Banner Finance and Reconciliation
Banner Finance

Database used to record financial activity, human resources information and student records.

View Transactions

• Banner Self Service (Budget Query)
• E-Print Reports
• MicroStrategy
Banner Finance

- Chart of Accounts (FOAPAL)
  - Fund
  - Organization
  - Account
  - Program
  - Activity
  - Location
Chart of Accounts Reference

**Fund** – identifies funding source

- Education and General (E&G) series **1xxxxx**
- Grants and Contracts series **2xxxxx**
- Auxiliary Enterprises series **3xxxxx**

**Organization** – budget unit/department

- Used in Budget Query to find financial information for all the funds and accounts associated with that Org.
- You will need to know the Org in order to complete a reconciliation.
**Account** – classifies the expense (5 digit number)

- Direct expenditure series 7xxxx
- Labor expenditure series 6xxxx
- Revenue account series 0xxxx

The **same** Account number framework is used for all Fund/Orgs; it’s important to use the correct account at all times.
What is Reconciliation?

• A systematic review of Banner financial activity to verify that all charges and credits are accurate and appropriate.

• Usually comparing source documentation (receipts, travel vouchers, eVA purchase orders, etc.) to financial reports to confirm accuracy and identify transactions that have not yet posted.
Why Do We Reconcile?

University Policy 2114

- All financial units must be reconciled at least every other month
- Provide stewardship of financial resources
- Identify errors
- Correct Fund/Org/Account info

Reconcile actual monthly expenditures/revenue
How Do We Reconcile?

1) Establish a process for reconciliation
2) Retrieve financial reports
3) Gather source documents
4) Confirm that charges/credits are correctly recorded
5) Identify expected transactions
6) Certify the completed reconciliation
7) Retain the reconciliation
1) Establish a Process

- Use a central filing system (electronic or paper) to compile source documents
  - Separate by Fund/Org
  - Makes it easy to find source documents when reconciling
  - Convenient for audit purposes
  - Source documents have to be kept for at least 3 years (10 years for sponsored research projects)
2) Retrieve Financial Reports

A. Banner Finance Self Service

• Live data
• Budget Status Report
• View budgets, expenditures, commitments
• Drill for details
  ✓ Invoices
  ✓ eVA Purchase Orders
  ✓ Journal Vouchers
  ✓ Cash Receipts
2) Retrieve Financial Reports

B. e-Print

- Standard financial reports
- Static
- Prints neatly
- Monthly activity
  - Budget Status
  - Organizational Detail Activity
  - Labor Distribution
2) Retrieve Financial Reports

C. MicroStrategy

- New business intelligence tool that replaced Discoverer
- Banner Finance data
- Reconciliation folder (can export to Excel)
  - Expense
  - Revenue and Expense
  - Salary Rosters
3) Gather Source Documents

Source documents are items which:

- Generate financial activity
- Often originate in department or unit
- May be paper or electronic
Types of Source Documents

**Direct Expenditures**
- eVA Purchase Order
- Food and Beverages Payment
- Honorarium Payment Request

**Labor Expenditures**
- Funding Change Form
- EPAF
- Upload

**Journal Voucher**
- Payment Request Form
- Scholarship Payment Request
- Travel Expenses Reimbursement Voucher
- Tuition Workflow
- Mason Recharge
4) Confirm Charges/Credits Are Accurate

Direct Expenditures

Match activity reported in Banner (from the financial report) to the source documents in your file

- You may choose to manually check off each entry
- You may choose to complete a spreadsheet

Review the activity to ensure

- Correct Fund/Org
- Correct Account code
- Correct amount reported
4) Confirm Charges/Credits Are Accurate

Labor Charges

At the start of each *fiscal year* (and/or when salary changes occur)

- Use Microstrategy report “Full Roster”
  - Login to Microstrategy (*Administration*), choose “Shared Reports”, then “Reconciliation”, then “Roster for Reconciliation” (salaried, wage, grad assistants)
  - Selected Fund/Org, Export report to Excel or PDF

- The goal is to identify monthly salary charges by category – faculty, classified staff, etc.
4) Confirm Charges/Credits Are Accurate

Salary Reconciliation

From Microstrategy Reconciliation Report

• Verify monthly amounts are accurate
• Identify any unusual Wage spending
• Confirm individuals listed worked during the period
4) Confirm Charges/Credits Are Accurate

Salary Tips

- Confirm that each Funding Change form has been processed as submitted
- Verify amounts posted for faculty special payments (61130) with departmental records
- In situations where reconciler does not know/see staff regularly, supervisor should periodically confirm status of all employees
4) Confirm Charges/Credits Are Accurate

Fringe Benefits

Fringe benefit rates for FY2016:

• 33.1% - Instructional, Research and Administrative Faculty (full and part time)
• 42.9% - Classified Staff
• 7.3% - Adjuncts, Summer Faculty, Wages
• 0% - GTAs and GRAs

* Student wage employees taking a full-time class load are generally exempt from FICA. Student wage employees taking less than a full-time class load are not eligible for the full-time student FICA exemption and will be charged the student fringe benefit rate of 5.5%.
4) Confirm Charges/Credits Are Accurate

Revenue Accounts

• Existing system to verify revenue transactions before revenue feed is entered in Banner

• Cash receipt forms, daily credit card sales reports
4) Confirm Charges/Credits Are Accurate

Correct Discrepancies

• Make a note of all discrepancies

• Resolve within **30** days

• Maintain record of pending items and corrections
5) Identify Expected Transactions

- Travel Reimbursements vouchers that have been submitted but not processed
- eVA orders that have been placed but not yet paid
- Corrections from previous reconciliation
- Credits due but not received
6) Certify the Completed Reconciliations

- Reconciler signature & Date
- Approver signature & Date
7) Retain the Reconciliation

- Retain reconciliation for department records
- Responsibility for retaining original source document (once it is processed in Banner) is with the final recipient
- Must be available for auditor review
Sponsored Research Projects

- Use MicroStrategy PI Reports by Month Range
- Award documents and budgets should be part of source documentation
- Confirm that expenses are allowable for the project (check account code usage)
- Remember 120 day time frame for Federal projects
Hands-On Demonstrations

- Self Service
- E-Print
- MicroStrategy
Resources

• Fiscal Services Website: fiscal.gmu.edu
• Heather Strange, Fiscal Training Manager
  • 3-2089
• Fiscal Services walk-in assistance
  • Wednesday 1:30 p.m. - 3:30 p.m.