



## 21.01.01. E0.01      **Accounting Procedures for Division Reconciliation/Verification**

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Supplements System Policy, 21.01, System Regulation, 21.01.01

### **Standard Administrative Procedure Statement**

Fiscal record keeping at Texas A&M Engineering Experiment Station (TEES) is predominantly conducted in a decentralized manner. The division head or designee is responsible for maintaining proper fiscal records for all accounts belonging to his/her division. This includes maintaining proper division fiscal records, such as transaction registries and supporting documentation, for all accounts belonging to his/her division. These records shall be reconciled/verified regularly resolving any discrepancies as soon as possible. This process provides assurance that fiscal resources are monitored and maintained in accordance with rules, regulations, policies, and procedures; transactions are processed correctly; and expenditures and/or encumbrances do not exceed budget allocations. Additionally, account activity is monitored in accordance with the Texas A&M Sponsored Research Roles and Responsibilities Matrix, as applicable.

This Standard Administrative Procedure (SAP) prescribes procedures for conducting reconciliations of Division Fiscal Records.

### **Procedures and Responsibilities**

**1. Preparer Responsibilities** – the following are the minimum responsibilities for the preparer of a reconciliation/verification:

- Review appropriate month-end FAMIS statements for a given month and verify that all transactions are appropriate and accurate for each division account reviewed. Document any outstanding items and actions to correct.
- Verify that all transactions recorded in the Division Fiscal Record System, if applicable, are also recorded in FAMIS. Document any outstanding items and actions to correct.
- Review outstanding items from previous months and determine that they have been resolved. If not resolved, document actions to correct.
- Review Encumbrances/Commitments for validity and adjust if appropriate.



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- Notify supervisor if there are outstanding items older than 90 days.
- Sign and date completed reconciliation/verification.

### 2. Reviewer Responsibilities – the following are the minimum responsibilities for the reviewer of a reconciliation/verification:

- The reviewer cannot be the same person as the preparer.
- Review outstanding items and actions to correct for reasonableness.
- Sign and date reconciliation/verification.

### 3. Reconciliation/Verification Timing:

- Reconciliations/Verifications should be prepared within 30 calendar days of FAMIS month end closing.
- Outstanding items, including any unusual or unidentified items should be resolved within 90 days of the end of the month the transaction occurred in. Any items older than 90 days should be brought to a supervisor's attention.
- Account reconciliations/verifications are to be reviewed within 30 calendar days of the reconciliation/verification completion.
- Any exceptions to these timelines must be approved by the TEES Manager of Fiscal Services and Controller.

### 4. Record Keeping

- Reconciliations/Verifications will be maintained by the division for the period required as set forth in the [System Records Retention Schedule](#).

## Related Statutes, Policies, or Requirements

[Policy 15.04, Sponsored Research Services](#)

[Policy 21.01, Financial Policies, Systems and Procedures](#)

[Regulation 21.01.01, Financial Accounting and Reporting](#)

[System Records Retention Schedule](#)

## Definitions

**Financial Accounting and Management Information System (FAMIS)** - the official accounting system for TEES (Canopy and Business Objects also implied).

**Division Fiscal Record Systems** – records maintained within a department, unit, or center that support the financial transactions of the division. Different possible systems are:

- Check Register/Transaction Log System, such as Excel spreadsheets, Access database, Word documents, etc., utilized to verify the accuracy of FAMIS records. This system is not used to provide management reports for decision making purposes.



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- File System, such as copies of documents held until compared to monthly FAMIS statement, used to verify the accuracy of FAMIS records. This system is not used to provide management reports for decision making purposes.

**Reconciliation/Verification** – monitoring process whereby divisions can ensure that financial data can be relied upon for decision making purposes.

- Reconciliation - process that compares both transaction and account balances between FAMIS and division fiscal records.
- Verification - process that compares transactions and not account balances between FAMIS and division fiscal records.

**Outstanding Item** – transaction that has not been matched or cleared during a reconciliation/verification process between FAMIS and the Division Fiscal Record System.

**Encumbrance/Commitment** – funds that have been contractually obligated to an external entity by division management for a specific purpose, such as purchase requisitions, payroll assignments, etc. Future payroll should be the only transaction that is encumbered/committed that is not truly contractually obligated to an external entity.

**Preparer** – individual identified by the division as the person responsible for preparing the monthly account reconciliations/verifications.

**Reviewer** – individual identified by the division as the person responsible for reviewing the monthly account reconciliations/verifications. The Reviewer cannot be the same person as the Preparer.

### Contact Office

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