



Bank Reconciliation Policy

Responsible Official: Associate VP for Financial Operations and University Controller

Administering Department: Financial Reporting and Accounting Operations

Effective Date: December 1, 2015

Revised: June 13, 2016

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I. Purpose and Scope

It is the policy of the University that all incoming or outgoing funds to the University's bank accounts be recorded in the general ledger (UR Financials) on a timely basis. Frequent bank reconciliation is essential to prevent fraud and to ensure the University's funds are handled with fiscal and fiduciary responsibility.

Bank account reconciliation is a key component of good controls over cash and should be done in a timely manner. Reconciling the bank statement balance with the book balance (general ledger) is necessary to ensure that (1) all receipts and disbursements are recorded (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

This policy applies to all bank accounts held by the University.

II. Policy Statement

The manager of General Accounting will develop and maintain documented procedures for reconciling each bank account held by the University.

Automated matching rules such as First Notice Rules, Bank Reconciliation Rules or other auto-matching rules shall be utilized to extent possible in order to maximize auto-reconciliation rates within UR Financials. In the absence of auto matching rules, manual processes will be utilized.

Each bank account will be reconciled on a monthly basis and within 20 business days of the end of the month.

General Accounting will work together with the cashiering locations and divisional finance representatives to identify and resolve reconciling items on a timely basis. Any unmatched book/bank lines or other reconciling items should be corrected within 120 days of the



reconciled month. Any reconciling items outstanding greater than 120 days will be recorded in other operating revenue (LA46000) or other operating expense (LA65550) in the Budget Office Contingency fund (PR766982) in UR Financials.

Bank account reconciliations will be prepared by a reconciliation accountant and approved by the Associate Controller. Their signatures on the bank account reconciliation summary will confirm that current procedures were followed and that the reconciliation accurately presents the status of the account at the bank as well as on the general ledger.

By the last day of each month, the Associate Controller will provide a copy of the signed bank account reconciliation summary to the Associate Vice President for Financial Operations and University Controller indicating the reconciliation status.

The original bank account reconciliation summary will be filed in a central file in in the Associate Controller's office. All supporting documentation will be maintained electronically on the Finance shared directory K:\gendata\BANKREC. Both hard copy and electronic files will be maintained in accordance with University record retention guidelines and will be made available to the Senior Vice President for Administration and Finance and CFO upon request.

III. Definitions

Bank Statement: A paper or electronic record of all financial activity for the prior month provided by each bank.

General Ledger: The main accounting book of record for an entity which includes accounts for assets, liabilities, revenue, expense, gains and losses. The University's general ledger is UR Financials (Workday) in which "actual" transactions are posted to the official book of record. The balance for each cash account is reflected in the general ledger account LA10000.

Reconciling Item: Any activity on either the bank statement or the general ledger but not recorded in the other. Examples include:

Bank not Book – this is an *unmatched bank line* that represents a deposit/withdrawal that appears on bank statement but not on general ledger

Book not Bank – this is an *unmatched book line* that represents deposit/withdrawal on general ledger but not on bank statement

Bank account reconciliation: Process of confirming that the bank statement is valid and accurate, that transactions are reflected properly in the general ledger account and that the ending balance on the general ledger account is accurate. Any differences should be identified, reconciling items investigated, and balances adjusted appropriately.



Bank account reconciliation summary: A one page summary for each bank account that shows the bank balance, book balance, timing differences and all reconciling items.

First Notice Rule (FNR): A rule created in UR Financials that auto-records book transactions related to certain bank transactions with predefined parameters

Bank Reconciliation Rule (BRR): A rule created in UR Financials that auto auto-matches book and bank transactions with predefined parameters

IV. Related Links and Resources

- [Current version of this policy](#)
- [Bank reconciliation procedures](#)
- [Finance Department website](#)

V. Contact Name	Contact Title	Phone	Email
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