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 reconcile on a monthly or bi-monthly (period).

It Is Important to:
• Identify keying errors
• Correct Fund/Org and Account code
• Provide stewardship of financial resources
• Follow university policy

Reconcile actual expenditures and revenue for each Fund/Org!
Reconciliation Process

• This process is for Mason Orgs and Funds that are not related to sponsored research activity.

• Sponsored research funds begin with a “2” and are reconciled using the PI Reports in MicroStrategy
How Do We Reconcile?

1) Establish a process for reconciliation
2) Retrieve financial reports
3) Gather source documents
4) Confirm that charges/credits are accurate
5) Identify expected transactions
6) Certify the reconciliation
7) Retain the completed reconciliation
8) Research and follow up on outstanding items, escalating if necessary
1) Establishing 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

You may use one or all of the financial reports depending on the unit process.

✓ Banner Finance Self Service
✓ E-Print
✓ MicroStrategy

Fiscal Services recommends using MicroStrategy Reports in order to access the Reconciliation Certification document.
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
- Journal Voucher
- Payment Request Form
- Scholarship Payment Request

Labor Expenditures
- Travel Expenses Reimbursement Voucher
- Tuition Workflow
- Mason Recharge

Labor Expenditures
- Funding Change Form
- EPAF
- Upload
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”

1. Login to Microstrategy *(Administration)*, choose “Shared Reports”, then “Reconciliation”, then “Roster for Reconciliation” (salaried, wage, grad assistants)

2. Selected Fund/Org, Export report to Excel/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 FY2020:

• Instructional and Research Faculty - 33.9%
• Administrative Faculty - 33.9%
• Classified Staff - 45.6%
• Adjuncts, Special Pay, Summer Faculty, and Wages - 7.3%
• GTAs and GRAs - 0%

* Student wage employees taking a half-time class load are generally exempt from FICA. Student wage employees taking less than a half-time class load are not eligible for the student FICA exemption and will be charged the student fringe benefit rate of 6.10%.
Please find more details on HR website for Student Exception to FICA Tax

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 no later than three months from the last day of the reconciled month/period. Maintain record of pending items and corrections and escalate when necessary.
5) Identify Expected Transactions

Examples

- 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 Reconciliation

- Reconciler signature & Date
- Approver signature & Date

Electronic certification, including email certification is encouraged.
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)
- Attend specialized OSP Trainings
MicroStrategy Financial Reports

1) Go to: reporting.gmu.edu. Login to MicroStrategy with NetID and password.

2) Select the “Administrative” file.

3) Click on “Shared Reports”.

4) Click on “Reconciliation”.

5) Choose “Reconciliation Welcome Page”.

6) Select “Reconciliation Expenses” if the Org does not generate revenue.

7) Select “Reconciliation Revenue and Expense” if the Org generates revenue.
Dashboard- Initial View

- Available Orgs are prepopulated on the “Dashboard” or “Initial View”
- A new tab will open each time you “drill down” on an item that is underlined
- Re-prompt button to change fiscal year or start/end month to be reconciled
- Isolate a specific Org or Program and generate report detail
Reconciliation Certification

- Separate Certification printed for each Org
- Reconciler notes and adjustments
- Built in signature/date line for Reconciler and Approver