Electronic Ledger Reconciliation

Nikki Bonnington – Assistant Director of Accounting Services (Ext. 1768)

Policy:

Please review the policy for Reconciling and Reviewing Departmental Ledgers.
https://universitytennessee.policytech.com/dotNet/documents/?docid=34

Reconciling Ledgers

Formal Reconciliation of the accounting records must be performed monthly. The reconciliation should be performed timely, normally no more than 45 calendar days after the month closes.

A reconciliation of the ledger consists of the following process:
- Validate the accuracy of the ledger by comparing supporting documentation to transactions posted on the department ledger.
- Ensure that any transactions appearing on the ledgers which are not supported by the department's records are accurate and authorized.
- Verify the sponsor award amount and budget for sponsored projects. Also, note the end date and ensure that charges occurred within the project period. Additional information on sponsored projects is included at FI0205 - Sponsored Projects.
- Ensure that appropriate measures are taken to correct errors from prior months' postings.

The reconciler must initial and date the ledger to indicate the reconciliation was performed and the ledger is ready for review and approval.

Reviewing and Approving Ledgers

- The approver should carefully review departmental cost centers/WBS elements or receivables to ensure all financial transactions are appropriate, accurately described, and properly recorded.

- The university's accounting system (IRIS) produces monthly ledger reports for every departmental fund. Approvers should consider:
  - According to the department's budget, has a cost center or WBS element been overspent? If so, why?
  - Do the transactions appear appropriate for departmental or university business?
  - Are there any suspicious-looking transactions?
  - Does it appear the ledgers have been reconciled?
  - Has the reconciler explained any unrecognized transactions?

- Approval of the ledger acknowledges that a proper reconciliation and review of funds has been performed and that there were no unauthorized transactions. Approvals are to be documented using one of the following methods:
  - An initialed and dated hard copy of the ledgers.
  - A sign-off form, including date and title, attached to the ledgers.
  - An electronic log for ledgers with no activity

Separation of Duties

- Although a monthly reconciliation of the department's ledgers is an excellent control, the oversight and control value of the reconciliation is greatly diminished when performed by the same employee who has responsibility for handling money received and/or processing invoices. Examples of properly separating these duties are provided below.
    - An employee who has no responsibility for handling money received should, whenever possible, reconcile the department's receipt book or receipting system to the deposit document printed from IRIS (or completed Form T-33) and ultimately to the departmental ledgers each month. The reconciliation should include verification that transactions written from receipt books or the receipting system were credited correctly to the ledgers.
    - An employee who has no responsibility for requisitioning, receiving, or entering invoices to IRIS should, whenever possible, reconcile the department's accounts payable documentation (such as invoices, internal transfers) to the departmental ledgers each month.

To Print Ledgers and to Electronically Reconcile Ledgers

Use IRIS Transaction ZFM_UT_LEDGER – University Ledger

Make sure to use correct fiscal year. It will default to the current one.

Enter the correct period:

1 - July	7 - Jan
2 - Aug	8 - Feb
3 - Sept	9 - Mar
4 - Oct	10 - Apr
5 - Nov	11 - May
6 -Dec	12 - Jun

Enter Fund Center U04 number

To Complete Printing paper copies of the ledger click the green check mark.

When you click on "Reconcile Ledger Report" a screen like this will appear.

Account Numbers and Names will list here. You will see all accounts that have charges at the same time.

Scroll to the far right to see the "Status" Column.

To attach documents to an account click on the attachment icon and a box will pop up with a list of accounts for you to choose from. Attach your signed Detailed Check Registers and other documents that may contain sensitive information here.

Click on the account you want and then click the "Choose" button.
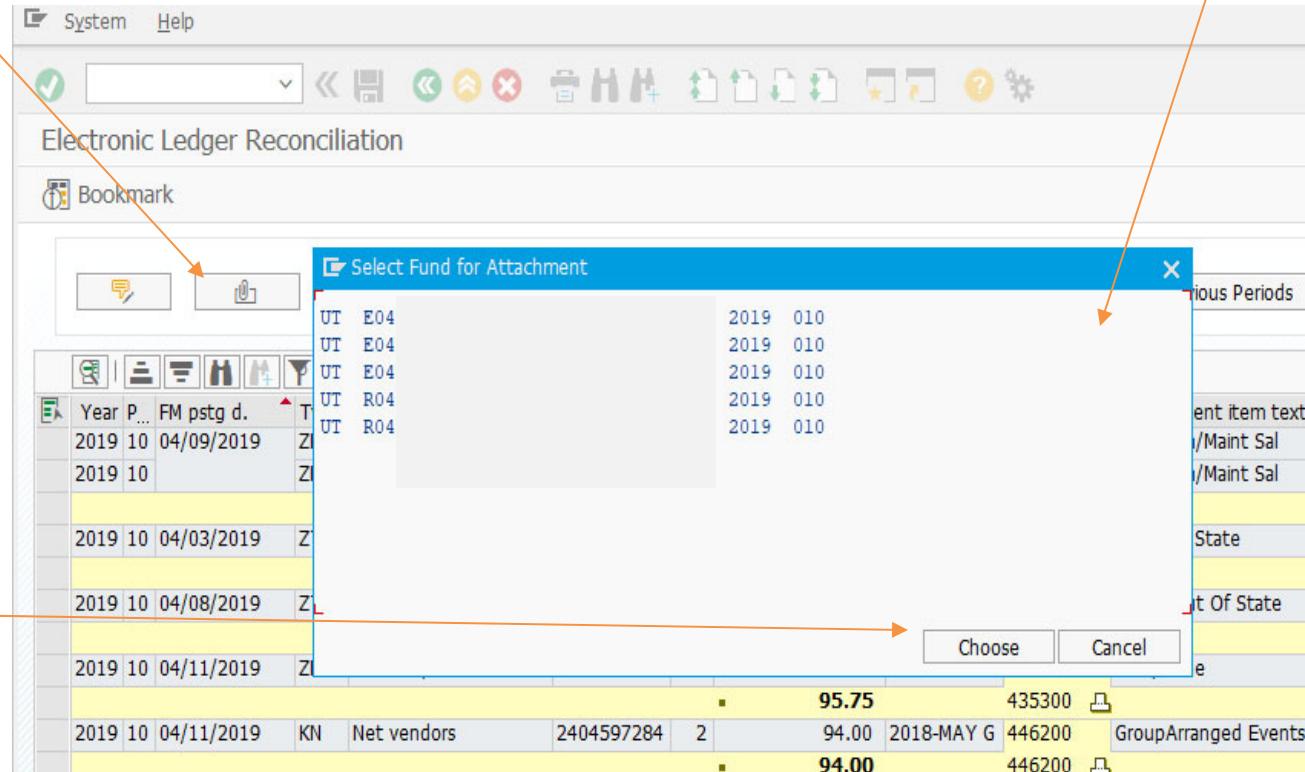
A box like this will appear

Click on the arrow in the corner of the "New" button

Click on "Store business document"
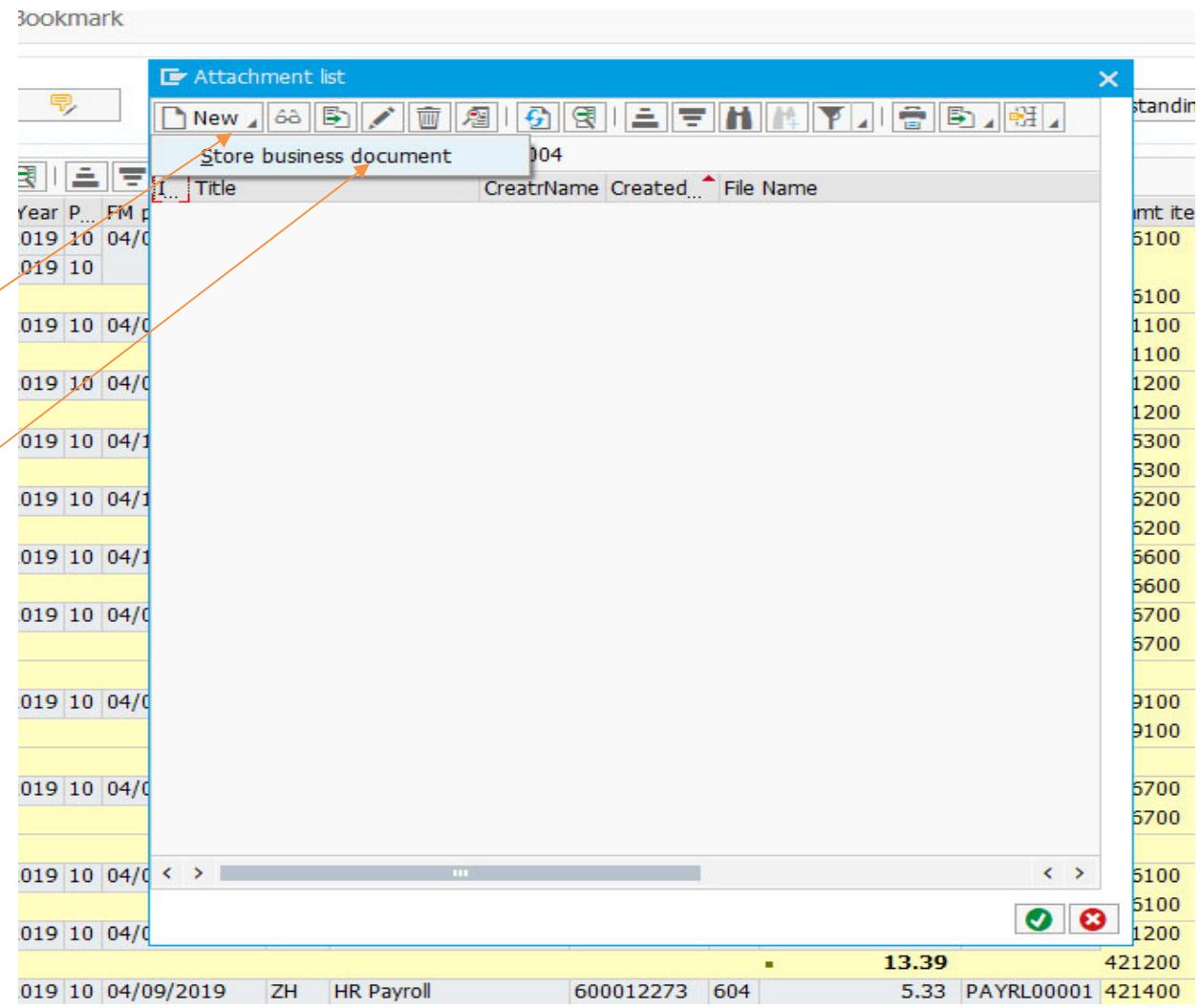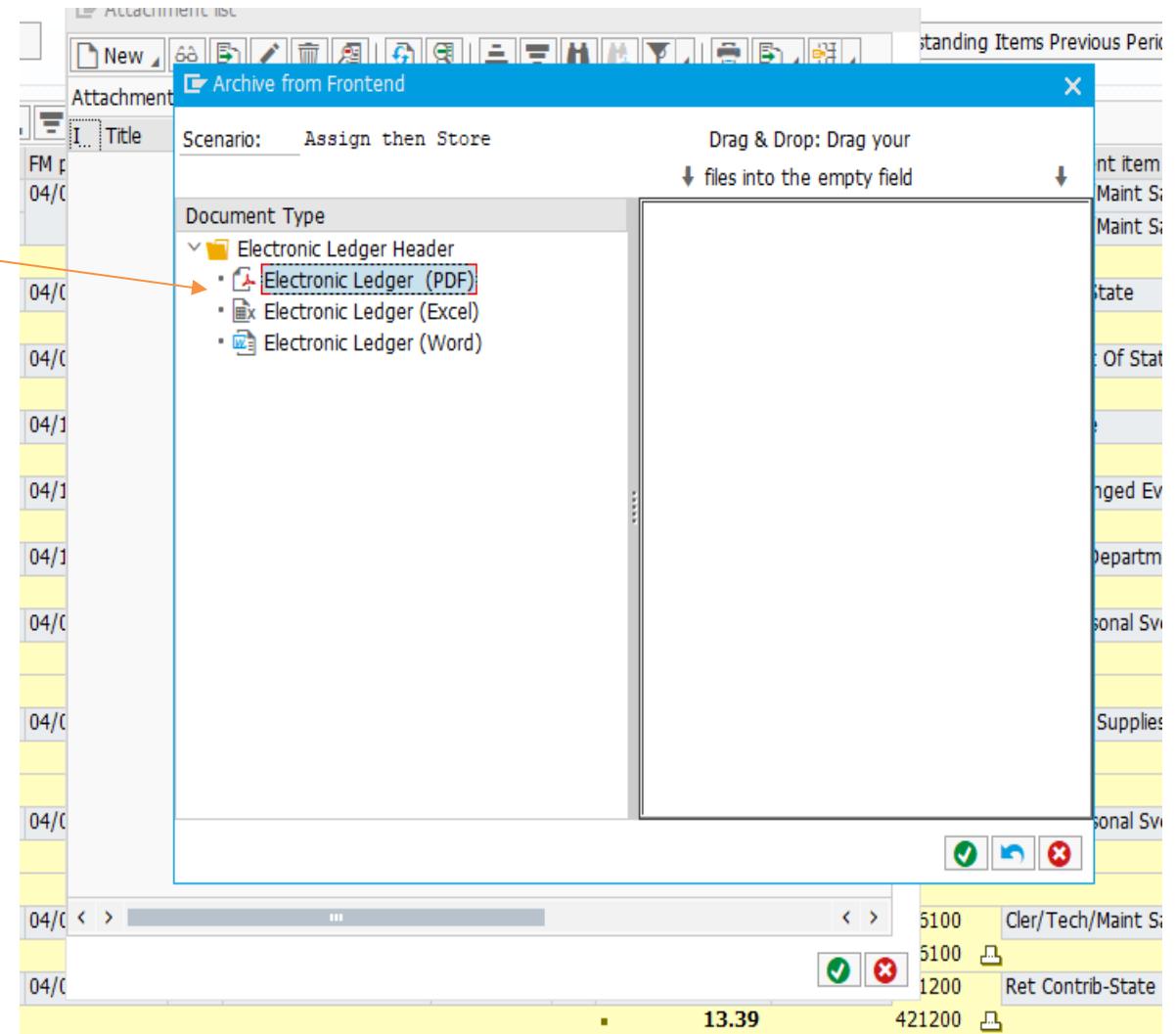
Browse for the document you need to attach from your files.
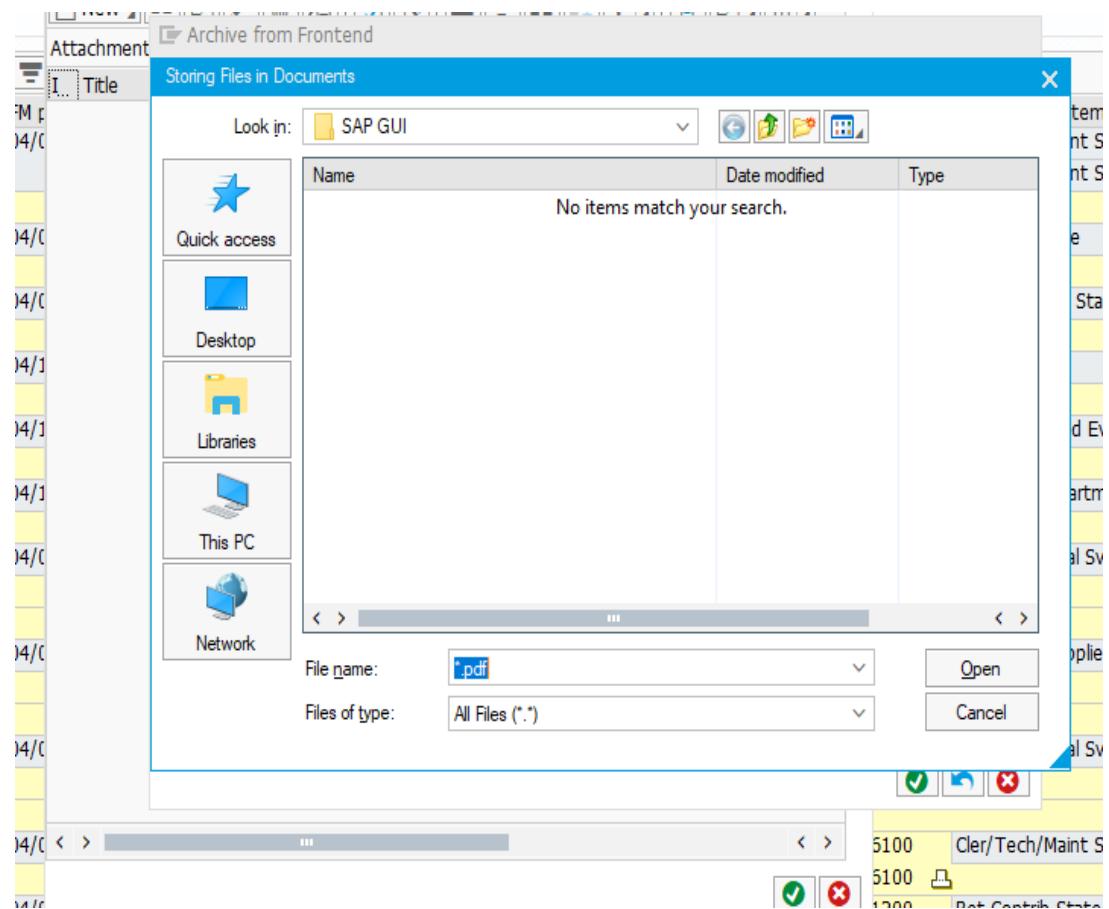
Your attachment will appear in this box.

IF you attached the WRONG document this is the last chance to remove it.

If you need to remove it click on the blue arrow.
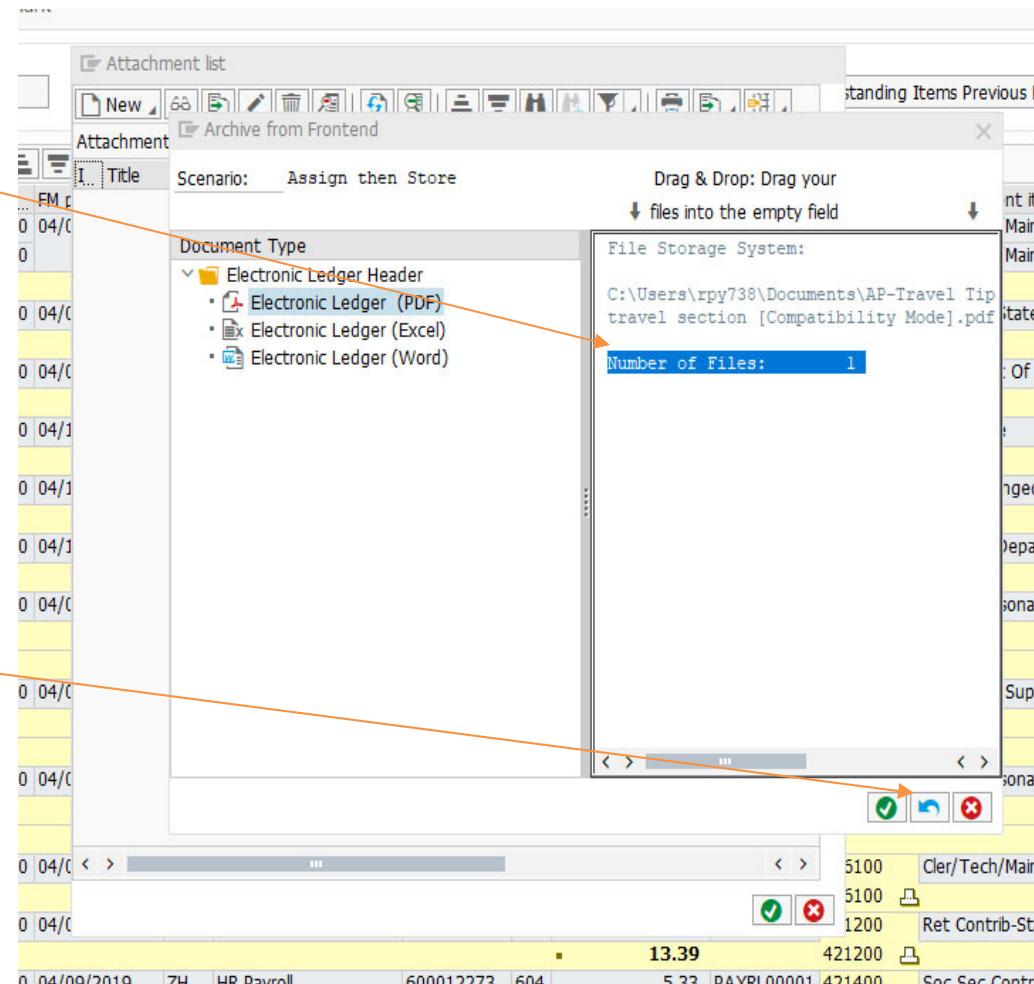
This message will appear to let you know that you have successfully removed the attachment.
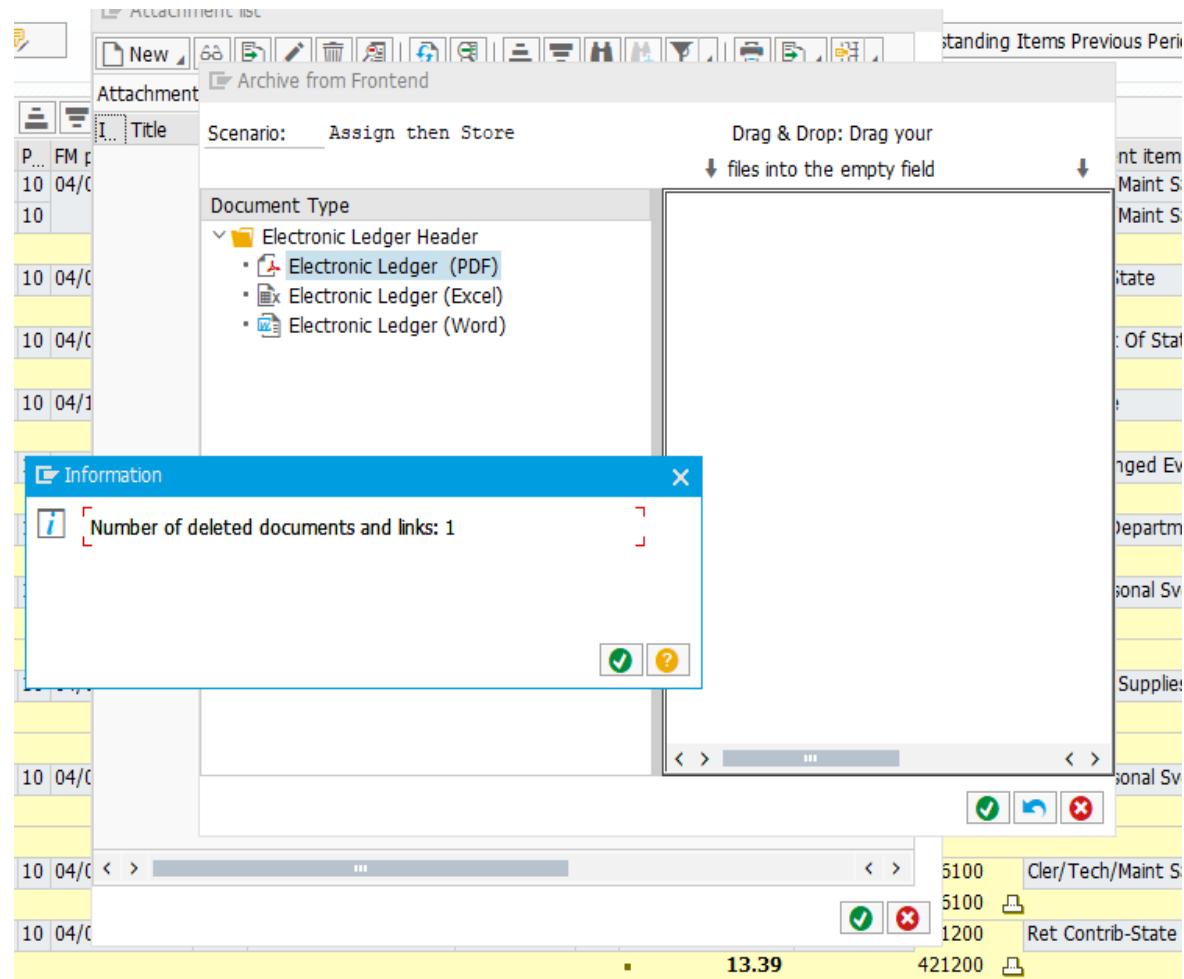
Click on "No Activity Funds" and if you have accounts that have no activity it will pull up a list.

Click "Back to Electronic Ledger" when you're done viewing the list.

To see "Outstanding Items Previous Periods" click this button – these are all of the yellow/orange triangle items – when you are ready to clear one of those items you can click this button to return to those items and update their information

This box will pop up.

It will show you a list of all items that are "Outstanding".

There are no items in this box.

However, the items you have a marked with a yellow triangle will appear here.

You can update them from this screen.

THE UNIVERSITY OF TENNESSEE
CHATTANOOGA
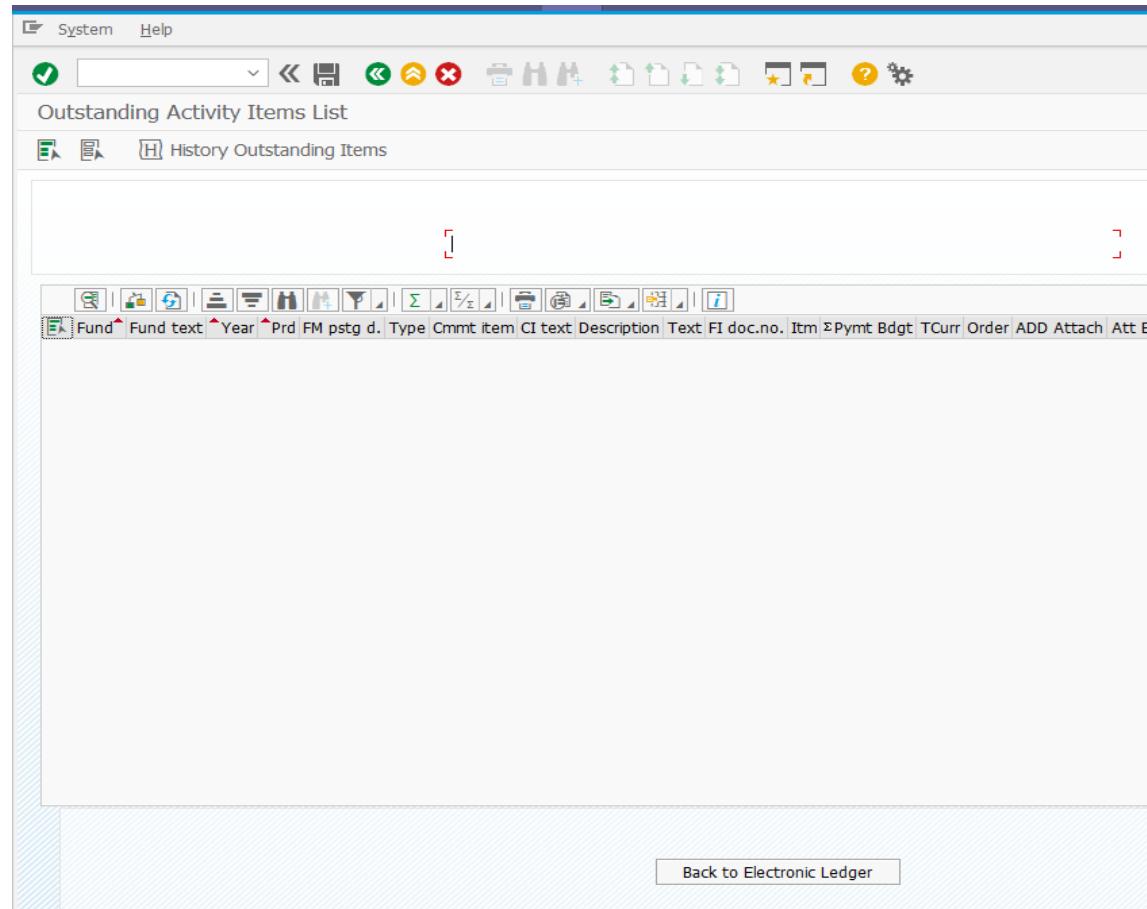
To the right side you have several columns where you can see existing attachments and comments or add your own by simply clicking the buttons. All items attached to the side can be seen by all. Attach all payroll or sensitive information at the top of your ledger and never to the side.

Remember that items you attach on the side of your ledgers, everyone can see. Be sure not to attach items with sensitive information here, make sure to attach it at the top.

Only your department can see items attached at the top.

Order Add Att Att

Attachment list

New

AttachmentFor

I... Title   CreatrName Created... File Name

Bridges Beyond the Classroom

All items must be marked with a green check or a yellow/orange triangle to be able to submit ledgers into workflow.

QUESTIONS?