



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Operating Policy and Procedure

HSC OP: 50.39, Balance Sheet Reconciliations

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to provide responsibility and guidance for balance sheet account reconciliations.

REVIEW: This HSC OP will be reviewed on July 1 of each year (EY) by the Director of Accounting Services, with recommendations for revisions forwarded to the Executive Vice President of Finance and Operations by July 15.

2. Reconciliations must tie to the ending fiscal period displayed in Cognos reports. Fiscal periods close

the subsequent month. Monthly reconciliations must be completed by the close of the following <sup>th</sup> day of fiscal period, except for the July and August reconciliations which have expedited fiscal year-end deadlines of the last day of the subsequent month.

3. 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.
4. 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.
5. 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.
6. Reconcilers include, but are not limited to, Accounting Services, Office of Investments, Payroll, TTFI, and TTU Accounts Receivable. Any reconciliations completed by TTU, TTUS, 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.
7. 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.