FAQs Regarding the Monthly Reconciliation and Review Process

1) What specifically do we mean when we say "reconciliation"?
    - A systematic review of recorded financial transactions against source documents and contextual knowledge to verify that all transactions are accurate, appropriate, and documented, and to identify expected charges that have not posted.
2) Why are monthly reconciliations required?
    - While the university has many preventative controls in place to help ensure financial transactions are recorded accurately and completely before posting, there is no substitute for a detective (i.e., after-the-fact) reconciliation and review of all activity to verify if transactions post incorrectly or are omitted entirely. Because the university operates in a decentralized environment, the most practical and effective review occurs at the department by those who have the most knowledge, context, and ready access to source documents of the department's financial activity.
3) Who is required to perform monthly reconciliations?
    - In general, the department's business manager or fiscal technician (or another applicable individual as directed by the department manager) performs the detailed review and reconciliation. Per, Policy 3100, Financial Responsibility, the department head is responsible for certifying the reconciliation (via signature on the Snapshot by Organization report). Department managers include but are not limited to vice presidents, deans, department heads, department chairs, directors, or similarly titled administrative managers. The manager can delegate all or a portion of this monthly review to other qualified personnel; however, the manager is ultimately responsible for the performance of the monthly reviews for all funds assigned to their department or organization.
    - Additionally and specifically for sponsored project funds, in accordance with Policy 3100 the review must be completed and documented in conjunction with the principal investigator on the project.
4) What reports and information should I use to perform my reconciliations?
    - At a minimum, departments should utilize the MicroStrategy "Snapshot by Organization" and "Transaction Detail" reports to perform monthly reconciliations. You can access these reports from the Finance Reporting Menu on the Controller's office website at https://www.controller.vt.edu/microstrategyfinance.html. Additional details for these two reports are can be found in the Reconciliation Training link in question number six.
5) What action needs to occur if I find an error or identify missing transactions?
    - In most cases, a manual journal entry is required to correct. See further instructions on how to process access the form and to process a journal entry https://www.controller.vt.edu/forms.html (General Accounting tab)
        - Note that if the transaction is on a sponsored project fund, per Policy 3255 the journal entry requires approval (by signature or other reasonable means of documentation, such as an email) by the principal investigator on the project.
    - If the transaction relates to salaries or wages, generally a labor redistribution entry would be required;
    - If the transaction relates to tuition remission, the correction should occur in the tuition remission system;
6) What reference materials are available to me?
    - Policy 3100, Fiscal Responsibility, http://policies.vt.edu/3100.pdf
    - Policy 3255, Cost Transfers on Sponsored Projects, http://policies.vt.edu/3255.pdf
    - Controller's Office Procedure 10305a: Review of Financial Activities: https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/accountspayable/10305a.pdf

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- Controller's Office Reconciliation Training Video: https://www.controller.vt.edu/training/opportunities.html (click on the General Accounting tab, and select the "Department Reconciliation" training);
- Controller's Office Reconciliation Training PowerPoint Slides: https://www.controller.vt.edu/training/manuals.html (click on the General Accounting tab, and select the "Department Reconciliation" training);

7) <u>How do I request additional assistance, or recommend a new FAQ?</u>

- Please direct questions to:
  - ➢ Derek Scheidt, Manager of General Accounting at derek87@vt.edu, 231-8624;
  - ➢ Penny Falck, Accountant Senior – General Accounting at plfalck@vt.edu, 231-9260;