



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.39, Balance Sheet Reconciliations

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to provide responsibility and guidance for balance sheet account reconciliations.

REVIEW: This HSCEP OP will be reviewed July 1 of every year by the director of Accounting Services, with recommendations for revisions submitted to the chief financial officer by July 15.

POLICY/PROCEDURE:

- I. TTUHSC El Paso general ledger accounts must be reconciled on a routine basis; generally monthly, but not less than quarterly, with limited exceptions. Accounting Services may determine exceptions based on risk, account activity, or account processes.
- II. Reconciliations must tie to the ending fiscal period account balance as recorded in Banner and displayed in Cognos reports. Fiscal periods close at the end of the daily cycle on the 10th day of the subsequent month. Monthly reconciliations must be completed by the close of the following fiscal period.
- III. Reconciliation summaries should include a brief description of the balance in the general ledger account, the dollar amount of the balance in the general ledger account as recorded in Banner, and a list of any outstanding transactions necessary to arrive at the month-end balance per a subsidiary ledger or other documentation that substantiates the balance.
- IV. Supporting documentation must include a Cognos report that shows the account's ending balance as recorded in Banner, a subsidiary ledger report or other documentation containing the month-end balance, and a list of any outstanding transactions necessary to reconcile the Banner general ledger account balance to the month-end balance per subsidiary ledger or other documentation that substantiates the month-end balance.
- V. Those individuals responsible for reconciling the general ledger account balances are expected to initiate the necessary journal entries to correct general ledger account balances in a timely manner. At fiscal year-end, any outstanding items should be as a result of timing, and not due to the failure to record correcting journal entries.
- VI. Reconcilers include, but are not limited to, Accounting Services, Office of Investments, Payroll, Texas Tech Foundation, Inc (TTFI), and Texas Tech University (TTU) Accounts Receivable. Any reconciliations completed by TTU, TTU System, or other reconcilers outside of Accounting Services should be sent to Accounting Services on or before the due date. Accounting Services will review reconciliations and may periodically request supporting detail or additional information as deemed necessary. Requested supporting detail or additional information should be forwarded to Accounting Services within 10 business days of the receipt of such a request.
- VII. Failure to timely and properly reconcile general ledger accounts is considered a financial risk that must be addressed by the account reconciler as requested by the director of Accounting Services.