

TEC Post-Award General Ledger Reconciliation Procedures

Goal: The overall goal of reconciliation is for all financial activity to be recorded completely, accurately, and in compliance. This guidance explains what is needed to have a completed reconciliation of the general ledger.

Roles of Reconciliation:

Reconciler - Assistant Finance Analyst/ Students: The Reconciler is responsible for reconciling the ledger for given areas of responsibilities. The Reconciler should be someone who understands the daily transactions posted in the ledger. In addition, the individual performing the reconciliation should be someone other than the person with authority to approve the expenditures on the same report. Reconciler will initial (first and last) and date the first page of the general ledger (with hard copy backup and notes attached).

Certifier-Fiscal Officer: The Certifier confirms the reconciliation has been appropriately completed and certifies the ledger for given areas of responsibilities. The Certifier should be a person with some level of authority over the Reconciler. Fiscal Officer will review the general ledger (with hard copy backup and notes attached), initial and date the first page of the general ledger when it is completed. If incomplete, reconciler and/or Fiscal Officer continues to locate missing backup until the general ledger packet is completed.

Reports to Run:

General Ledger: KFS Account Summary and Transactions Report (FSO 100/200)

Payroll Report: [Distribution of Payroll Expense report \(PPP5302\)](#)

Expenditures to Reconcile: Expenses need to be reasonable, allowable and allocable with a direct benefit to the scope of the project. The PI must be able to justify each expense charged to the project. Expenditures need to be reviewed for accuracy, noting discrepancies and missing documentation.

Payroll: Match payroll ledger to the general ledger. Total salary and total benefits on the payroll ledger should match the total salary and total benefits on the general ledger. Backup should be included for Payroll Transfers.

Non-payroll Expenses: Match backup to line entry on the general ledger. If initials are found on the general ledger in the *Org Doc No, Project, or Org Ref ID* field, then no action is needed (backup exists electronically). If initials are missing, confirm that the backup is uploaded to the KFS doc. If backup is uploaded, then write in your initials on that line of the ledger to indicate backup is online. If no backup found in KFS, then attach hard copy backup and add a checkmark to the dollar amount for the expenditure.

Backup: Sufficient backup will vary depending on the type of expense. In general, the backup should include a receipt and the PI's authorization to charge the account. The backup may include other documentation such as request forms, receipts, invoices, order confirmations, and additional justification. In case of recharges, it is assumed that the recharge center has collected PI authorization at the time of purchase. Below is a table of common types of ledger entries and the backup needed for each.

| Ledger Entry Types | Doc Types | Back-up |
|----------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reimbursements | TR, ENT, DV | PI approval and receipts. See Travel Guidelines , Meeting/Entertainment , or DV for more details. |
| Purchasing | PDCO, PO, PREQ | Purchase Request Form with PI Approval and invoice/order confirmation. PREQ can count as the invoice for E-Invoicing Vendors . * |
| Recharges: | IB, SB | Back-up provided by the recharge center, and PI certification of expenses \$500 or more. See Feeder Systems table. ** |
| Budget Appropriation Transaction | BAT, BA | Description explains reason for the BAT or BA. Generally for allocations of funding for un-restricted funds (BAT) or extramural support (BA). No specific backup required. |
| General Error Correction | GEC | Backup uploaded to the Notes and Attachments section includes backup for the original expense(s). |

*PO/PREQ have initials added at requisition stage- Fiscal Officer will check that invoices and such are attached to PREQ or make note of deficiency and provide backup as needed.

**IB/SB doc types may include derivatives like IBIS and such that start with IB or SB.

Special Consideration:

Allowability for federal grants (KFS number start with FG or FC) and many other restricted awards and contracts (start with PC, ST...)

- **FedEx/Mail/Shipping Charges-** generally not allowed, need specific purpose that benefits the grant (should have something in notes or backup describing what it is- return of purchases, mailing samples to collaborator or vendor to do work, etc.)
- **Food/Entertainment-** meals for meeting with a specific purpose/agenda. Usually not allowed on federal grants. Allowable only during travel, or for a conference as part of a conference grant.
- **Alcohol-** not allowed on federal or state funds.
- **General Office Supplies-** not allowed (paper, toner, pens...)

- **General Use Equipment-** usually not allowed, justification of project specific need/purpose is needed if charged to a grant (general lab computer, printer, hard drives)
- **General Use Software-** not allowed (MS Office, etc.)
- **Foreign Travel-** often limited, ask fiscal officer if there are restrictive terms on the intended award.
- **Memberships/Dues** - generally not allowed on grants/contracts.

Allocability

- **Correct Account-** account should match the request
- **PI Approval-** for reasonable assurance that costs are on the correct project, PI or designate must approve most orders.
- **Split Expenses-** on two or more accounts, needs reasonable allocation methodology for how expense is split.
- **Benefit-** expense is of benefit to the project

Other Things to Note During Review:

- Unusual Charges- anything out of the ordinary
- Duplicates
- No backup
- Requestor not recognized
- Supplier unknown
- Items charged seem different from items ordered
- Large charges- such as capital equipment or subawards

Reconciliation Due Dates: Per university policy, reconciliation should be done by the end of the following month and certification should be done by the 15th of the following month. For example, the July general ledger should be reconciled by August 31st and certified by September 15th. See [Managing Timeline and Escalation Notices](#) for more information.

Retention:

Reconciliation files need to be retained in office or archive according to retention schedules.

Generally:

- 4 years from fiscal year-end for discretionary (except for discretionary accounts used for cost share)

- 6 years from the award end date for federal/extramural funds (including cost share accounts)

NOTE: For continuation awards, all previous segments of the awards need to be retained until 6 years after the final segment/renewal is complete.

<http://www.accounting.uci.edu/support/guides/retention.html>

General Procedure for Reconciliation:

1. Reports to Run:
 - a. General Ledger: KFS Account Summary and Transactions Report (FSO 100/200)
 - i. by Fiscal Officer and Account Manager (PI)
 - b. Payroll Ledger: [Distribution of Payroll Expense report \(PPP5302\)](#)
 - i. by Payroll Department
2. Review Payroll Ledger:
 - a. Review items on ledger for accuracy, noting discrepancies and missing documentation
 - b. Attach back-up for payroll transfers. Write a check mark next to the amount on the Payroll Ledger.
 - c. Match the Payroll Ledger to the General Ledger.
 - i. Look for account/fund, total salary amount, and total benefits amount.
 - ii. Write a check mark next to the amount on the General Ledger.
3. Review General Ledger:
 - a. If Fiscal Officer's initials appear on the expenditure line, backup is scanned or attached to the KFS document (within the financial system). No further action needed.
 - b. If Fiscal Officer's initials do not appear on the expenditure line, check the KFS document for backup on the Image Scanning section or the Notes & Attachments section.
 - i. If backup found, write your first initial on the expenditure line.
 - ii. If backup not found, check hard copy backups provided by the Fiscal Officer. Look for KFS account number, document number, and dollar amounts to match the General Ledger.
 1. If hard copy backup is found,
 - a. write a check mark next to the amount on the General Ledger.
 - b. attach backup to the GL in the order as it appears on the General Ledger.
 2. If hard copy backup is not found,
 - a. request a copy from the initiator or source of charge.
 - b. write a check mark next to the amount on the General Ledger.

- c. attach backup to the General Ledger in the order as it appears on the General Ledger.
4. Review items on ledger for accuracy, noting discrepancies and missing documentation.
5. Initial (first and last) and date the general ledger
6. Fiscal Officer reviews GL (with hard copy backups and notes)
 - a. If complete (no other necessary backup are missing), Fiscal Officer initials and dates the GL
 - b. If incomplete, reconciler and/or Fiscal Officer continues to locate missing backup until complete.

References:

Guidelines for Ledger Reconciliation:

<http://www.accounting.uci.edu/support/fiscalofficers/reconciliation/guidelines.html>

Best Practice Guidelines:

<http://www.accounting.uci.edu/support/fiscalofficers/reconciliation/best-practices.html>

Ledger Reconciliation Certification Terms and Definitions:

<http://www.accounting.uci.edu/support/fiscalofficers/reconciliation/terms.html>

Reference Guide to Required Supporting Documents:

<http://www.accounting.uci.edu/supportingdocs/index.html>