

DEPARTMENT OF HEALTH

OFFICE OF ACCOUNTING AND GRANT SERVICES

GENERAL LEDGER REVIEW & RECONCILIATION PROCEDURE

OBJECTIVE

To verify that the general ledger account is accurate and current.

The general ledger account is accurate and current when:

- The detail transactions which comprise the GL account balance are posted to the correct GL account and subsidiary account and can reasonably be expected to be realized.

FINANCIAL REPORTS TO RUN

1. Using ADDS.net Gopher/Expert, select other reports, general ledger report template.
2. Enter the biennium and the general ledger code. Additional criteria can be used to limit the data retrieved, however by limiting data, you may also be excluding transactions which are errors in the GL account.
3. Using the Selections & Other Selections tab, determine the data fields for your report. The Batch Type field is recommended.
4. Extract the data into Excel. Sort the data by fund, fiscal month, and amount.
5. Using the Excel/Data/Subtotal function, subtotal each fiscal month.
6. Save the file to: S:\Financial_Services\FS_Share\General Ledger Accounts. Select the appropriate GL account. File naming convention = GLxxxx FM1-x. Create subfolders for your files if others share reconciliation responsibility for the account.

(Note: Enterprise Reports may also be used. Select Financial Reports, General Ledgers, Account Analysis Flexible. Select the biennium and the general ledger code. The report will automatically sort by fund and month. Save the file. File naming convention = GLxxxx FM1-x (ER report #).

GATHER OTHER DATA SOURCES

- Estimated Accrual logs on the S drive.
- Estimated Interagency Receivable logs on the S drive.
- Enterprise Reports:
 1. Questionable Balance – Assets (CAF017)
 2. Questionable Balance – Liabilities (CAF018)
 3. GL Acct w/ No Activity (CAF036)
 4. Interagency Payables (GL03)
 5. Interagency Receivables (GL04)
- Manual subsidiary information, such as Excel spreadsheets or other systems outside of Enterprise and ADDS that details transactions in the subsidiary account.

REVIEWING THE GL ACTIVITY

Quarterly – assigned staff will review each GL activity. FM 22 – 24, activities will be reviewed monthly.

Current Fiscal Month

1. Start with the most recent closed fiscal month.
2. Are the current month entries recorded to the correct GL? If not, prepare and process correction JV. See example JV#1. (insert example as written in FY07 Close Instructions by Patty Warren)
3. Did the current month entries use the correct subsidiary? If not, prepare and process correction JV. See example JV#2. (insert example as written in FY07 Close Instructions by Patty Warren)
4. All entries must be reviewed. If the GL is used by multiple individuals, responsibility for individual transaction review and verification must be coordinated among the individuals involved.

Prior Fiscal Months

1. Repeat the process above, reconciling and processing correcting entries as they are identified back to July 2005, or until the entire GL account balance is reviewed, accurate and current.
2. Unidentified GL account entries before July 1, 2005 will require a joint review meeting with all staff impacting the GL account, plus the Grants Manager and the Accounting Manager.

3. The outcome of this meeting will be determine next steps. This may include performing further month by month reconciliations, writing off the unidentified GL account entries, etc.

NOTES

- Most frequently the reference document column in the ADDS.net Gopher will tell one the cause of the entry (opposed to the current document which details how the entry entered the general ledger).
- When dealing with revenue there are columns on the reports in ADDS.net Gopher where the specific revenue codes are detailed by source, sub-source and sub-sub-source.
- Verify that the subsidiary information is correct. For example, if reviewing 1351 Due from Federal Government, and the general ledger has \$12,000 due from revenue source 0393 994A##, check that we have not drawn the funds, and that we still should draw the funds (funds are still due us). Further check that our draw worksheets still show a \$12,000 amount due.
- To correct subsidiary, use TC 347 & 348
 - TC 347 Dr. 9920 Cr. Variable
 - TC 348 Dr. Variable Cr. 9920