

Sul Ross State University
Business Process Analysis – Finance Module

Process Name: Bank Reconciliations

Date: October 19, 2005

Time: 8 am

Location: ACR207

Participants: Laura Lannom, John Young, Corina Ramirez, Oscar Jimenez

Session Lead: Laura Lannom, John Young

Narrative/Description:

Local General Operating Account- Accountant obtains bank statement (online, CD, in the mail. Once the month-end closes, accountant obtains cash-out sheets from Cashiers and the manual check lists. Input daily cash-out sheet totals (Book Allowance, Bank Deposits, Daily Cash Receipts Total) into a spreadsheet and compares Daily Cash Receipts to Collections account in FRS and to the Cash deposits on the bank statement on a day by day basis and in total for the month. Investigate and resolve any discrepancies. At this point, cash receipts are balanced.

For Disbursements, run FTP focus report to create excel file that shows list of checks for the month. Accountant adds totals per day. Compare focus report to other daily reports to insure integrity of focus report. Accountant notes replacement check numbers. Then, Accountant prepares separate spreadsheet showing disbursements and voids/stop-pays per day from FBM019 monthly report. Also add prepaids and manual checks by hand. Compare this spreadsheet to focus excel file. Investigate and resolve differences.

For credit card receipts, enter Payment Tech reports totals by day into spreadsheet. Compare to credit card receipts per Cashier cash-out sheets and per bank statement.

In a new spreadsheet, list journal entries including description, JE number, debit/credit and total of JE affecting cash, and compare to FBM019 report. At this point, all receipts and disbursement are matched and balance per books is accurate.

Print out outstanding check list from the spreadsheet and compare to bank statement and check off cleared checks. Remove cleared items from previous months outstanding check list, then copy remaining outstanding check list into current month outstanding list to create total outstanding check list. Enter this O/S check list, DIT and other reconciling items on bank rec. Investigate and resolve differences.

Payroll Account: Follows disbursement process described above. Compare wire transfers from FRS to bank statement. Investigate and resolve other reconciling items.

All other local bank accounts- manually reconcile from bank statement to books. Very little activity in these accounts.

State Cash Reconciliation- Accountants obtain raw data files from USAS and raw data files from FRS. Both are entered into Access database. A complex series of Access queries matches as many transactions as possible (exact matches). The remaining transactions are investigated and resolved. WE NEED HELP WITH THIS PROCESS!!

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Electronic Inputs: Raw data files from USAS, CD from bank with statement data, online bank statement, FTP focus reports. ACH and wire transfers.

Related Policy(s): none

Web Features: online banking

Manual/Paper Outputs: bank reconciliations, State Cash reconciling item report, USAS dailies

Manual/Paper Inputs: Bank statements, cash-out sheets from Cashiers, manual/void/stop-pay checks, PaymenTech statement

Customer(s): Management

Electronic Outputs: ACH transfers, payroll direct deposits

Regulatory Items: none

Interfaces: USAS, Access database

Frequency/Volume: monthly 11 accounts plus state cash reconciliation

Potential Break Points: System down, inability to obtain data from bank or USAS in a timely manner, inability to locate reconciling difference

Automation: Access matching process for state cash transactions

Issues: When a manual check or replacement check is cut, Accountant has to manually adjust bank reconciliation records in order to properly reconcile. This is very time-consuming. Data entry errors, posting to wrong FRS bank and void/replace/stop-pay errors cause reconciliation problems. The State Cash Recon is a difficult and involved process, in which we are behind and need help to streamline.