

COMPTROLLER POLICY MANUAL

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	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: 08/22/2019

PURPOSE

This policy establishes the expectation that accounting transactions are coded properly when initially recorded, supported by proper documentation and public purpose, and approved in a timely manner. 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 speechchart and account.

SOURCE

State of Arizona Accounting Manual
University Policy

POLICY

Fiscal management and accountability officially rests with the department director, chair or dean. Departmental staff are responsible for properly coding, documenting, approving transactions, and reconciling accounts.

FINANCIAL TRANSACTION ACCOUNTING

1. TRANSACTION CODING

Transactions are to be coded to the proper speedchart and account.

2. DOCUMENTATION

Transactions are to be adequately supported by documentation. Documentation consists of supporting receipts, papers or other items that help a disinterested third party understand the details of the transaction without additional assistance. Documentation must be uploaded to OnBase wherever that functionality is available.

A complete public purpose explains how the expenditure of university funds meets the needs of the university and may offer addition detail to explain the nature of the transaction.

3. APPROVALS

Transactions are to be approved in a timeframe that allows for the proper recording of the transaction in the accounting period in which the university received the benefit of the good or service.

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RECONCILIATIONS

The preparer should have familiarity with routine transactions for a department's financial activity. The preparer should begin the reconciliation process by retrieving monthly detailed activity reports 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. 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 fund speedcharts for at least three fiscal years.

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CROSS-REFERENCES

[CMP 102-03 – Document Identifiers \(Subsidiary Systems\)](#)

[CMP 102-04 – Document Identifiers \(Student Information Systems\)](#)