

# 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.

Summary of Fu	inding Source	s by Reve	enue Category
Period	* × 2020 - Aug		Enter the Fiscal
Academic Employee		- Ľ	Month
Academic Employee Hierarchies		:=	/
ASU Audit		:=	(
ASU Position		:=	
ASU Workorder		:=	١
Campus		:=	
Cost Center		:=	
Cost Center Hierarchies	× CCH075 Financial Services	= 2	Enter the desired Cost Center
Cost Center Manager		=	Hierarchy
Debt		:=	/
Department Reporting		:=	
Department Reporting Roll		:=	\

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.

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l berns lost Center	Program	Project	Grant	Gift	Department Reporting Roll	Revenue Category	Current Period Revenue	Revenue
Beginning Balance								19,620,784.66
CC0260 FS-Student Business Services	P002915 FS-Third Party Billing Fee-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Fee - Sponsored Student Billing	313,074.04	364,274.04
C0260 FS-Student Business Services	P002915 FS-Third Party Billing Fee-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Fee - Extended Repayment Plan	50.00	200.0
000260 FS-Student Business Services	P002915 FS-Third Party Billing Fee-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Check Reissue Fee	4,060.00	5,060.0
CC0260 FS-Student Business Services	P002901 FS-Payment Card Merchant Services-LCL	(Blank)	(Blank)	(Blank)	(Black)	Fee - Credit Card Processing	13,422.43	31,360.3
CC0250 FS-Student Business Services	PG02901 FS-Payment Card Merchant Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Conference/Seminar	0.00	0.00
CC0260 FS-Student Business Services	P002898 FS-Miscellaneous Clearing-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Other Revenues	(2,550.61)	(40.56
CC0260 FS-Student Business Services	P002898 FS-Miscellaneous Clearing-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Other Revenues	0.00	(5.00
CC0260 FS-Student Business Services	P002883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Fee - AR Transaction	42,057.50	106,177.6
200260 FS-Student Business Services	P002883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Black)	Other Revenues	0.00	14,591.60
000260 FS-Student Business Services	PG02883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	NSF Check Charges	5,550.00	7,273.00
000200 FS-Student Business Services	P002883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Fee - Credit Card Processing	(2,831.96)	(22,427.49
000260 FS-Student Business Services	P002883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Bad Debt Write Off	130,503.00	(232.707.00
C0260 FS-Student Business Services	PG02883 FS-Collection Follow Up Services-LCL	(Blank)	(Blank)	(Blank)	(Blank)	AR Late Charges	667,938.20	1,354,310.8
C0259 FS-Financial Services	P002918 FS-Travel Card Program-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Other Commissions	0.00	0.0
000259 FS-Financial Services	P002903 FS-Plant Fund Management-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Services	41,249.43	58,640.21
C0259 FS-Financial Services	P002902 FS-Payrol-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Other Revenues	13,230.00	15,616.8
	P002884 FS-Commerce Bank AP Card Program-LCL	(Blank)	(Blank)	(Blank)	(Blank)	Other Commissions	86.654.31	81.197.0



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.

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od 2020-	Aug Cost Center Hierarchies	CCH075 Financial Service	10												
o Tips:															
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e report icor	·													<u> </u>	
	Criteria View by: Select a Field	* an	d then by: Select a Fiel	d	* Refresh										
	4 items			2	Click on								⊕⊻⊽ılı		
na					transaction attachem	ents Journal Source	Business		Department	Department			Teel		
Center	Ledger Account	Transaction Date	Accounting Date	Period	Journal attachen	Journal Source	Document	Revenue Category	Reporting	Reporting Roll	Cost Center	Program	Gift Amount	vent Period Revenue	1
eginning Bala	6700:Miscellaneous Revenue	08/01/2019	08/01/2019	Aug	JRN-20-00039573 - Arizo State University - 08/01/2	FS Accounting		Other Revenues			CC0259 FS-Financial Services	P002902 FS-Payroll-LCL	8,750.00		1
160 FS-Stude					- July MW FEE 07/14/201									313.074.04	
	6700:Miscellaneous Revenue	08/30/2019	08/30/2019	Aug	JRN-20-00060208 - Arizo State University - 08/30/2	FS Commitment Accounting		Other Revenues			CC0259 FS-Financial Services	PG02902 FS-Payroll-LCL	1,730.00		4
260 FS-Stude					- Gam Fees									50.00	
160 FS-Stude	6700:Miscellaneous Revenue	08/11/2019	08/11/2019	Aug	JRN-20-00062006 - Arizo State University - 08/11/2			Other Revenues			CC0259 FS-Financial Services	PG02902 FS-Payroll-LCL	1,100.00	4,060.00	
260 FS-Stude	·				- August MW FEE 08/11/2019									13,422.43	
260 FS-Stude	6700:Miscellaneous Revenue	08/25/2019	08/25/2019	Aug	JRN-20-00062011 - Arizo State University - 08/25/2			Other Revenues			CC0259 FS-Financial Services	P002902 FS-Payroll-LCL	1,650.00	0.00	
260 FS-Stude					- August MW FEE 08/25/2019									(2,550.61)	
260 FS-Stude														0.00	
260 FS-Stude														42.057.50	
260 FS-Stude														0.00	
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260 FS-Stude														(2,831.98)	(
260 FS-Stude	1													130,503.00	9
160 FS-Stude												Click or	the amount to	667,938.20	1
59 FS-Finan					(a.e)	/a						view det	ail transactions	A 0.00	1
59 FS-Finan	rcial Services	P002903 FS-Plant P	Fund Management-LCL		(Blank)	(Blank)	(Blank)	(Blank)			Servi	ces	•	41,249.43	
59 FS-Finan	ncial Services	PG02902 FS-Payrol	HCL.		(Blank)	(Blank)	(Blank)	(Blank)			Othe	r Revenues	U (	13,230.00	
					(are sy	(0.0)	(0.0.1.)	(							

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.

Journal Q. Jo	umal Number JRN-20-00039573 Status	Posted Journal Sequence Numbe	r JRNL-2020-00000043406
<ul> <li>Journal Entry</li> </ul>	Information		
Originated by	Daniel Behr		/
Accounting Date	08/01/2019		1
Currency	USD		-
Period	Aug-2020 Actuals (Arizona State University)		
Ledger	Arizona State University : Actuals		(
Journal Source	FS Accounting		
Balancing Fund	FD5001 Unrestricted		
Optional Balancing Worktags	Campus: Tempe Cost Center: CC0259 FS-Financial Services	Find the Attach and click to	
Book Code	(empty)		open
Journal Lines Reta	ined Earnings Status History	ttachments Process History	/



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, G	Gifts, and Program	ns Reconci	liation Report	
nclude Only this Journal Source		:=		
Year	* × 2020	≡ [1	Enter the Fiscal Month and Year	
Period	× Aug …	=	Month and Year	
Award		:=		
Grant		:=		
Grant Hierarchies		:=		
Program		:=		
Program Hierarchies		:=		
Gift		:=		
Gift Hierarchies		:=		
Worker		:=		
Cost Center		:=		
Cost Center Hierarchies	× CCH075 Financial Services	· ·· · · :=	Enter the desired Cost Center	
Include the Following Journal Status	× Posted	=	Hierarchy	
Ledger	× Actuals	:=		





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47 marr	-															日 回 平	ni, mis
Tear	Period	Cost Center	Program	Journal	Journal Source	Spend Category as Worktag	Ledger Account Type	Ledger Account	Teta	Budget Date	Accounting Date	Supplier Name	Business Document	Operational Attachments	Purchase Order Number	Related Operational Attachments (Purchase Order)	
2120	Aug	CODEC F5-Trutter Trutters Services	P022027FS Inster Lan Aproxystan CCL	Operational Journal Adapta Shere Driversity - 55/37/2019	Sugartier involve	Accounting and Friendal Dentiles	Eperse	7200 Services	5442540	d7/12/2016	86/01/2019	Encentene Computer bys the	hoper reserve the cooperage of	NOTOLOGICAL	P0.20.00034674	<ul> <li>2018 ECB</li> <li>Connext pdf</li> <li>ACUA, "Tw, Dinv</li> <li>angle, Acuana, Jak, Acuana, Jak, Acuana, Jak, Acuana, Jak, Acuana, Acuana, Sol, 2018 ad</li> <li>ACUA - The Development of B 2018 pdf</li> <li>ACUA - The Development of B 2018 pdf</li> <li>ECD Apuf</li> </ul>	8652
1079	All	CCONET #5-FMS Support	P009451 F5-FM3 Support- 007	Operational Journal: Arcoina Stata University - 08/01/2019	Supplier Involce	Management and consultant services	Expense	7200 Services	(\$1,560.00)	07/15/2019	06/01/2019	Dene-Cedar Inc	Supplier Invoice Adjustment SI-0000178478	Chad			
2020	:Auj	cont Fants bases	Postal FS/M baser SCT	Constant Jona Andrea Data Andrea Data Andrea All Andrea	Supplier Invoice	Manganet of panalest access		700 Serves				Jam Cele In	5000110100 0000110100	COO STORE and	PG-20-0007168	FV 07 11 11 Jangung Bard Lons Caust Ho- Mark State (Construction) Constructions and Construction Constructions and Construction Con	
2020	Aug	CCDM1 F5-PM3 Support	PODIATI FS-Pild Support SOT	Operational Journal Angona State University - 36/31/2019	Supplier Invoice	Management and consultant services	Experise	7200 Services	38,342.00	08:05/2019	06/01/2019	Sena-Cedar Inc	Suppler invoce 3- accorness	B 20. 000191597.64	P0-25-2022/M42	ADJ Muedon Integration for WD COD argened 1007 16 perf ADJ-501 Muedon	880.2

Refer to the Best Practices Reconciling Payroll Expenses Procedures guide on the <u>Best</u> practices webpage.

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

Period 2020-Aug Cost Center Hera	ohies CDH075 Francial Services							
You may filter on a column by clicking on the Colum	ours and slick on the downward arrow. You may then shoose one of the "View By" in Header and selecting your filter unterlai the sepont header to export to Escal. Filter or view in chart.	' options. Clicking on View Details will retu	m the detailed journal lines	i. It is recommended that y	su choose one of the View By options.			
19 terra								a a s
19 terns Cost Center	Program	Project	Grant	GH	Department Reporting Roll	Revenue Category	Current Period Revenue	a ₹ då Revenue YT
	Program	Project	Gart	GH	Cepartment Reporting Roll	Reserve Category	Current Period Revenue	
lost Center Beginning Balance	Program PODD113757144 Puny Billing FeeLCL	Project (Slank)	Gort (Sark)	Gift (Bfank)	Department Reporting Roll (Blank)	Renove Category Fee - Sponsored Student Billing	Current Period Revenue	Revenue YT
Cost Center								Revenue VT

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 <u>FIN 103</u>. Sponsored accounts have a retention period of seven fiscal years after the grant close date. <u>Refer to the research administration</u> <u>webpage</u> for additional guidance on reconciling sponsored accounts.

#### Journal source definitions

<u>Contact the Financial Services Accounting staff</u> for assistance with researching questionable transactions.

Journal source	Description
Accounting	Accounting adjustment tasks processed on a supplier invoice or expense
adjustment	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	An ASU department-initiated accounting journal transferring in or out
transfers	between another ASU department.
ASU ISD corrections	An ASU department-initiated accounting journal used to process
ASO ISD corrections	adjustments related to internal service delivery transactions.
Expense report	Expense report task or Concur expense reports.
Facilities and	Facilities and administration expenses posted in real-time as applicable
administration	charges are recorded.
expense	
FS Accounting	Accounting journals processed by the Financial Services Accounting
	department.
FS Commitment	Accounting journals processed by the Financial Services Commitment
Accounting	Accounting department.
FS credit card	Credit card fees allocated to departments per transaction.
allocation	
FS payroll accrual and	The year-end payroll accrual and subsequent reversal journals.
reversal	
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	Journal entries to fund scholarships, requested by departments via
transfers	scholarship transfer requests and processed by Student Business Services.
FS SBS tuition	Tuition and fee adjustments processed by Student Business Services.
FS Student Business	Accounting journals processed by Financial Services and Student Business
Services	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
Integration E and A	Budget. Facilities and administration encumbrances.
Integration — F and A encumbrance	
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	Cash, check and electronic deports from PeopleSoft cashiering.
cashiering	
Integration — PSCS	The interface of student financial accounting activity from PeopleSoft.
student financial	
accounting	
Integration — PSHCM	Gross pay expenses from PeopleSoft Human Capital Management.
gross pay	
Integration — PSHCM	Gross pay encumbrances from PeopleSoft Human Capital Management.
payroll encumbrances	
Integration — PSHCM	Employee-related expenses from PeopleSoft Human Capital Management.
payroll ERE	
Integration — PSHCM	Payroll redistributions transactions from PeopleSoft Human Capital
payroll redistributions	Management.
Integration — PSHCM	Graduate tuition remission benefits from PeopleSoft Human Capital
RA/TA	Management.
Integration — PSHCM	Federal Workday adjustments from PeopleSoft Human Capital
work-study	Management.
Internal service	Interdepartmental transactions processed by an ASU internal service
delivery	provider.
Legacy P-Card	P-Card transactions posted to the old company card after the cutoff.
delivery	
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
B Card manual	should not be available for billing.
P-Card manual	Manual corrections related to the integration. Manual corrections related to the integration.
PSHCM gross pay PSHCM payroll	Manual corrections related to the integration.
encumbrance	ואמוועמו לטוופלווטווג ופומופט נט נוופ ווונפטומנוטוו.
PSHCM payroll ERE	Manual corrections related to the integration.
PSHCM payroll	Manual corrections related to the integration.
redistribution	
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	Travel charges paid on the ghost card.
manual	Traver onarges paid on the ghost data.
manuai	1