RECONCILIATION PROCEDURES

Introduction George Mason University Policy 2114 requires timely reconciliation of all organizations (orgs) and funds. The purpose of this systematic review is to ensure that all transactions have been properly recorded, that financial statements accurately reflect the financial position of the fund or org, that any irregularities are identified and immediately reported to the appropriate authorities and corrections are documented, monitored and resolved within an acceptable time frame.

The following guidelines will assist the responsible individuals with verifying that the information recorded in Banner Finance, Mason's financial accounting system, is consistent with department source documentation. Department representatives may use the suggested process OR another reconciliation process provided a full and systematic verification and reconciliation is completed and certified within the prescribed time frame in the Timeline section below.

Fund/Org Structure A fund or organization at Mason is a business unit such as a department, project or activity that has a unique code in Banner Finance.
An organization code is used for activities that are supported by Education and General (E & G), Auxiliary Enterprise and F & A Recovery (Indirect) funds.
A fund code is used for an externally funded activity, such as a grant or construction project.

Account Structure Banner Finance organizes financial data into a series of account codes. Accounts beginning with '0' relate to revenue. Those beginning with '6' relate to salaries, wages and fringe benefits and those beginning with '7' relate to direct expenditures.
Direct expenditure account codes are further organized by type. For example Services begin with '73', Supplies '74' and Equipment Greater than $5,000 '76'.

Reconciliation Process A reconciliation is a systematic review of Banner financial activity to verify that all charges and credits are accurate and appropriate, usually comparing to source documentation to confirm accuracy of postings and identify expected transactions that have not yet occurred. In certain situations it may be appropriate to rely on other compensating controls; advance approval from the Controller or designee is required.

Reconciliation Reports Banner financial data for reconciliation is summarized in several MicroStrategy reports available at http://tsd.gmu.edu/services/reporting/ Folders for the PI Reports and Reconciliation Reports are located in Shared Reports.

Reconciliation Guides The MicroStrategy for Reconciliation User Guide and the PI Reports Quick Guide provide detailed instructions and screen shots to navigate the reports and

prepare and certify reconciliations.

Deans and Heads of Administrative Units

Deans and heads of administrative units are required to oversee the reconciliation process for all Banner funds and/or organizations. The dean or head of an administrative unit or a designee he/she appoints must ensure that appropriate staff, training, resources and competencies per Employee Work Profiles (EWPs) are available to satisfactorily complete reconciliations in the prescribed time frame.

Heads of Departments, Projects and Activities

Heads of departments, projects and activities are required to ensure that their Banner funds and/or organizations are reconciled and approved in a timely manner and in accordance with the Timeline below. They may perform or approve the reconciliation or assign such responsibilities to others. The same individual should not perform both the reconciler and the approver functions on the same fund or organization therefore the heads of departments, projects and activities should ensure that staffing is adequate for separation of duties between the reconciler and approver or PI. The dean or administrative unit head may formally approve a temporary exception. Heads of departments, projects and activities are required to work with reconcilers to resolve identified reconciliation issues within three months after the last day of the reconciled month/period. Examples of the prescribed time frames are included in the Timeline section below.

Reconcilers

A reconciler is an individual who performs the reconciliation and prepares documentation for approval. Reconcilers are required to reconcile all assigned Banner funds and/or organizations in a timely manner on a monthly or bi-monthly basis and within the prescribed time frame in the Timeline section below. Monthly reconciliation is encouraged.

Reconcilers must certify that all charges and credits on the fund or organization have been reviewed and are supported by appropriate documentation. Charges and credits on the fund or organization must be supported by documentation as appropriate, filed in the department or centrally and be available for review. Units may establish a process for reconcilers to share details about transactions and reconciling items for the approver/PI.

Any discrepancies (reconciling items) must be documented, including charges or credits posted incorrectly or pending transactions that did not post as expected. Documentation must include the time frame for expected resolution which, except in extenuating circumstances, should generally not be later than three months from the last day of the reconciled month/period. For example, the reconciler has identified an error related to a July 25 transaction on the report for the month/period ended July 31. He/she should generally process the correction by October 31. Earlier resolution is strongly encouraged.

The reconciler must document efforts to escalate open issues to comply with the three month time frame. Documentation related to reconciling items resolved within the three month time frame should be retained until the item is corrected or otherwise resolved. Reconciler may utilize the comment section of the

reconciliation spreadsheet to note resolution and date as appropriate.

Approvers

An approver is an individual who has the knowledge to approve that the work performed by the reconciler is adequate and the charges and credits to the fund or organization are reasonable. The approver is usually the employee who is responsible for expenditures or credits on the fund or organization. Approvers are required to review the reconciliation(s) and must certify that the work performed by the reconciler is adequate and that the charges and credits to the fund or organization are reasonable. The approvers' review should include analysis of reconciling items and the appropriateness of the follow-up. The approver must complete and certify his/her review in a timely manner and in accordance with the Timeline below.

Principal Investigators (PIs)

All PIs are required to ensure that their Banner funds are reconciled. PIs are required to review the reconciliation(s) and must certify that the work performed by the reconciler is adequate and that the charges and credits to the fund or organization are reasonable. The PIs' review should include analysis of reconciling items and the appropriateness of the follow-up. The PI is further required to ensure that expenditures are made for the intended purpose of the grant or contract in accordance with sponsor requirements as well as university policies and procedures and to subsequently certify the financial reports on his/her sponsored funds. The PI must complete and certify his/her review in a timely manner and in accordance with the Timeline below.

Source Documentation

Source documents may include bills from internal vendors (i.e., Print Services receipts, Telecom Administration charges, Facilities work orders), eVA purchase orders, travel vouchers, payment requests, honorarium payment requests, funding change forms, journal vouchers (JVs) and other types of documentation that result in financial charges to a fund or org. These documents will serve as a reference point when individuals reconcile department financial information. Units should maintain a record of any pending charges to an org or fund.

Reconciling Items

Reconcilers must identify and document as a reconciling item any discrepancy between source documents and Banner financial data. Reconciling items include charges or credits posted incorrectly or pending transactions that did not post as expected.
Documentation must include the time frame for expected resolution which, except in extenuating circumstances, should generally not be later than three months from the last day of the reconciled month/period. The reconciler must document efforts to escalate open issues to comply with the three month time frame. The approvers' review of the approval should include analysis of reconciling items and the appropriateness of the follow-up. Documentation related to reconciling items resolved within the three month time frame should be retained until the item is corrected or otherwise resolved. Reconciler may utilize the comment section of the reconciliation spreadsheet to note resolution and date as appropriate.

Timeline   All Banner funds and organizations must be reconciled in a timely manner on a monthly or bi-monthly basis (period). Reconciliations must be prepared, approved and certified not later than two months after the last day of the reconciled month/period. For example, financial transactions for the month/period ended July 31 must be reconciled and approved by September 30. Earlier reconciliation and approval is encouraged.

Each unit may establish due dates from reconcilers, approvers and PIs based on business needs provided the reconciliations are prepared, approved and certified within the two month time frame. For example, if an approver is frequently out of the office, the unit may divide the two month period to provide the reconciler one month to prepare and certify the reconciliation and the approver one month to review, approve and certify.

Examples of the time frames related to the month of March include:

Reconciliation Frequency	Month/Period Ended	Prepared, approved, certified by
Monthly	March 31	May 31
Bi-monthly period March/April	April 30	June 30
Bi-monthly period February/March	March 31	May 31

Additionally, reconcilers, approvers and PIs should be cognizant of reporting periods such as the fiscal year end on June 30 and sponsored projects end dates in planning their reconciliation work.

Except in extenuating circumstances, reconciling items should generally be resolved not later than three months from the last day of the reconciled month/period. For example, the reconciler has identified an error related to a July 25 transaction on the report for the month/period ended July 31. He/she should generally process the correction by October 31. Earlier resolution is strongly encouraged. The reconciler must document efforts to escalate open issues to comply with the three month time frame.

Certification   The fact that the reconciliation was performed and approved must be documented with dated certifications. The individual preparing the reconciliation (the reconciler) must certify the reconciliation. The individual responsible for approving the work of the reconciler, usually the individual responsible for the fund/org (the approver or PI) must certify his/her review of the reconciliation. This certification should include printed name, signature and date. Electronic certification including email certification is encouraged. For example, an email response of "approved" from a PI or approver to an email that contains a certified reconciliation reflects his/her approval of the reconciliation. These certified records should be retained in the department or college and be available for auditors' review. Certification templates are available in the MicroStrategy PI

Reports and Reconciliation Reports.

When more than one individual is responsible for preparing or approving the reconciliation, each individual must provide a certification and include an additional statement referencing the sections of the reconciliation completed. For example, a statement such as John Haggerty reconciled all direct expenditures, account codes beginning with "7" and Mary Coen reconciled all salaries, wages and fringe benefit charges, account codes beginning with "6" would be included with the certifications.

Training and Support

Fiscal Services and the Office of Sponsored Programs (OSP) offer reconciliation training regularly.

A listing of training courses, dates and registration information is available at http://workshops.gmu.edu/ .

Individual assistance is available by appointment at 3-2089 or during Fiscal Services Walk-in Sessions that are offered weekly on the Fairfax campus and monthly on the Arlington and Science and Tech campuses.

A Reconcilers Discussion Group meets monthly to share best practices and supports a Reconciler's Mentoring Program. Additional information is available at 3-2089.

Getting Started

- Go to http://tsd.gmu.edu/services/reporting/
- Select Login to MicroStrategy
- Enter User Name and Password
- Check LDAP Authentication if not default setting
- Select Login
- Select Administrative
- Select Shared Reports
- To reconcile a sponsored project select PI Report and follow instructions available in the PI Reports Quick Guide
  OR
- To reconcile a Mason organization (org) or fund select Reconciliation and follow instructions available in the
  MicroStrategy for Reconciliation User Guide

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