

ACCOUNT RECONCILIATION – NEW TOOLKIT

OVERVIEW

March 2024



AGENDA

- Vision and Goal
- Toolkit Overview
- Process Summary
- Toolkit Walk-through

Vision and Goal

- The Finance and Administration Business Support Center partnered with University Financial Services, senior college financial officers and other areas to create an *optional* toolkit supporting account reconciliation processes
- In alignment with the UK-PURPOSE strategic plan, a primary goal of this toolkit is to provide enhanced guidance aiding in the regular reconciliation and review of financial transitions in alignment with the university's policies and procedures
- This is a guide – a step to facilitate practical application of departmental guidelines built with flexibility to use the entire toolkit or selected sections that departments may deem supportive
- Moving forward, research is under way for potential process improvements to account reconciliation, however this toolkit supports established policies and procedures

Vision and Goal (Account Reconciliation Graphic)

Completeness

Checks and balances in place to guarantee completeness of data being reconciled is in sync. Used for Financial Statements (quarterly and annual).

Training and Enrichment

Document that lays out minimum training requirements for people involved in reconciliation process, periodic reviews of that training and cross training requirements across account types.

Assignment

Overview of how to (re) assign reconciliations to preparers and reviewers, including how to achieve segregation of duties.

Materiality and Retention

Thresholds and material limits established on which to perform the reconciliation by account type. Define where and how long reconciliations are to be retained.

Internal Audit

Role of Internal Audit and potential improvement areas. Document how Internal Audit is involved in process (see UKIA charter).

Timing and Frequency

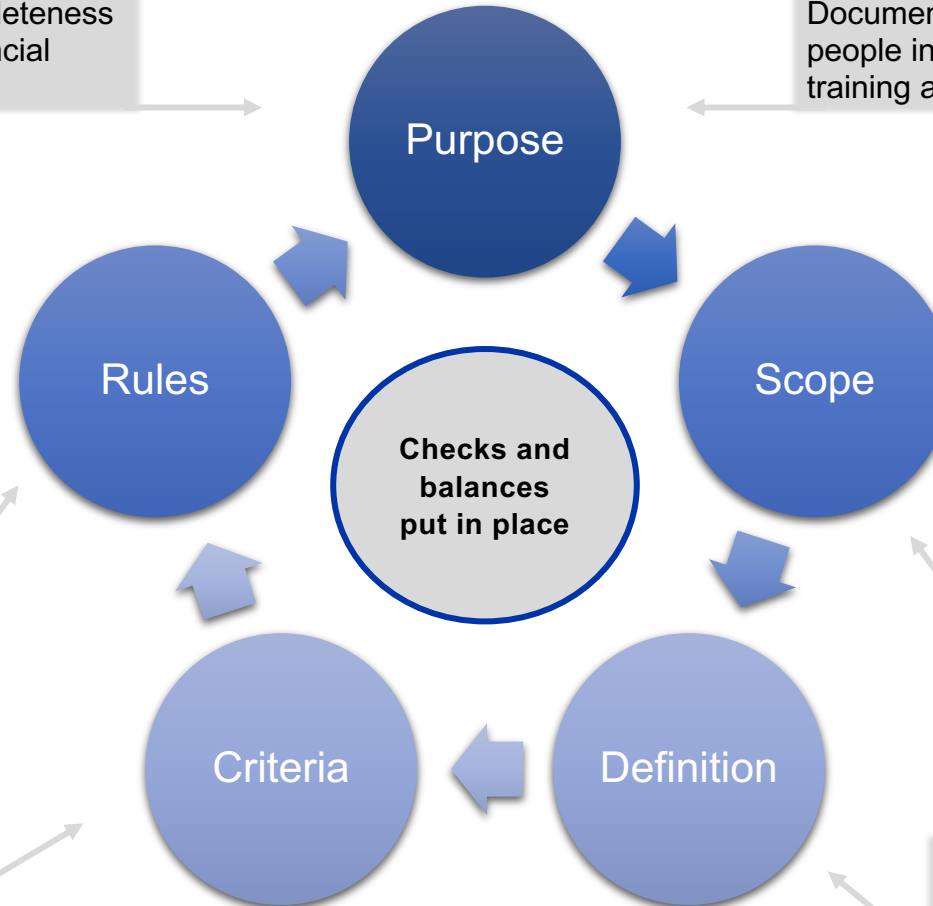
Timing related to the preparer and reviewer timelines on a periodic basis. Define the frequency with which reconciliations are being performed based on criticality assessment.

Open Item Resolution

Process to resolve any open items discovered during the reconciliation process and related time limits.

Regular review, Source by Account Type

Automate processes wherever possible. Technology introduces system controls leading to efficiencies in the close process and improved audit transparency.



Toolkit Overview

- In alignment with [BPM E-17-6](#) and the accompanying [FAST](#) course currently in review for updates
- Feedback provided by almost 20 partners in areas such as CSBO members, UFS, IRADS, UBO, PBO, and UK Internal Audit
- Developed to provide tailored support for diverse reconciliation needs and the ability to complete timely and accurate account reconciliations
- Includes enhanced Tableau report developed in partnership with IRADS integration labor distribution data with actuals and cost distribution detail
- Will be available on the University Financial Services website in the coming weeks

Of note, the toolkit is not a policy manual and should not be interpreted as providing exact procedures – it is developed to offer practical, and optional, application options for reconciliation processes.

Toolkit Overview: Targeted Sections

- Three sections intended to succinctly overview foundational components and tools to complete account reconciliations:

Account Reconciliation Overview

An outline of the essentials of account reconciliation, offering a foundational explanation of what, why, who, and when.

Share with: Anyone who reconciles or approves reconciliations; departmental leadership

Customizable Tools and Reports

A guide to using the provided reports and templates to support efficient reconciliation procedures within your department.

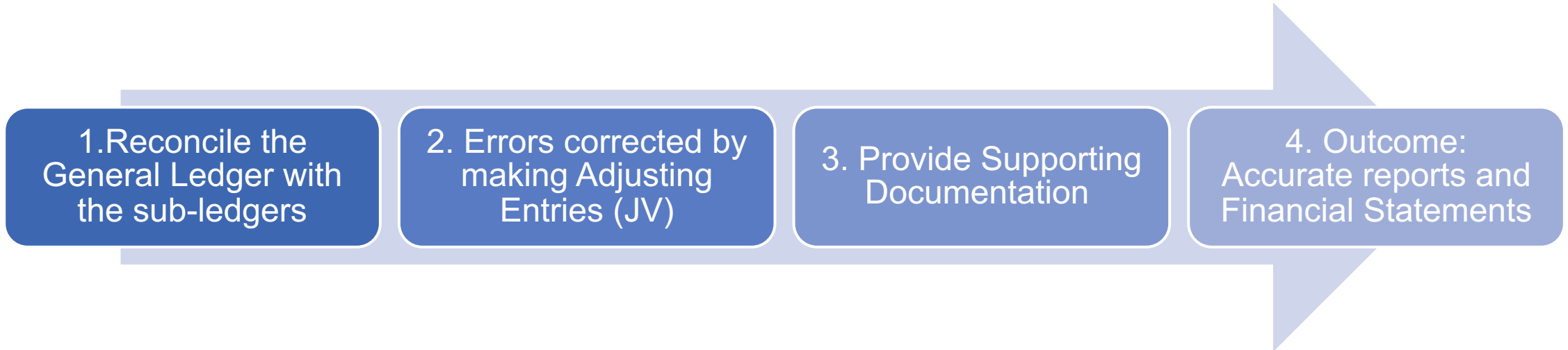
Share with: Business office staff, departmental reconcilers and supervisors

Consolidated Reconciliation Report Process

For departments without an established reconciliation process for compiling and routing reconciliation documentation.

Share with: Reconcilers, approvers, and departmental supervisors without existing reconciliation procedures

Process Summary



Reconciliations are considered complete when:

- transactions have been reviewed and matched,
- errors have been detected and corrections have been initiated, and
- a certification form has been approved and signed by each appropriate level.

TOOLKIT WALK-THROUGH

