NORTHERN ARIZONA UNIVERSITY	**POLICY: CMP 125**
	Section: 100 General
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	Responsible office: Comptroller
	Origination date: 07/01/2017
Subject: Monthly Financial Review and Verification	Effective date: 07/01/2017
	Revision date: 04/09/2018

PURPOSE

Reconciling the monthly revenue and expense detail report is a critical fiscal management control to ensure that revenue and expenditure transactions are correct, allowable and applied to the appropriate accounts.

SOURCE

State of Arizona Accounting Manual
University Policy

CMP 125: Policy

Financial verification and review is an important internal control. Fiscal management officially rests with the department director, chair or dean. Account management, however, is often the responsibility of specific administrative staff, who report on the status of departmental accounts on a monthly basis to the director, chair or dean. Departments are responsible for reconciling accounts, or proving and documenting that an account balance is correct, at least once a month for the previous month's activity.

The preparer should have familiarity with routine transactions for a department's accounts. The preparer should begin the reconciliation process by retrieving the monthly detail report (PS Financials Transactions Detail – State and Local) from Enterprise Reporting. The preparer is responsible for reviewing each transaction to ensure its accuracy, verifying that all expected transactions are charged or credited correctly and matching transactions with supporting source documentation.

Verify that supporting documents match the expense and revenue transactions. Please note some internal service centers do not provide invoices for services rendered, such as monthly fleet rentals. Departments must have knowledge of the expected, customary and routine charges from these units. If any charges appear unusual, the department should contact the charging department to request supporting documentation.

When the reconciliation is complete, the preparer should give the reviewer all documents so they may scan the information and verify the appropriateness and legitimacy of the transactions recorded against the department's accounts. The approver should review in detail any unusual or unexpected high dollar amount transactions.

In order to conform to best practices for reconciling payroll expense, reconciliations should be completed for every pay period as soon as possible after payroll expenses have interfaced into PeopleSoft Financials.

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CMP 125: Policy

Reconciling payroll includes:

- Verification of the compensation rate for each employee documented against an offer letter or other source document;
- Verify that salary/wages paid are correct;
- Verify that employees were paid from the appropriate account;
- Verification that hours worked and leave time reported are accurate and have been approved by a supervisor.

There are a number of different payroll reports in Enterprise Reporting that can be used as a tool in the reconciliation process.

Departments should retain all reconciliations and supporting documentation for state and local accounts for at least three fiscal years.

CROSS-REFERENCES

CMP 102-03 – Document Identifiers (Subsidiary Systems)

CMP 102-04 – Document Identifiers (Student Information Systems)