Martin-Gatton College of Agriculture, Food and Environment | Business Center

CAFE Monthly Account Reconciliation Guide

A. PURPOSE

To provide all CAFE departments with detailed guidance on the monthly account reconciliation process. Each department must have written procedures that document processes specific to their department.

B. SCOPE

To ensure verification of financial transactions, ensure the accuracy and integrity of financial reporting records, and to protect University assets, serving as a key element of the University's system of internal controls.

C. RESPONSIBILITIES

Review all monthly income and expenses posted to all department accounts. Ensure that amounts are accurate and posted to the proper funding source and general ledger account. Review required supporting documentation and compare to transaction to check for accuracy and ensure adherence to all policies/guidelines. Electronically file all monthly reports and required documentation for each transaction.

D. PROCEDURES - Reconciliation Process (WBT Quick Reference attached)

Tableau Access/Information

- Access to Tableau Projects must be granted based on your position needs. If you need to obtain access to tableau, please submit the form linked below to request access: Tableau Access Request Form
- Please contact the M-G CAFE Business Center @ cafeanalysts@uky.edu if you need assistance.
- Be sure to join the Tableau user group in Teams for ongoing training and system updates. Email the M-G CAFE Business Center @ cafeanalysts@uky.edu to be added to the group.
- Use the web address below from your Chrome or Firefox Browser and login using your UK login credentials https://analytics.uky.edu/#/home
- Instructions on running Tableau reports can be found here Tableau Reporting

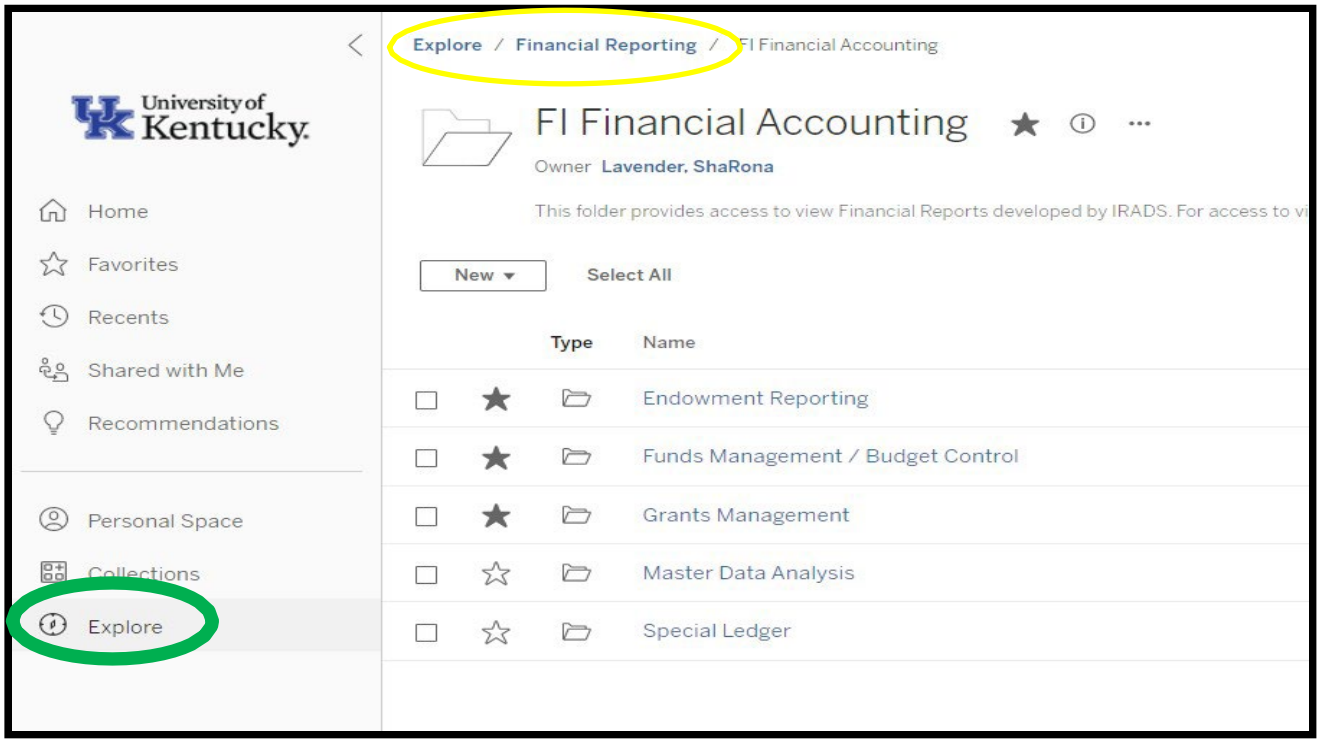
Step 1 – Generating Reports

Reconciliation Reports

Reconciliation reports should be generated after the month-end closing date and should be generated by department vs by individual account. Each account reconciliation must contain the following reports:

1) Monthly ledger
2) Monthly Line-item detail
3) Monthly Labor distribution
4) Encumbrance detail

In Tableau select the **Explore** button in the lefthand menu panel. **Click into Financial Reporting → FI Financial Accounting** → Select the appropriate report folder for the reconciliation account type. **Note: The M-G CAFE Business Officers Reports folder has many helpful reports available including reconciliation reports** **https://analytics.uky.edu/#/projects/502**



The following information provides detailed instructions on how to generate & download reports.

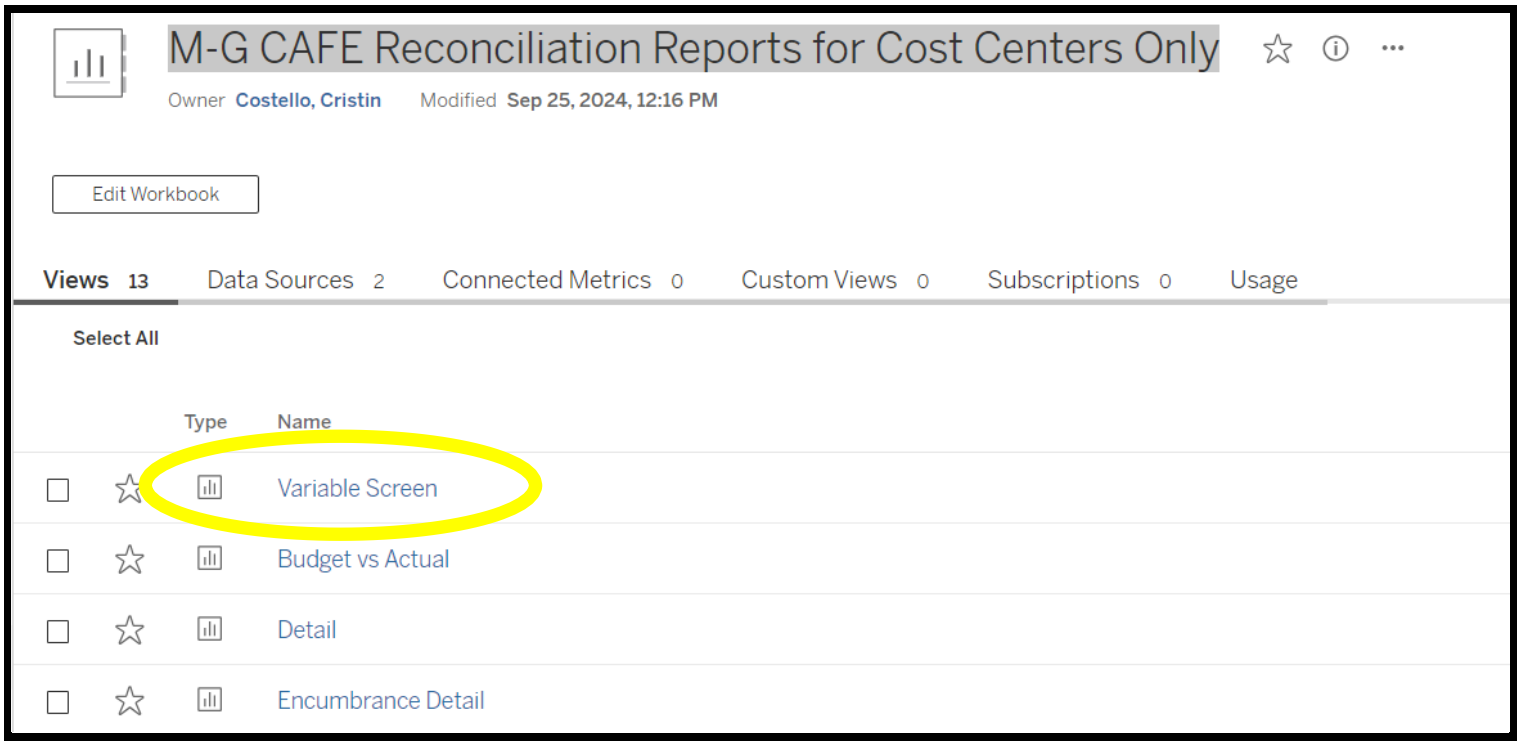
The **example** used is the M-G CAFE Reconciliation Reports for Cost Centers Only.

Direct link to this report https://analytics.uky.edu/#/workbooks/17679/views

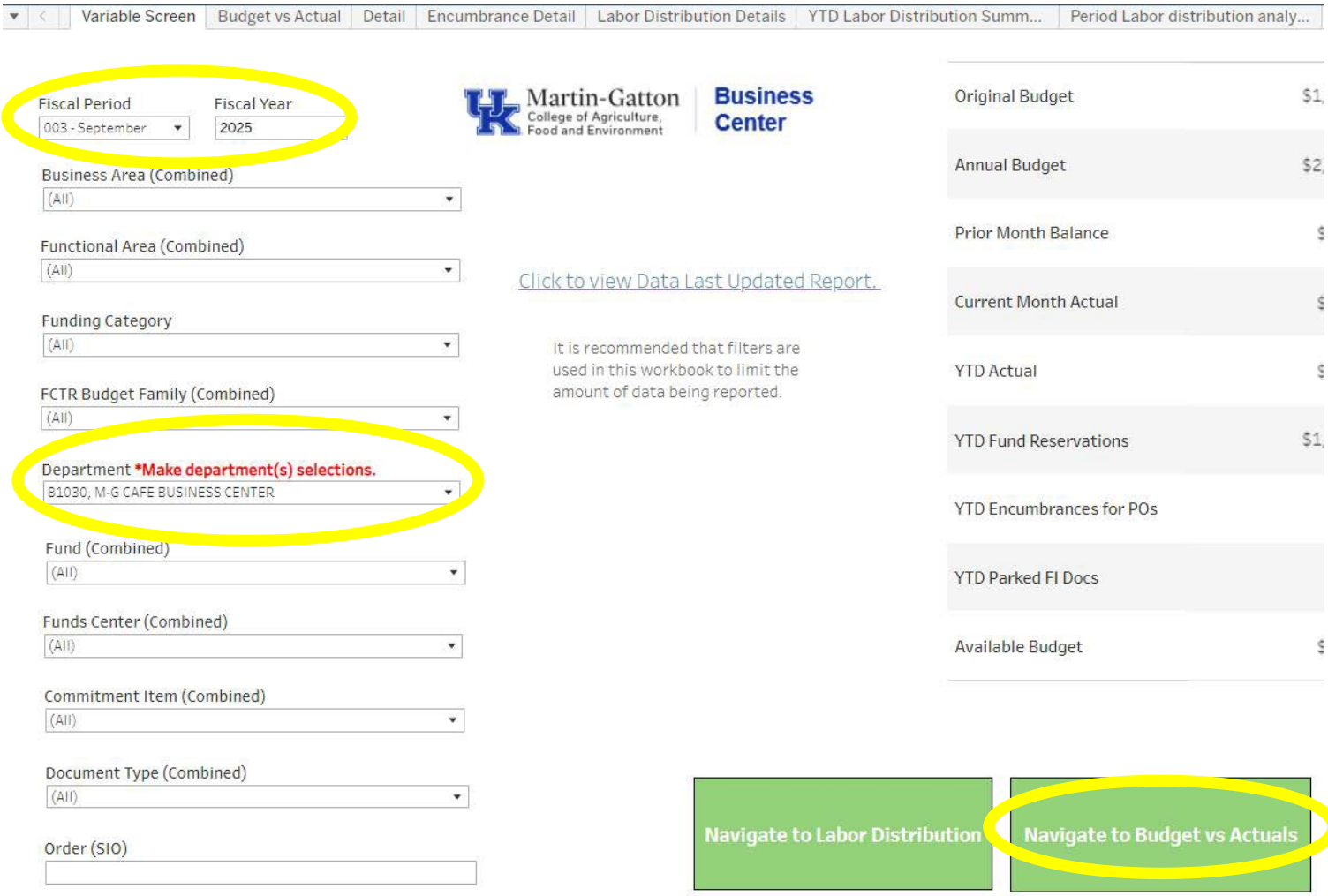
This report will provide you with activity for all cost center accounts/funds linked to your department.

Below is a visual of the report folder path to this specific report.

- Select **Variable Screen**



- Make **Variable Selections**, enter the appropriate department, fiscal period
  Note: Fiscal Periods are 001 = July, 002 = August, 003 = September, etc.
- Click the **<Navigate to Budget vs Actuals>** button

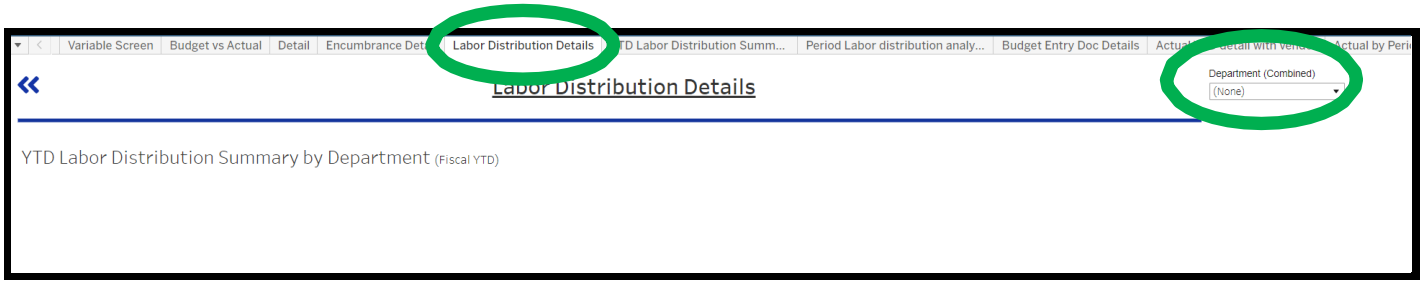


Monthly Ledger

- The data shown on the **Budget vs Actual** tab is the monthly ledger report data.
- Download report, see Tableau Reporting.

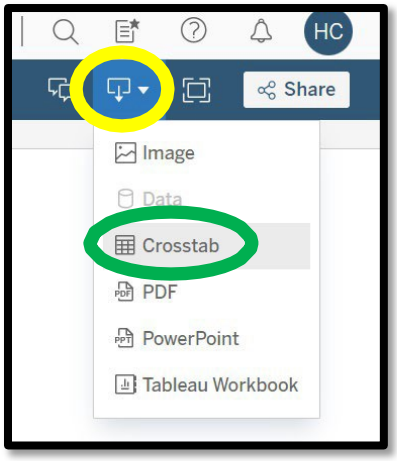
Line-Item Detail

- Line-Item Detail reports only need to include the transactions posted for the period being reconciled.
    - Note some detail reports are YTD and some are for the Month.
- The reports will contain all data for the department for the period selected.
- To populate the appropriate data on the labor detail reports you will need to select your department on the Labor Distribution Details tab

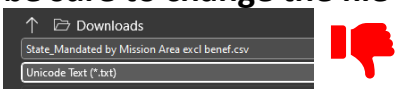


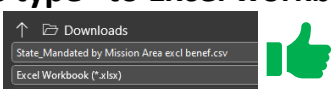
Downloading detailed monthly reports

- Select **Download** → **Crosstab**

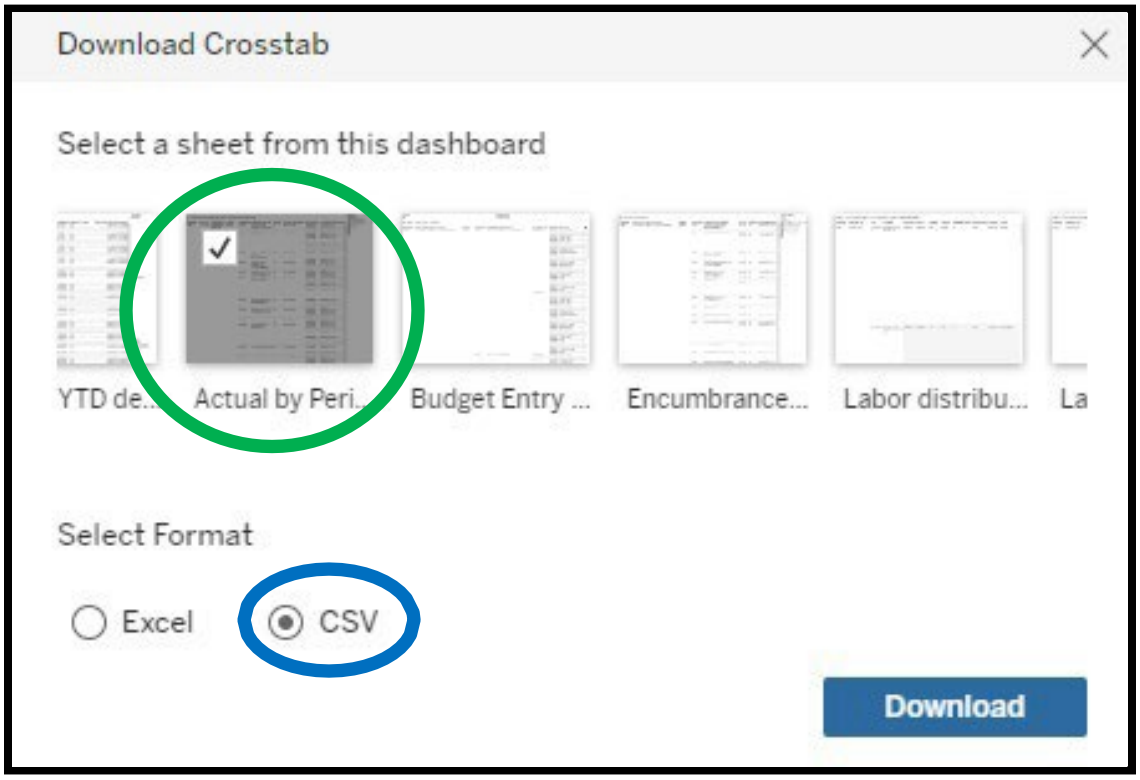


- Choose **Actual by Period detail with Vendor** report→ Choose **download** format
    - It's recommended to download in **CSV** format. CSV will open as an excel file. The default file type is Unicode Text **When saving the file be sure to change the file "Save as type" to Excel workbook.**





    - **Note: The sheets for the Labor data - Labor Distribution Analysis by Dept provides the monthly expenses; Labor Distribution Detail Analysis by Dept provides the YTD expenses**



- Follow the same process as outlined above to download the, Budget vs Actual Ledger, Encumbrance Detail and Labor Distribution analysis by Department reports.
- The data set will include all accounts within your department. You can use the filters in excel to isolate the data for each account and save your reports for each account individually.

- **<u>Labor Distribution Reports</u>**
  - It is important to note that labor distribution reports accessed through the Financial Reporting →HR Reports folder will not include adjustment transactions (Z4, biweekly accruals, FCG benefit sweeps, etc.) these reports are limited to payroll results only. Payroll adjustment transactions can be found on the line-item detail report.

Step 2 – Gather and Review Supporting Documentation

Verifying payroll expenditures

- Review/Verify personnel to ensure employee payroll expenses are allowable/appropriate for the funding source
- Verify monthly payroll that the labor report matches the total current monthly expenses for general ledger accounts 510000 - 529999 as shown on your ledger report.
- If labor report totals do not match ledger totals check for payroll adjustment transactions.
    - Labor reports do not show adjustments made via JV; these transactions are shown on the line-item detail report.
    - Ensure all payroll adjustment transactions (i.e., Z4 journal vouchers) are accurate and documentation is added to the reconciliation.
    - Total expenses including Labor report + adjustments should match to the current month expense on the monthly ledger report.
    - Verify monthly payroll that the labor report matches the total current monthly expenses

Verifying all other posted expenditures

- Ensure each transaction posted in the period is documented appropriately.
- Documentation clearly shows all polices are being followed Departmental, College and University. (i.e., required pre-approval form is attached when applicable)
- Documentation clearly shows who, what, where, when, & why (i.e., Who ordered what, from who, when and is the business purpose documented)
- Expenses Documentation should include:
    1) Accounting document – must show posting document#
    2) Approved Pre-approval form when applicable.
    3) Verification items were received (i.e., Signed/Dated packing slip)
    4) Itemized invoice
- Compare expense documentation to posting transaction - ensure account(s), general ledger account(s), all expenses & document numbers agree.
- Use an indicator on the line-item detail report that each transaction has been reviewed, verified, and documented.

- Research and resolve any discrepancies in a timely manner. Errors should be corrected via cost transfer (JV) asap.
- Save all documentation electronically in monthly reconciliation folder. Electronic storage also includes documentation stored within the university's Enterprise Resource Planning (ERP) software (i.e., SAP, SAP Concur). Please note that Concur expense documentation stored in SAP should contain documentation that provides a detailed description of the business purpose for the expense (i.e., CAFE Procard Voucher Template)

Step 3 – Review encumbrance detail report

- Review all outstanding parked FI documents
- Ensure pending FI documents are valid.
  - Resolve/delete any invalid FI documents.
- Review all outstanding purchase orders/purchase requisitions.
  - Confirm validity.
  - Resolve old or invalid outstanding purchase orders.
- Encumbrances can be researched using SAP t-codes.
  - Cost Centers – GR55
  - Grants – S_ALN_01000003
  - Purchase Order Review by Account – ME2K

Step 4 – Reconciliation Verification

- Complete reconciliation verification form.
- Route completed reconciliation and verification form to appropriate reviewer.
- Once reconciliation is verified by reviewer file form file monthly reconciliation.
- See attached verification form example

Additional Resources/Links

University of Kentucky - Business Procedures Manual **Internal Controls BPE E-1-4**

Reconciliation & Review - Financial Transactions BPE E-17-6

University Financial Services - Business Procedures - Cost Objects & General Ledger

M-G CAFE - Department Business Officer Reports

University of Kentucky

Account Reconciliation WBT Quick Reference Guide

Updated 08/2021

Monthly Reconciliation and Review of Financial Transactions

Reconciliations provide verification of financial transactions, ensure the accuracy and integrity of financial reporting records and protects University assets, serving as a key element of the University's system of internal controls.

BPM E-17-6

Account Reconciliation Procedure

1. Generate reports.
2. Gather documentation.
3. Verify beginning balance.
4. Compare supporting documentation.
5. Check reports.
6. Clear any discrepancies.
7. Review encumbrances.
8. Confirm budget availability.
9. Certify by Reconciler's and Supervisor's signatures.

BPM E-17-6 Section V

Records Retention

Retain Reconciliation Reports according to University Records Program or Sponsor Record Retention Policies (whichever is longer.)

Errors or Discrepancies

Discrepancies and errors must be corrected within 90 days, except in June,which must be corrected per the Fiscal Year End Schedule.

- Make the required Journal Vouchers (actual amount corrections), budget transfer (budget corrections), or payroll corrections.
  - Research Financial Services posts all grant related JVs. WBS elements begin with 3xxxxxxxxx. Service center begin with 10438xxxxx.
  - Hospital Accounting posts all hospital-only JVs:Cost center begin with 105xxxxxxx, 106xxxxxxx, and 107xxxxxxx.
  - Accounting and Financial Reporting Services:All other JVs.
- If error was made by another department, contact that department asap (follow up if necessary.)

BPM E-10-1 and BPM E-17-6 Section V

Important Links Fiscal Year End Closing Schedule | University Records Program | Sponsor Record Retention Policy | BPM E-17-6 | BPM E-4 | BPM E-10-1

Quick Reference Guides are not complete descriptions and are not to be used in place of the Business Procedures Manual (BPM). It is each employee's responsibility to know all proper procedures as per UK's BPM and other governing guidelines.

Martin-Gatton College of Agriculture, Food and Environment | **Business Center**

Monthly Reconciliation Verification Form

Department: 81010 - Dean's Office

This document certifies that I have reviewed the ledger, line-item details, labor distribution & encumbrance reports for the following account for the period of:

Period: 001 - July Fiscal Year: 2024 Cost Object: 1234567890

Any errors, discrepancies, and corrections, have been outlined in the notes below.

Supporting documentation for this reconciliation has been filed electronically and is located here Example: Dept shared drive - file path location, physically location for hard copies

Items to Note (attach explanation/documentation of corrections to this file, such as a screenshot of completed JV adjustment):

Example - Found that CNS fees for employee X were erroneously charging to HR clearing account beginning 7/1/23. Worked with CAFE Business Center to change CNS cost distribution to charge account 1012xxxxxx effective 9/1/23. Charges 7/1/23-8/31/23 were moved to account 1012xxxxxx via attached JV. - initials, date

Name/Title of Reconciler	I certify that I have reconciled the account for the respective month. I have compared all monthly transactions (expenditures/revenues/encumbrances) supporting documentation to system generated Tableau reports ensuring all transactions are allowable, reasonable, allocable, accurate, and approved. All discrepancies or errors found have been listed above with the necessary action/steps to resolve them.	Name/Title of Reviewer	I certify that I have reviewed the account reconciliation for the respective month. All transactions are allowable, reasonable, allocable, accurate, and approved. All discrepancies or errors found have been reviewed and action has been taken to resolve them.
Signature		Signature	