TRAINING CLASS – UNDERSTANDING THE STATEMENT OF ACCOUNT and RECONCILIATION (AM506)
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Accounts (SOA)</td>
<td>4</td>
</tr>
<tr>
<td>What does the SOA consist of?</td>
<td>6–11</td>
</tr>
<tr>
<td>The Five SOA Reports</td>
<td>11–13</td>
</tr>
<tr>
<td>Sub-Certification Process</td>
<td>14–16</td>
</tr>
<tr>
<td>NACUBO Program Codes</td>
<td>17–20</td>
</tr>
</tbody>
</table>
Introduction
This training guide will assist with your understanding the Statement of Account produced by DEFINE and the requirements for performing monthly account reviews/reconciliation of budget groups.

The University of Texas operates on a 12 month fiscal year which runs from September 1 to August 31. Budgets, appointments, and external reporting are all done for this 12 month period. A lot of accounting activity takes place as the old fiscal year ends and the new fiscal year begins.

The Office of Accounting in coordination with the Controller prepares the Annual Financial Report (AFR). This report is combined with other UT components into the Consolidated Annual Financial Report for the University of Texas System. The consolidated report is then combined with other state agencies into the Consolidated Annual Financial Report for the State of Texas.

Fundamentals of UTSA’s Chart of Accounts

Before describing what information is found in the SOA, it is important that you understand the DEFINE system chart of accounts. See Operational Guideline 1.1.4: Chart of Accounts at: http://www.utsa.edu/financialaffairs/opguidelines/0114.html

Account Structure

The account number is a 10-digit number used for recording accounting transactions. The number is broken down into three parts.

<table>
<thead>
<tr>
<th>UTSA Account Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number</td>
</tr>
<tr>
<td>A</td>
</tr>
<tr>
<td>A. Fund Group</td>
</tr>
<tr>
<td>B. Budget Group</td>
</tr>
<tr>
<td>C. Sub Account (Budget Category)</td>
</tr>
</tbody>
</table>
Fund Group – The first two digits of the account number specifies the source of funds. This is a list of fund groups:
   12 / 14 – Educational & General (E&G Funds)
   18 – Service Centers
   19 – Designated Funds
   26 – Grants & Contracts
   29 – Auxiliary Enterprise Funds
   30 – Gift Funds
   32 – Loan Funds
   36 – Plant Funds
   41 – Agency Accounts

Budget Group – The first 8 digits of an account number represent a budget group. Each department or academic entity may have several budget groups.

Sub-Account (Budget Category) – The last two digits of the account number specifies the purpose of funds. A budget group could have multiple sub-accounts.

Unit Code – The unit code determines the department, division or college an account belongs to.

See Example 1: CA3 Screen

Statement of Account (SOA)

What is the SOA?
The Statement of Accounts (SOA) is an official listing of all accounting transactions that have been posted to a UTSA account. The SOA Guideline is located at the Financial Affairs Website: http://www.utsa.edu/financialaffairs/opguidelines/0108.html.

Every administrator that has been given budget authority to spend UTSA funds is required to reconcile their statement of accounts on a monthly basis. Proof of reconciliation is required during a quality assurance review conducted by the UTSA office of Audit, Compliance and Risk Services. http://utsa.edu/acrs/
TRAINING CLASS – SOA – Statement of Account (AM506)

How Do We Get the SOA?

Statements are generated on a monthly basis through COGNOS by Management Reporting and Administrative Services after the month’s financial activities have closed. The reports are emailed to the account administrator and designated reconcilers around the 7th business day of each month. **If you need to add or change a reconciler, use Section IV of the DEFINE Department User Access Form located at the Financial Affairs Website/Forms and Worksheets:**

http://www.utsa.edu/financialaffairs/Forms/DEFINE/DEFINE_AccessForm-Dept.pdf.

Additionally, if you need to change anything on an account, such as the administrator, account title, add additional sub-accounts, etc. please complete the Unit and Account Request Form located at:

http://www.utsa.edu/financialaffairs/Forms/accounting/UnitAccountRequest.pdf

**See Example 2: Unit and Account Request Form**

What if I have questions about the SOA?

Email Management Reporting and Administrative Systems at MRAS@utsa.edu for assistance with any of the following:

- Appropriate personnel are not receiving the SOA reports (for example, if you are an Account Administrator or Reconciler and you do not receive SOAs that include all of your budget groups)
- Accessing the SOA reports
- Other technical issues

For questions about your Statement of Account or Reconciliation procedures, contact Accounting Services at accounting.ofc@utsa.edu or you review these training materials on the Accounting website at:

http://www.utsa.edu/accounting/.

Contact Accounting Services for assistance with the following:

- Accounting corrections
- Recording reconciling items
- Accounting terms and definitions
- Other matters related to financial information

Revised 6/08/2012
What does the SOA consist of?

The following make up the Statement of Accounts (SOA) reporting package and include details of accounting transactions posted to the financial accounting system for each unit code:

- Transactional Detail Report
- Balances by Budget Group and Subaccount Report
- Balances by Budget Group Report
- Monthly Income and Expenditures Workbook, includes the Monthly Income Report and Monthly Expenditures Report
- Reconciliation Workbook, includes the Certification Worksheet and Supplemental Information Report

See Sample Reports on pages 15-18 of the Addenda.

Definitions Used in these Reports

1. **Budget Group, Sub-Account, and account title:** This section contains the Budget Group and its account title along with the sub-account and its title. The Budget Group consists of an eight-digit number with the first two digits referring to the fund. The last two digits represent the sub-account which relates to an expenditure category such as Maintenance & Operations – 50.

2. **Object Code Classification and Object Code title:** Short for object class code, which is the 4 digit number used by central processing departments (ie Accounting, Disbursements, etc) to categorize transactions for financial reporting. *Every transaction must have an object code.* Listed below are examples of **object code types:**

   - 0 = Encumbrance Object Codes
   - 1 = Expenditure Object Codes
   - 3 = Income (Revenue) Object Codes
   - 7 = Transfer of Funds Object Codes (non-state funds)
   - 9 = Budget Adjustment Object Codes

**NOTE:** You can view a listing of object class codes sorted in numerical order using DEFINE command GG8 or searches by keyword order using DEFINE command GG9.

See Example 3: GG9 screen
See Example 4: GG8 screens
3. **Date:** The date the transaction was recorded in the accounting records. Commonly referred to as the ‘record date’ in DEFINE.

4. **Name or Description:** A name or brief description of the transaction is displayed in this column. In some cases the vendor name may be displayed in this field.

   See Example 5: DEFINE screen with various elements

5. **Document ID No:** This number is assigned to a transaction upon its creation. Each document is assigned a unique number consisting of 11 digits.
   a) By viewing the Document ID, you will be able to see the associated Voucher Number for transactions that have been final approved.

   NOTE: You can view transactions by Document ID in DEFINE by using DEFINE command GT6.

   See Example 6: GT6 screen

6. **Voucher No.** This number is assigned to a transaction upon final approval. Each document is assigned a unique voucher number consisting of 7 digits: one alpha character followed by six numeric characters. The alpha character identifies the voucher or transaction type. Listed below are examples of Voucher types:

<table>
<thead>
<tr>
<th>Alpha</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Balance forward entry (from the prior fiscal year)</td>
</tr>
<tr>
<td>C</td>
<td>Cash receipt (e.g. monies deposited into an account)</td>
</tr>
<tr>
<td>J</td>
<td>Journal voucher (e.g. budget transfer, accounting corrections)</td>
</tr>
<tr>
<td>L</td>
<td>Payment check issued by UTSA</td>
</tr>
<tr>
<td>O</td>
<td>Obligation in the form of an encumbrance for purchase or travel requisitions</td>
</tr>
<tr>
<td>S</td>
<td>Warrant (check) issued for payment by State Comptroller’s Office</td>
</tr>
<tr>
<td>T</td>
<td>Transfer (interdepartmental) from a service center account to bill for goods sold or services rendered. (e.g. Facilities work orders)</td>
</tr>
</tbody>
</table>

   NOTE: You can view Transactions by Voucher Number using DEFINE command GT2. Refer to DEFINE training *Introduction to DEFINE (DE 650)* for more information about using this command.

   See Example 7: GT2 screen

7. **P.O. No.:** When a purchase requisition is authorized by Purchasing, a P.O. (Purchase Order) number is assigned. For documents that do not receive purchase order numbers, such as a
travel request, that number is also referenced in this column (i.e. TV0000).

**NOTE:** You can view Transactions by P.O. Number or Travel Request Number using DEFINE command GT3. You can view remaining balances on a P.O. using DEFINE command GE3 or view all outstanding encumbrances on an account by using DEFINE command GE1. Refer to DEFINE training *Introduction to DEFINE (DE 650)* for more information about using these commands.

See Example 8: GT3 screens
See Example 9: GE3 screen
See Example 10: GE1 screen

8. **PT/DTN:** DTN is commonly referred to as departmental transaction number. This is an optional number that a user/department may assign to a transaction (limited to 7 numbers/characters). If a transaction has been assigned a DTN, it will be displayed in this column. This column also shows Permanent or Temporary Transfers (this will only show up on a VT1 or VT2 document type).

**NOTE:** You can view Transactions by DTN using DEFINE command GT5. For more information on assigning DTNs, contact Accounting Services at accounting.ofc@utsa.edu or call Accounting Services at x4212.

See Example 11: GT5 screens

9. **Balance Fwd:** Balances carried forward from a previous fiscal year are displayed in this column. Balance forward entries are posted with VJB documents. At the end of the fiscal year, Accounting Services creates entries to bring certain remaining balances forward to the new fiscal year. Balances not brought forward are subject to lapsing. Refer to the Budget Transfers & Lapse Guidelines found at the Budget Offices Website: [http://www.utsa.edu/financialaffairs/budget/](http://www.utsa.edu/financialaffairs/budget/)

Material encumbrance transactions have an object class code of 0200. If a material encumbrance remains open at year end, it is brought forward to the new year.

10. **Trans & Adj:** Budget transfers and adjustment entries.
11. **Orig Budget:** Original budget, also known as the ‘base budget’, and represents the permanent authorized budget for an account as approved in the campus’s operating budget. For questions regarding budget entries, contact: [http://www.utsa.edu/financialaffairs/budget/](http://www.utsa.edu/financialaffairs/budget/)
   - a) Orig Bud Expenses
   - b) Orig Bud Income & Tfs

12. **Posted Income:** Year to date income

13. **Adj Budget:** The budget after all adjustments and transfers are applied. The net of BalFwd, Orig Bud Expenses, Budget Adj/Trans, Orig Bud Income & Trnfrs, and Posted Income

14. **Expense:** Year to date expenses.

15. **Encumb:** Year to date encumbrance and dis-encumbrance transactions.

    ➢ **What is an encumbrance?**
    An encumbrance is a special type of accounting transaction to reserve or obligate funds that will be used for future expenditures (the funding is deducted from the available budget balance, so the department will have money available to honor its commitments.) Encumbrances are reversed when the expenditure/payment is made. Reversals are called dis-encumbrances. If the dis-encumbrance does not occur, the budget balance available is affected. These entries may or may not occur in the same month.

    Encumbering funds is a common means to enforce fiduciary responsibility: all encumbrances require proper authorization before a financial commitment occurs. *Approval certifies that the account administrator is acting in the best interests of UTSA when committing university funds for the purchase or travel transactions.*

    All salaried appointments are encumbered for the entire fiscal year by DEFINE, as are purchase and travel requests in an amount estimated by the requisition.
ENCUMBRANCE EXAMPLE
a) A department with a $7,000 budget
b) Orders a $1,500 computer and that amount is encumbered on a Purchase Order (PBO document). The ‘free balance’ (DEFINE terminology = budget balance available) is reduced by $1,500, to a new total of $5,500.
c) The computer is received and a payment voucher (VP1 document) is prepared. A dis-encumbrance entry is created after the payment voucher is created. $1,500 is disencumbered and increases the ‘free balance’ by $1,500. The free balance is now $7,000.
d) Although not encumbered on the PO, the vendor has invoiced for $100 in freight charges that are owed. A check is therefore issued to the vendor in the amount of $1,600. The ‘free balance’ now shows as $5,400.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EXP/INC</th>
<th>ENC/INV</th>
<th>FREE BAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Budget balance before Purchase Order</td>
<td></td>
<td></td>
<td>7,000.00</td>
</tr>
<tr>
<td>b) Encumbrance created by Purchase Order</td>
<td>1,500.00</td>
<td>-</td>
<td>5,500.00</td>
</tr>
<tr>
<td>c1) Disencumbrance after the Payment Voucher</td>
<td>1,500.00</td>
<td></td>
<td>7,000.00</td>
</tr>
<tr>
<td>c2) Approved Payment Voucher creates an expenditure</td>
<td>1,600.00</td>
<td>-</td>
<td>5,400.00</td>
</tr>
</tbody>
</table>

NOTE: You can view transactions by an encumbrance number using DEFINE command GT3. Alternatively, you can view the remaining balance on a PO using DEFINE command GE3, or view all outstanding encumbrances on an account by using DEFINE command GE1. Refer to DEFINE training Introduction to DEFINE (DE 650) for more information about using this command.

See Example 8: GT3 screens
See Example 9: GE3 screen
See Example 10: GE1 screen

16. Inv, Asset & Liab: Year to date investment, asset and liability transactions.

17. Bal Available (Current YTD): Available budget balance (year to date) by subaccount and budget group. Each budget category in a budget group is assigned to a budget pool. Budget categories within a budget group may be assigned to the same budget pool. In these instances the system combines (pools) the available balance of the different budget categories into one balance (pool balance). When the system audits an account for funds it
reads the pool balance, not the individual subaccount available balance.
Pooling accounts can reduce the number of routine budget changes that might normally be required. In this example, although the available balance in budget category is negative, the pool balance is positive and a transaction for $5,000 or less will process.

<table>
<thead>
<tr>
<th>Budget Group</th>
<th>Budget Category</th>
<th>Budget Pool</th>
<th>Available Balance</th>
<th>Pool Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-XXXX-XX</td>
<td>50</td>
<td>01</td>
<td>-5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>19-XXXX-XX</td>
<td>95</td>
<td>01</td>
<td>10,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

See pooling rules at:
See Example 12: GB2 screens

The Five SOA Reports
See pages 15-18 of Reference materials

1. Transactional Detail Report
The Transactional Detail Report must be reviewed to ensure all financial transactions for the month are included and appropriate.
This report provides a listing at the budget group and subaccount level for all financial transactions that have been posted to the financial accounting system during the month for a unit.

2. Balances by Budget Group and Subaccount Report
The Balances by Budget Group and Subaccount Report can be used to ensure balances are appropriate.
The Balances by Budget Group and Subaccount Report provides year-to-date balances of budget group and subaccounts within a unit, with totals for the unit. It includes only those budget groups and subaccounts that had activity or balances during the month.

3. Balances by Budget Group Report
The Balances by Budget Group Report can be used to ensure balances are appropriate.
This report is a summary at the budget group level of the Balances by Budget Group and Subaccount Report. It includes all of the fields found in the Balances by Budget Group and Subaccount Report except the Sub Account Title. This report provides year-to-date balances within a unit for budget groups.
that had activity during the year, with totals by fund group and unit.

4. Monthly Income and Expenditures Workbook
   The Monthly Income and Expenditures Workbook can be used to review variances and identify trends or discrepancies and includes two reports:
   - **Monthly Income Report**: Provides month-by-month and year-to-date income activity for the budget groups and subaccounts within a unit.
   - **Monthly Expenditures Report**: Provides month-by-month and year-to-date expenditure activity for the budget group and subaccount within a unit (encumbrances are not included)

5. The Reconciliation Workbook includes the Certification Worksheet and Supplemental Information Report.
   - **Certification Worksheet**: Provides year-to-date balances of all active budget groups within a unit. It also includes the official certification statement to be signed by the Account Administrator and Reconciler.

   **NOTE**: This worksheet is provided as an optional tool that the Reconciler can use to show total reconciling items and compute the balance available per department. Departments may use other tools (such as Quicken®) for this purpose, but they must have a formal reconciliation process in place.

   If this Certification Worksheet is used, the Reconciler must:
   a. Enter total reconciling items (differences between departmental records and the Transactional Detail Report that were noted during the SOA/departmental record comparison) for each Budget Group in the Total Reconciling Items column.
   b. Enter formulas to calculate the Balance Available per Department for each budget group.
   c. Enter formulas to calculate the totals for these columns (see contents of report for further instruction) in the last line of the Total Reconciling Items and Balance Available per Department columns.

   i. **Reconciling items that increase income (such as revenue received) are entered as positive amounts, and items that reduce income (such as fee refunds) are negative amounts. Items that increase expense are entered as negative amounts, and items that reduce expenses or encumbrances are entered as positive amounts.**
The following link goes to the Reconciliation Checklist:

http://www.utsa.edu/financialaffairs/Forms/details.cfm?form_number=134

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**UTSA SOA Reconciliation Checklist**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Establish a pending file with paper copies of transaction documents for the month. These documents provide a record of departmental transactions to be compared with the DEFINE system. Examples of transactional documentation include:</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Purchase Orders</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Work Requests</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Travel Requests</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Cash transactions (if applicable):</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Petty Cash Vouchers</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- UTSA Check Registers or log books</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Cash Receipts</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Credit Card Payment forms</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Cash register tapes/logs</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Settlement Reports for credit card machines</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Deposit Transmittal forms</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Any other record of a departmental cash transaction</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>In addition to the paper documents, it is recommended that the department also keep a log of all departmental transactions (hard copy or electronic through Excel, QuickBooks® or other software).</td>
<td>[ ]</td>
</tr>
<tr>
<td>2.</td>
<td>Open the Balances by Budget Group and Subaccount Report and verify that the Prior Month Balance Available in the current Balances by Budget Group and Subaccount Report matches the Balance Available in last month’s Balances by Budget Group and Subaccount Report.</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>NOTE: If you do not receive access to the SOA Reports for your accounts, email Management Reporting and Administrative Systems.</td>
<td>[ ]</td>
</tr>
<tr>
<td>3.</td>
<td>Open the Transactional Detail Report and review and scan it for unusual entries.</td>
<td>[ ]</td>
</tr>
<tr>
<td>4.</td>
<td>Ensure that any unreconciled items from the previous month have been corrected, and follow up as necessary.</td>
<td>[ ]</td>
</tr>
<tr>
<td>5.</td>
<td>Match each transaction listed in the Transactional Detail Report to a paper document in your pending file/departmental log, and confirm that all transactions in your pending file/log have been appropriately recorded in the Transactional Detail Report.</td>
<td>[ ]</td>
</tr>
<tr>
<td>6.</td>
<td>Note that transactions in the Transactional Detail Report agree with supporting documentation by placing a check mark (✓) after each item. It is possible there will not be paper documentation for the following transactions, which is acceptable:</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Mail Services: review charges to determine reasonableness given the volume of mail you process.</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>- Facilities Services: match your pending work orders.</td>
<td>[ ]</td>
</tr>
<tr>
<td>7.</td>
<td>Verify that (1) each employee listed in the Transactional Detail Report for salary Subaccounts is currently employed by the department; (2) appropriate salary amounts were paid and disencumbered; and (3) all salary payments are included in the Transactional Detail Report.</td>
<td>[ ]</td>
</tr>
<tr>
<td>8.</td>
<td>Make a list of any transactions (announcements, travel requests, salary payments, transfers, etc.) that are in your records but not included in the Transactional Detail Report.</td>
<td>[ ]</td>
</tr>
<tr>
<td>9.</td>
<td>Complete the Certification Worksheet, or follow your department's formal reconciliation process to document any reconciling items.</td>
<td>[ ]</td>
</tr>
<tr>
<td>10.</td>
<td>Note and resolve (1) items in the Transactional Detail Report that do not agree with supporting documentation, and (2) items that are in your records but not included in the Transactional Detail Report. Correct departmental records as necessary. For corrections in the accounting system, see Statement of Accounts – Corrections on the Accounting Services website.</td>
<td>[ ]</td>
</tr>
<tr>
<td>11.</td>
<td>The Reconciler must sign the Certification Statement even if there are no reconciling items or another method was used to document them. If the department does not use the Certification Worksheet for reconciliation, copy the Certification Statement verbatim from the Reconciliation Worksheet and paste it to the reconciliation document, sign it and obtain the Account Administrator’s signature.</td>
<td>[ ]</td>
</tr>
<tr>
<td>12.</td>
<td>The Account Administrator must review and approve the SOA and reconciliation by signing the SOA Certification Statement even if there are no reconciling items or another method was used to document them. See step 11 for details.</td>
<td>[ ]</td>
</tr>
<tr>
<td>13.</td>
<td>Retain the SOA Reports, signed SOA Certification Worksheet or other reconciliation document (including the signed Certification Statement copied verbatim from the Certification Worksheet), and supporting documentation and related records, including the list of transactions in your records that are not included in the SOA, other reconciling items, and documentation of corrections, for the current fiscal year plus three additional years.</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
**Sub-Certification Process**

What is the sub-certification process?

UT System administration Policy – UTS 142.1 requires a sub-certification annually to the Financial Reporting Officer. Account Administrators are required to complete the Management Certification and Fiscal management Sub-Certification each fiscal year for all of their accounts with $3,000 or more of activity. The sub-certification acknowledges responsibility, that you have reconciled your SOA, that all transactions were appropriate, allowable and properly recorded, that errors were adjusted, and that you maintain adequate segregation of duties. It also includes sub-certification of sound internal controls, no misstatements or omissions evident on your SOA, compliance with Code of Ethics related to award of contracts and fraud sub-certification. The sub-certification process is electronic and conducted through the Office of Institutional Compliance & Risk Services at the beginning of each fiscal year. See Operational Guideline 1.1.2: Fiscal Accountability and Stewardship of University Resources at [http://www.utsa.edu/financialaffairs/opguidelines/1.1.2.html](http://www.utsa.edu/financialaffairs/opguidelines/1.1.2.html)

**Account Review/Reconciliation of Budget Groups**

What is reconciliation of budget groups?

Reconciliation is a control activity to compare departmental records to the official accounting record. This term is used interchangeably at UTSA with the phrase “Account Review.” The Statement of Account (official accounting record) is reviewed against the department’s documentation of authorized financial transactions against a budget group (account).

Why is review/reconciliation required?

Mistakes occur and cannot be detected without reconciling your budget groups (accounts). This activity is similar to reconciling your personal checkbook. Reconciliation is essential to ensure accurate reports because it identifies errors and inconsistencies requiring correction. Reconciliation can help identify availability of funds and expose lack of internal controls.
What are the roles and responsibilities?

**Account Administrator**
The account administrator is responsible for all financial aspects of university funds allocated under their authority:

- Stewardship of the university’s assets; preventing overspending of departmental budgets.
- Assuring accounts are reviewed each month and accurate accounting records are maintained and certifying the reconciliation of all accounts has been completed.
- Assigning the duties of account reconciliation to a qualified employee and assuring that all duties of the account reconciler are completed, including record retention.
- Reviewing the reconciliation and signing the SOA Reconciliation Worksheet certification. Signature indicates approval of all activity and agreement that financial transactions are included and appropriate.

**Account Reconciler:**
The account reconciler is responsible for:

- Keeping track of all transactions and related documents for any commitment of funds authorized against the budget group/account throughout the month. The best way to do this is with a department log with copies of each transaction approved for a budget group/account.
- Completing a thorough monthly reconciliation against the Statement of Accounts for all accounts to departmental records.
- Promptly notifying the appropriate department of any errors or omissions and coordinating corrections to the official university accounting records as appropriate.
- Signing the SOA Reconciliation Worksheet and obtaining the signature of the account administrator.
- Retaining the SOA reports, signed Reconciliation Worksheet, supporting documentation and related records for the current fiscal year plus three, or a total of four fiscal years. All documentation must be readily available for inspection if requested. Documentation may be paper or electronic.
Reporting

A report of all responses is sent to the Office of Compliance and Risk Management at the conclusion of the sub-certification process. Compliance utilizes the administrator response (or lack thereof) to determine future priorities for Quality Assurance Reviews.

Note regarding Certification

The certification statement and Account Administrator and Reconciler signatures are required even if there are no reconciling items or the department uses another reconciliation method.

If the Certification Worksheet is not used, the certification statement must be copied verbatim from the Certification Worksheet onto the last page of the departmental reconciliation document and signed by the Account Administrator and Reconciler.
NACUBO Functional Categories

Educational and General Operating Expenses - Expenses paid to acquire goods and services provided in return for operating revenues and to carry out the mission of the institution. The operating expenses are presented by National Association of College and University Business Officers (NACUBO) expenditure categories (program codes), adopted by higher education for grouping budget and expenditures are listed below:

02-Instruction

Category includes expenses for all activities that are part of the institution's instructional program. Included are credit and non credit courses.

- General academic instruction - all teaching and training (except research training)
- Vocational/Technical instruction - instructional program categories offered for credit as part of a formal postsecondary education degree or certificate program.
- Community instruction-noncredit instruction that are part of the adult education or education program. Instructional activities that do not generally result in credit toward any formal postsecondary degree or certificate.
- Preparatory/Remedial instruction - instructional activities that give students the basic knowledge and skills required by the institutional before they can undertake formal academic coursework leading to a postsecondary degree or certificate.
- Instructional information technology - expenses for formally organized and/or separately budgeted instructional information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.

06-Research

Category includes expenses for activities specifically organized to produce research outcomes, whether commissioned by an agency external to the institution by grants or contracts from Federal, state or local governments, foundations or separately budgeted by an organizational unit with the institution.

- Institutes and Research Centers - research activities that are part of a formal research organization created to manage a number of research efforts, does not include federally funded research and development centers.
- Individual: and Project Research - expenses for research activities that are managed within academic departments. Such activity may have been undertaken as the result of a research contract or grant or through a specific allocation of the institution's general resources.
- Research information technology - expenses for formally organized and/or separately budgeted research information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.

12-Public Services

Category includes expenses for activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

- Community service - community service activities made available to the public various resources and special capabilities that exist within the institution.
- Cooperative extension service - this subcategory is intended primarily for land-grant colleges and universities and includes both agricultural extension and urban extension services.
- Public broadcasting service - expenses for operation and maintenance of broadcasting services operated outside the context of the institution's instruction, research, and academic support programs.
- Public service information technology - expenses for formally organized and/or separately budgeted public service information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.
14-Academic Support
Category includes expenses to provide support services for the institution's primary missions of instruction, research, and public service.

- Libraries - expenses for organized activities that directly support the operation of a catalogued or otherwise classified collection.
- Museums and Galleries - expenses for organized activities that provide for the collection, preservation, and exhibition of historical materials, art objects, scientific display, etc.
- Ancillary support - these activities usually provide a mechanism through which students can gain practical experience.
- Academic administration - expenses for activities specifically designed and carried out to provide administrative and management support to the academic programs. This includes expenses of academic deans (including deans of research, deans of graduate schools, and college deans). This subcategory also includes expenses for formally organized and/or separately budgeted academic advising at the College or School level.

- Academic advising is identified as, but not limited to, providing accurate and reliable information to assist students in establishing goals and making wise curriculum choices; tying academic majors to careers; monitoring students' academic progress; communicating among and between academic staff and faculty of the various units; and referring students to other services. This sub-program does not include formally organized placement, career guidance, and personal counseling for students.
- Academic personnel development - expenses for activities that provide faculty with opportunity for personal and professional growth and development, activities that evaluate and reward professional performance of the faculty, sabbaticals, faculty awards, and organized faculty development programs.
- Course and curriculum development - expenses for activities established to significantly improve or to add to the institution's instructional offerings, but only to the extent that such activities are formally organized and/or separately budgeted.
- Academic support information technology - expenses for formally organized and/or separately budgeted academic support information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.

16-Student Services
Funds used for activities with the primary purpose of contributing to the students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. Included are the offices of admissions and registrar.

- Student services administration - expenses for organized administrative activities that provide assistance and support to the needs and interest of students. In particular, services provided for particular types of students such as minority students, veterans, and handicapped students.
- Social and cultural development - expenses for cultural events, intramural athletes, and student newspapers.
- Counseling and career guidance - expenses for formally organized placement, career guidance, and personal counseling services for students.
- Financial aid administration - expenses for financial aid services and assistance to students.
- Student health services - expenses for organized student health services that are not self-supporting.
- Student admissions - expenses for activities related to the identification of prospective students, the promotion of attendance at the institution and the processing of application for admission.
- Student records - expenses for activities to maintain, handle and update records for currently enrolled students as well as for students previously enrolled.
- Student services information technology - expenses for formally organized and/or separately budgeted student services information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.
20-Institutional Support

Funds used for central executive level activities concerned with management and long range planning for the entire institution, such as planning and programming operations, administrative data processing, support services to faculty and staff, and activities concerned with community and alumni relations, including development and fund raising.

- Executive management - all officers with institution-wide responsibilities are included, such as the president and all chief officers. It includes such operations as executive direction, planning, programming, and legal operations.

- Fiscal operations - expenses for operations related to fiscal control and investments. It includes the accounting office, bursar's office, and external audits.

- Public relations/development - activities to maintain relations with the community, alumni, or other constituents and to conduct activities related to institution-wide development and fund raising.

- General administration - activities related to general administrative operations and services. Included are personnel administration, space management, purchasing and maintenance of supplies and materials, campus-wide communication and transportation services, general stores and printing shops.

- Administrative information technology - expenses for formally organized and/or separately budgeted administrative information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to this category.

22-Operation and Maintenance of Plant

Funds used for the administration, supervision, operation, maintenance, preservation and protection of the institution's physical plant.

- Physical plant administration - expenses for administrative activities that directly support physical plant operations, such as the development of plans for plant expansion or modification, as well as plans for new construction. Also included are property, liability, and all other insurance relating to property.

- Building maintenance - activities related to routine repair and maintenance of buildings and other structures, including normally recurring repairs and preventive maintenance.

- Utilities - heating, cooling, light and power, gas, water, and other utilities necessary for the operation of the physical plant.

- Landscape and grounds maintenance - expenses related to the operation and maintenance of landscape and grounds.

- Major repairs and renovations - expenses related to major repairs, maintenance, and renovations.

- Security and safety - expenses related to security, earthquake and disaster preparedness, safety, including environmental safety, and hazardous waste disposal.

- Logistical services - expenses related to logistical services such as central receiving as well as space and capital leasing.

- Operations and maintenance information technology - expenses for formally organized and/or separately budgeted operation and maintenance information technology. If the institute does not separately budget and expense information technology resources, the cost associated with the three primary programs will be applied to academic support and the remainder to institutional support.

48-Scholarships and Fellowships

Funds used for scholarships and fellowships including exemptions in the form of grants to students and tuition remissions. These categories include expenses for scholarships and fellowships - from restricted or unrestricted funds - in the form of grants to students, resulting from selection by the institution or from an entitlement program.

- Scholarships - grants-in-aid, trainee stipends, tuition and fee waivers, and prizes to undergraduate students.

- Fellowships - grant-in-aid and trainee stipends to graduate students.
70-Auxiliary Enterprises

- Expenditures for auxiliary enterprises are presented separately due to their distinct purpose of furnishing goods and services primarily to students, faculty, and staff, and that charges a fee directly related to the cost of the goods or services.
- 72 - Housing and Food Service
- 74 - Student Health Center
- 78 - Intercollegiate Athletics for Men
- 79 - Intercollegiate Athletics for Women
- 82 - Student Services Fees
- 84 - Other Auxiliary

86-Depreciation

- Recognition of the allocation of the cost of capital assets over the useful life of the asset.