University of Missouri System
Accounting Policies and Procedures

Policy Number: APM-15.10

Policy Name: <u>Daily Reconcilement</u>

General Policy and Procedure Overview:

The Controller's Office is responsible for reconciling all deposit accounts for all departments on each campus. This official policy provides authoritative guidance to the University in accounting for the bank deposits and related procedures. This policy will include the procedures of matching CRRs to actual bank activity and applies to most bank accounts.

Definition of Key Terms:

CRR – Cash Receipt Report – An entry by a department to prove the money coming in or going out of the bank that allows the correct account and mocode that should be credited or debited.

ARR – Account Receivable Receipt – An entry by a department to prove the money coming in or going out of the bank that allows the correct invoice information that should be credited or debited.

Direct Deposit CRR – A CRR that is prepared when a bank deposit is taken directly to the bank.

Cashier Deposit CRR – A CRR that is prepared when the money is going to the Cashiers Office before going to the bank.

POS File – A file that is pulled through the WEB APPS (in Netscape) that is the specific deposit accounts of all CRR's and ARR's loaded to the General Ledger (GL) the prior evening.

ReconNet – The software used by the Controller's Office to reconcile bank accounts.

Detail Policy and Procedure:

Each department or location that makes deposits to their respective bank accounts, creates a CRR or ARR to correspond with the bank deposit slip, and agrees both to the source documentation (such as cash register or mail receipt log). Daily the Cashier Deposit CRR's are aggregated into one large bank deposit per campus. The Cashiers Office reconciles the CRRs to the bank deposit. After all entries are created, the CRR/ARR entries will load to the GL accounts.

Daily, the Controller's office pulls all bank records from the banks for the prior business day, pulls the POS file from the previous business, and accepts Credit Card files from the automatic process.

The Controller's Office verifies and compares entries before downloading the information into ReconNet. The POS file and credit card reports are checked against the Daily Detail Transaction

Report. Once all reports are verified, all the previous day's business is downloaded into ReconNet and bank items that need to be loaded to the GL (for example: transfers and returned checks) are extracted. This matching function performed by someone with no responsibility or authority to generate Cash Entries or with access to cash or the payments function serves as a segregation of duties between the recording functions and the responsibility for reconciling daily activity.

Items that do not match exactly between ReconNet and the GL are reviewed and reconciled manually. The Controller's Office reviews each bank account and reconciles non-matched items. This process is a control to ensure entries to the financial records of the University are accurate, and that entries for the receipt of cash are complete and timely.

All items that cannot reconcile are included in a weekly Outstanding Items Report that is emailed to all areas for their attention. This report is a cumulative listing of items that have not been matched. The departments and locations review their accounts and determine the reason for the items remaining on the list. They report to the Controller's Office the corrective action required.

Monthly, the Outstanding Items Report is provided to the Associate Controller for review and follow-up. This review is to identify any stale items and to facilitate corrective action by the appropriate accounting office. This review is evidenced by the Associate Controller's signing and dating the report. This is a managerial control to monitor this effort and to facilitate timely correction of any outstanding items.

Responsibilities:

Cashier's Office:
    Establish policies and procedures for the handling of cash.
Department Accounting Offices:
    Make deposits to bank accounts for receipts as per University Business Policy.
    Prepare Cash Receipt Reports and entries to record the receipt of cash.
    Prepare adjusting entries for any unmatched CRRS and Bank Deposits.
Controller's Department:
    Reconcile Cash Receipt Reports to deposits in Bank Accounts.
    Prepare Outstanding Items Report of un-reconciled items.
    Assist departments in the clearing of un-reconciled items.
Associate Controller:
    Review and approve the Outstanding Items Report
    Follow-up with campus Accounting departments on any stale items to expedite resolution.

Accounting for the Transactions:

Input example accounting entries that either need to be made or get made via a software process or feed.

Transaction Description	Account	dr	Cr
Bank deposit downloaded into ReconNet	Bank account and bank location number as specified on the deposit slip		X

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CRR's prepared to correspond with the bank deposit slip	Account and mocode of the location or department	X	
ARR prepared to correspond with the bank deposit slip	Customer ID and Invoice number to be credited	X	

These entries are reflected in the reconciling software, ReconNet

Effective Date: July 1, 2006
Revised Date: May 1, 2007

Questions and Comments?

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.