

STANDARD ADMINISTRATIVE PROCEDURE

21.01.01.M1.01 Accounting Procedures for Departmental Fiscal Record Keeping

Approved May 26, 2009

Next Scheduled Review: May 26, 2012

Standard Administrative Procedure Statement

Fiscal record keeping at Texas A&M University is predominantly conducted in a decentralized manner. The Unit Head (Deans, Department Heads, Directors, etc.) or designee is responsible for maintaining proper departmental fiscal records for all accounts belonging to his/her unit. This includes maintaining proper departmental fiscal records, such as transaction registries and supporting documentation, for all accounts belonging to his/her department. These records shall be reconciled/verified regularly and any discrepancies should be resolved as soon as possible. This process provides assurance that fiscal resources are monitored and maintained in accordance with rules, regulations, policies and procedures; transactions are processed correctly; and expenditures and/or encumbrances do not exceed budget allocations.

Definitions

Financial Accounting and Management Information System (FAMIS) - the official accounting system for Texas A&M University.

Departmental Fiscal Record Systems – records maintained within a department or unit that support the financial transactions of the department. Different possible systems are:

- Secondary Bookkeeping System, such as QuickBooks, Peach Tree, Access database, Excel spreadsheets, etc., utilized to track financial transactions and **provide management reports for decision making**. Reports generated from a secondary bookkeeping system should disclose the source of the report. If this system is not used to provide management reports, it can be treated as a Check Register/Transaction Log System for reconciliation/verification purposes.
- Check Register/Transaction Log System, such as Excel spreadsheets, Access database, Word documents, etc., utilized to verify the accuracy of FAMIS records. This system is not used to provide management reports for decision making purposes

- File System, such as copies of documents held until compared to monthly FAMIS statement, used to verify the accuracy of FAMIS records. This system is not used to provide management reports for decision making purposes.

Reconciliation/Verification – monitoring process whereby departments can ensure that financial data can be relied upon for decision making purposes.

- Reconciliation - process that compares both transaction and account balances between FAMIS and departmental fiscal records.
- Verification - process that compares transactions and not account balances between FAMIS and departmental fiscal records.

Outstanding Item – transaction that has not been matched or cleared during a reconciliation/verification process between FAMIS and the Departmental Fiscal Record System.

Unit Financial Obligation – funds set aside by management for a particular future use, such as startup, large equipment purchases, capital replacement/refurbishments, commitments from an offer letter, etc. Management may reverse funds set aside at any point.

Encumbrance/Commitment – funds that have been contractually obligated to an external entity by departmental management for a specific purpose, such as purchase requisitions, payroll assignments, etc. Future payroll should be the only transaction that is encumbered/committed that is not truly contractually obligated to an external entity.

Preparer – individual identified by the department as the person responsible for preparing the monthly account reconciliations/verifications.

Reviewer – individual identified by the department as the person responsible for reviewing the monthly account reconciliations/verifications. The Reviewer cannot be the same person as the Preparer.

Procedures

1. Departmental Bookkeeping

Requirements are based on the type of Departmental Fiscal Records System used:

- Secondary Bookkeeping Systems require monthly reconciliations to FAMIS.

- Check Register/Transaction Log Systems require monthly verifications to FAMIS.
- File Systems require monthly verifications to FAMIS.

2. Preparer Responsibilities – the following are the minimum responsibilities for the preparer of a reconciliation/verification:

- Reconcile the month end balance in FAMIS (fund balance, balance available, etc.) to the month end balance of the Secondary Bookkeeping System. This is required for Secondary Bookkeeping System.
- Verify that all transactions recorded in FAMIS for a given month are appropriate and accurate. Document any outstanding items and actions to correct.
- Verify that all transactions recorded in the Departmental Fiscal Record System are also recorded in FAMIS. Document any outstanding items and actions to correct.
- Review outstanding items from previous months and determine that they have been resolved. If not resolved, document actions to correct.
- Review Unit Financial Obligations for validity and adjust if appropriate.
- Review Encumbrances/Commitments for validity and adjust if appropriate.
- Notify supervisor if there are outstanding items older than 90 days.
- Sign and date completed reconciliation/verification.

3. Reviewer Responsibilities – the following are the minimum responsibilities for the reviewer of a reconciliation/verification:

- The reviewer cannot be the same person as the preparer.
- Verify that the month-end balances on the reconciliation agree with FAMIS and Secondary Bookkeeping System statements.
- Review outstanding items and actions to correct for reasonableness.
- Sign and date reconciliation/verification.

4. Reconciliation/Verification Timing:

- Reconciliations/Verifications should be prepared within 30 calendar days of FAMIS month end closing. Extensions can be granted when appropriate. A supervisor should approve any extensions of up to 15 days beyond the original 30 days.
- Outstanding items, including any unusual or unidentified items should be resolved within 90 days of the end of the month the transaction occurred in. Any items older than 90 days should be brought to a supervisor's attention.
- Account reconciliations/verifications are to be reviewed within 30 calendar days of the reconciliation/verification completion.

- Any exceptions to these timelines must be approved by the Associate Vice President for Finance and Controller.

Related Statutes, Policies, or Requirements

Supplements [System Policy 21.01](#), [System Regulation 21.01.01](#) and [University rule 21.01.01.M1](#)

Contact Office

OFFICE OF RESPONSIBILITY: [Associate Vice President for Finance and Controller](#)