

# The Ledger

A Newsletter of the University Controller's Organization

Website: <http://www.controller.vt.edu>

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## Banner 8 – Going Away

As part of the full transition to Banner 9, Banner 8 will be deactivated on November 4<sup>th</sup>, 2018. After this date, Banner 8 will no longer be available.

As a reminder, Banner 9 modernizes the look and feel of the user interface, and the technology upgrades should allow for easier integration with other systems in the future. All data fields and processes within Banner 9 will remain the same.

For Finance areas, there are some changes and implications to consider. The most important of these are:

- Navigation Changes
- Preferred Browser
- Issues related to clearing cache after Banner 9 upgrades
- Change in terminology and function related to performing queries

Please see [this document](#) for more information about these changes.

The “Banner 9 Canvas Training Site” is available from the [Controller's Office](#) webpage under “Related Links.” Additionally, here are some [Banner 9 shortcuts](#) that might be helpful.

Banner 9 questions can be sent to [genactg@vt.edu](mailto:genactg@vt.edu) or contact Penny Falck at 231- 9260, Kayla Akers at 231-8564, Cammie Tucker at 231-3005, or Derek Scheidt at 231-8624.

## Monthly Finance Reconciliations

Under Policy 3100, Fiscal Responsibility (<http://policies.vt.edu/3100.pdf>) all departments are required to perform monthly reconciliations and reviews of financial transactions including revenues and expenditures recorded in the funds assigned to their organizational unit. In the university's decentralized environment, these monthly departmental reconciliations and reviews are critical to ensuring the accuracy, completeness, and reliability of accounting information. Each year, the Office of Audit, Risk, and Compliance (OARC) performs internal audits across the university and reports the results to university administrators and the Board of Visitors. Unfortunately, according to recent results reported by OARC, overall compliance with the requirement to perform monthly reconciliations and reviews has declined.

In response to those results, the Controller's Office would like to take this opportunity to emphasize the importance of timely performance of departmental monthly reconciliations, and to offer guidance and solicit feedback on how we can better assist those responsible for performing/reviewing/certifying monthly reconciliations.

### The importance of compliance

It is very important that all departments are in compliance with their monthly reconciliations in order for the university to not only be able to rely on the transaction level details within Banner, but also to be able to assert that adequate internal controls are in place and operating effectively. Monthly reconciliation documentation and certifications are

subject to audit by OARC, Agency Risk Management and Internal Control Standards (ARMICS), and the Auditor for Public Accounts (i.e., APA, State Auditors).

### **General reminders regarding monthly reconciliations and reviews**

Each month all departments should be utilizing two MicroStrategy reports, the “Snapshot by Organization” and “Transaction Detail” reports, to assist with and officially document their reconciliations. These reports are available via the Finance Reporting Menu at <https://www.controller.vt.edu/microstrategyfinance.html>. It is important to note that there are many more reports available via the Finance Reporting Menu that may assist in the reconciliation process or provide additional/supplemental information, but the combination of these two specific reports provides the minimum required information to perform a proper reconciliation and review.

The “Snapshot by Organization” report is a summary level report and is where the preparer and reviewer certify the document via signature. By certifying this report, the preparer and reviewer are certifying that all transactions for the funds on the report for the given month are complete, accurate, and supported. Generally, it is the department head’s responsibility to provide final certification on this report. However, the department head may delegate their authority to a different individual within the department.

The “Transaction Detail” report provides the necessary details for determining if each transaction for the month is complete, accurate, and supported. Departments must maintain a file of the monthly reconciliation as evidence that the monthly reconciliation occurred and that an adequate review occurred. Departments must retain the file for a minimum of three years after the end of the fiscal year, and obtain a certificate of destruction from Records Management once destroyed.

Monthly reconciliations must be complete as soon as possible after month end, generally no later than the 30th of the following month. For example, the September 2018 reconciliation should be complete by October 31, 2018.

Per Policy 3100, Fiscal Responsibility, discrepancies and corrections found during the monthly reconciliation process need correcting actions within 60 days of the original transaction posting date.

Minimal exceptions to the 60-day timeframe may occur on sponsored awards if the award document is received after-the-fact. These exceptions require supporting documentation, a written explanation, and subject to management approvals from the Office of Sponsored Programs. Departments may find additional information in Policy 3255, Cost Transfers on Sponsored Projects <http://www.policies.vt.edu/3255.pdf>.

### **How the Controller’s Office can help**

The Controller’s Office has recently undertaken steps to better serve you in the effort to raise compliance with monthly reconciliations, including:

- An updated training module on the reconciliation and review process can be accessed here: <https://www.controller.vt.edu/training/opportunities.html> (click the “Department Reconciliations” training within the General Accounting tab)
- A new Frequently Asked Questions page has been added to the Controller’s Office website specifically related to the monthly reconciliation process, and can be accessed here: [https://www.controller.vt.edu/content/dam/controller\\_vt\\_edu/resources/generalaccounting/ReconFAQ.pdf](https://www.controller.vt.edu/content/dam/controller_vt_edu/resources/generalaccounting/ReconFAQ.pdf)
  - Suggestions for additional items for the FAQ are welcomed and can be sent to: Derek Scheidt, Manager of General Accounting at [derek87@vt.edu](mailto:derek87@vt.edu);
- If you have general questions on the reconciliation process/procedures not answered through the related training, policy documents, or FAQs, please send to: Derek Scheidt, Manager of General Accounting at [derek87@vt.edu](mailto:derek87@vt.edu);

- We want to hear from you! Would you benefit from additional in-person or online training? Would you like to participate in a focus group to provide feedback on the reconciliation process? Please take our brief survey to let us know, and once we compile the results, we will reach back out with further information; [https://virginiatech.qualtrics.com/jfe/form/SV\\_3eIGFIne2U9uyxf](https://virginiatech.qualtrics.com/jfe/form/SV_3eIGFIne2U9uyxf)

## Payroll Reconciliations

Payroll reconciliation reports are distributed through the Web Distribution system to chosen department contact(s)\* after each payroll is processed. It is recommended that the reconciliation be performed promptly upon receipt of the report. **Completing the reconciliation upon receipt (or within 2 days) provides the opportunity for addressing errors before payment is issued to the employee.** There are four reconciliation reports:

### 1. Wage Reconciliation Report

- For the Wage report (PZRTED), the department representative responsible for the reconciliation compares the timekeeping system hours (using the TCP Payroll Summary Report) to the Wage Payroll Reconciliation Report.
- The department head should chose the representative who will complete the reconciliation. Once selected, payroll should be notified of the organization numbers needed and the PID(s) of the selected approved individual(s). The reconciler should not be the employee who entered the hours in Banner (PHAHOUR) or the supervisor who approved the hours worked in TimeClock. If a department needs an alternative reconciliation, contact Derek Scheidt, Controller's Office General Accounting Manager, derek87@vt.edu, to ensure effective internal controls are in place.
- If no errors are noted, the department representative should sign, date, and file the report along with a copy of the TCP Payroll Summary and the Time Card Entry Verification reports.
- If an error is noted, the department representative should work with the Payroll office (payroll@vt.edu) to resolve any discrepancies. Once any issues are resolved, the department representative should sign, date, and file the report along with a copy of the TCP Payroll Summary and the Time Card Entry Verification reports plus back up for any changes or corrections made.
- Wage Reconciliation reports should be filed within the department and maintained for 5 years after the end of the fiscal year.

### 2. Salary Overtime Reconciliation Report

- For the Salary OT report (PZRTED), the department representative responsible for the reconciliation verifies that the overtime was paid correctly and that appropriate documentation is maintained for the overtime payments. There should also be a reconciliation with the Leave and Time Worked System to verify that overtime paid is not also accrued for payment at a later date. If the overtime has been accrued on the leave report, it must be removed to avoid an overpayment situation.
- The department head should chose the representative who will complete the reconciliation. Once selected, payroll should be notified of the organization numbers needed and the PID(s) of the selected approved individual(s). The reconciler should not have approved Banner actions for the period, have entered the hours in Banner (PHAHOUR) or be the supervisor who approved the hours worked in TimeClock. If a department needs an alternative reconciliation, contact Derek Scheidt, Controller's Office General Accounting Manager, derek87@vt.edu, to ensure effective internal controls are in place.
- If no errors are noted, the department representative should sign, date, and file the report along with a support for the overtime paid.

- It is especially important to review to verify that employees who earn overtime are not paid for overtime if they so elected and also credited with leave time (needs to be one or the other).
- If an error is noted, the department representative should work with the Payroll office (payroll@vt.edu) to resolve any discrepancies. Once any issues are resolved, the department representative should sign, date, and file the report along support for the overtime paid plus back up for any changes or corrections made.
- Salary Overtime Reconciliation reports should be filed within the department and maintained for 5 years after the end of the fiscal year.

### 3. Salary Changes Report

- The Salary Change Report (PZRSACHG) reflects any change in rate of pay or FTE for a salaried employee or a graduate student on an assistantship.
- For salaried employees, the old base pay, new base pay, change reason, change amount, old & new FTE, per pay amount, job class, and begin and end date are listed. The department representative should verify these changes.
- For Graduate assistantships, the over 24 pay is the amount that would be paid if the current rate were multiplied by 24 pay periods. This should be disregarded, as assistantships should be listed per semester. New or changing graduate appointments should be verified by the per pay amount listed on the report and the beginning and end dates.
- The department representative should review these reports and Payroll should be notified (payroll@vt.edu) if any discrepancies are discovered.
- It is especially critical to review the Salary Change reports in order to:
  - i. Verify new employee and payroll changes, such as merit or across the board increases, are processed correctly;
  - ii. Verify correct pay information for any P14 activity.

### 4. Summer School Reconciliation Report

- For the Summer School Report (PZRTED), the department representative responsible for the reconciliation verifies that the amount paid for Summer School I or II matches the amount specified by the agreement between the faculty member and the department.
- The department head should chose the representative who will complete the reconciliation. Once selected, payroll should be notified of the organization numbers needed and the PID(s) of the selected approved individual(s). The reconciler should not have approved Banner actions for the period or have entered the hours in Banner (PHAHOUR). If a department needs an alternative reconciliation, contact Derek Scheidt, Controller's Office General Accounting Manager, derek87@vt.edu, to ensure effective internal controls are in place.
- If no errors are noted, the department representative should sign, date, and file the report.
- If an error is noted, the department representative should work with the Payroll office (payroll@vt.edu) to resolve any discrepancies. Once any issues are resolved, the department representative should sign, date, and file the report plus back up for any changes or corrections made.
- Summer School Reconciliation should be filed within the department and maintained for 5 years after the end of the fiscal year.

*\*Reconciliation reports are distributed by organization number. The distribution table does not allow for a segregation between Wage, Salary, and Summer school reports therefore the chosen contact will receive all applicable reports for the organization number assigned to them.*