciliations and supporting documentation for non-sponsored accounts for at least three fiscal years per FIN 103. Sponsored accounts have a retention period of seven fiscal years after the grant close date. Refer to the research administration webpage for additional guidance on reconciling sponsored accounts.

Journal source definitions

Contact the Financial Services Accounting staff for assistance with researching questionable transactions.

Journal source	Description
Accounting adjustment	Accounting adjustment tasks processed on a supplier invoice or expense report.
Allocation	Internal allocation activity like an administrative service charge, Risk Management fee or telecommunications fee.
ASU department initiated	Non-transfer accounting journals initiated by an ASU department.
ASU department transfers	An ASU department-initiated accounting journal transferring in or out between another ASU department.
ASU ISD corrections	An ASU department-initiated accounting journal used to process adjustments related to internal service delivery transactions.
Expense report	Expense report task or Concur expense reports.
Facilities and administration expense	Facilities and administration expenses posted in real-time as applicable charges are recorded.
FS Accounting	Accounting journals processed by the Financial Services Accounting department.
FS Commitment Accounting	Accounting journals processed by the Financial Services Commitment Accounting department.
FS credit card allocation	Credit card fees allocated to departments per transaction.
FS payroll accrual and reversal	The year-end payroll accrual and subsequent reversal journals.
FS Plant	Accounting journals processed by the Financial Services Plant Dept department.
FS PSCS Cashiering	Manual correction related to the integration.
FS SBS Financial Aid	Journal entries processed by Student Business Services for transactions on financial aid accounts.
FS SBS scholarship transfers	Journal entries to fund scholarships, requested by departments via scholarship transfer requests and processed by Student Business Services.
FS SBS tuition	Tuition and fee adjustments processed by Student Business Services.
FS Student Business Services	Accounting journals processed by Financial Services and Student Business Services.
FS Tax	Accounting journals processed by the Financial Services Tax Services department.

Journal source	Description
FS Travel	Accounting journals processed by the Financial Services Travel department.
FS Treasury Services	Accounting journals processed by Financial Services Treasury Services.
GU transfers	General University transfers at the request of the Office of Planning and Budget.
Integration — F and A encumbrance	Facilities and administration encumbrances.
Integration — banking	Items related to the bank reconciliation process, including ad hoc bank transactions.
Integration — Concur	Travel export fee and carbon offset fees from Concur.
Integration — P-Card	Weekly integration of P-Card transactions from PaymentNet.
Integration — PSCS cashiering	Cash, check and electronic deports from PeopleSoft cashiering.
Integration — PSCS student financial accounting	The interface of student financial accounting activity from PeopleSoft.
Integration — PSHCM gross pay	Gross pay expenses from PeopleSoft Human Capital Management.
Integration — PSHCM payroll encumbrances	Gross pay encumbrances from PeopleSoft Human Capital Management.
Integration — PSHCM payroll ERE	Employee-related expenses from PeopleSoft Human Capital Management.
Integration — PSHCM payroll redistributions	Payroll redistributions transactions from PeopleSoft Human Capital Management.
Integration — PSHCM RA/TA	Graduate tuition remission benefits from PeopleSoft Human Capital Management.
Integration — PSHCM work-study	Federal Workday adjustments from PeopleSoft Human Capital Management.
Internal service delivery	Interdepartmental transactions processed by an ASU internal service provider.
Legacy P-Card delivery	P-Card transactions posted to the old company card after the cutoff.
ORSPA-ACP	Revenue and spend transfers or corrections processed by award and cash management. The transaction is related to award cost processing and should be, if an expense, available for billing.
ORSPA-No ACP	Revenue and spend transfers or corrections processed by award and cash management. The transaction is not related to award cost processing and should not be available for billing.
P-Card manual	Manual corrections related to the integration.
PSHCM gross pay	Manual corrections related to the integration.
PSHCM payroll encumbrance	Manual corrections related to the integration.
PSHCM payroll ERE	Manual corrections related to the integration.
PSHCM payroll redistribution	Manual corrections related to the integration.
PSHCM RA/TA	Manual corrections related to the integration.
OSHCM work-study	Manual corrections related to the integration.
Supplier contract	Supplier contract task.
Supplier invoice	Supplier invoice task.
Travel ghost card manual	Travel charges paid on the ghost card.