

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.G.06

AREA: General Accounting

SUBJECT: Bank Account Reconciliation Procedures

1. PURPOSE

Each component university of the University of Houston System maintains a number of bank accounts to support their activities. It is the responsibility of each component university to reconcile their bank accounts to the records of their institutions monthly and to track all outstanding items, including discrepancies, to satisfactory resolution in a timely manner. This document applies to all component universities and the bank accounts held in their names and sets general guidelines for component universities to follow in developing procedures for reconciling bank account(s) to the financial records.

2. POLICY

2.1. Each component university shall develop and maintain procedures for the monthly reconciliation of each bank account to the financial records. Statements not accessible via bank web sites will be provided by the System Treasurer. The System Treasurer will send copies of the monthly bank statements within three working days of their receipt from the bank.

2.2. The director of general accounting (director), or equivalent responsible person at each component university, will ensure the reconciliation of each bank account to the financial records. Trained employees will prepare the monthly reconciliation reports. The director will designate the managerial/supervisory level employees responsible for reviewing the monthly reconciliation reports.

2.3. A monthly report is prepared documenting the reconciliation of each bank account and the review of entries in the financial records. Reconciliation reports will be completed and reviewed no later than 30 working days after the later of: receipt by reconciling department of the bank statements or the final accounting close of the fiscal month to be reconciled. The persons preparing and reviewing the reconciliation report will certify the report indicating the date the reconciliation report was completed and the date it was reviewed by management.

2.4. A reconciliation report includes:

2.4.1. Verification that entries (e.g., deposits, wire transfers, withdrawals, expenditures and revenue) on bank statements and monthly financial reports are accurate and agree with department records.

- 2.4.2. Identification of all reconciling items and the separation of those items into timing differences (i.e., those that will clear with the passage of time) and differences requiring adjustments to clear either by the bank or with an adjusting journal entry in the financial records.
- 2.4.3. An indication of preparation and timely transmittal of requests for corrections to the appropriate office. Documented requests for bank adjustments will be submitted to the System Office of the Treasurer within 20 working days of reconciliation completion. Journal entries developed for clearing other differences will be completed and submitted to the appropriate accounting office for review and data input within twenty working days of the date the reconciliation schedule is completed.
- 2.4.4. Completion, review, and approval of a formal reconciliation form consistent with Exhibit A.
- 2.5. Reconciliation reports shall be filed at the department and made available to internal auditors upon request. Reports are retained in accordance with records retention guidelines.

3. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before December 1

4. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: March 23, 2018

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	03/08/2002	Initial version
2	06/09/2009	Applied revised SAM template to meet current documentation standards. Provided minor grammatical redlines to Sections 2.1 and 2.2. Changed review period from every three years on or before August 31 st to every three years on or before March 1 st
3	12/01/2010	Applied revised SAM template to meet current documentation standards. Added information to Section 2.1 about statements not accessible via web sites will be provided by System Treasurer. Changed reconciliation report completion and review period from 15 working days to 20 working days in Section 2.3. Changed review period from every three years on or before March 1 st to every three years on or before December 1 st . Revised Exhibit A.
4	04/09/2015	Added new Revision Log. No content revision per Subject Matter Expert for this review cycle
5	03/23/2018	Edited titles as indicates. Revised Section 2.3 for reconciliation reports to be completed and reviewed after receipt of bank statements or the final accounting close of the fiscal month. Changed Section 2.4.3 for submittal of bank adjustments to the System Office of the Treasurer to occur within 20 working days of reconciliation completion. Twenty (20) working days was also revised for journal entries

Exhibit A

Sample Bank Reconciliation Form

Sample Component University Bank Reconciliation
Bank Name & Account Number ~ PS Account Number as of Month DD, YYYY

Description	Book (PS)	Bank	Comments
<i>Ending Balance, Month DD, YYYY</i>			
Timing Differences			
Deposits in Transit			
Subtotals, Deposits in Transit		-	
Withdrawals Outstanding			
Subtotal, Withdrawals Outstanding		-	
Transfers In (Out) Outstanding			
Subtotals, Transfers In (Out) Outstanding		-	
Deposits in Transit (Book)			
Subtotal, Deposits in Transit (Book)	-		
Subtotal, Timing Differences	-	-	
Differences Requiring Adjustment			
Bank Discrepancies			
Subtotal, Bank Discrepancies		-	
Book Discrepancies			
Subtotal, Book Discrepancies	-		
Subtotal, Differences Requiring Adjustments	-	-	
Adjusted Ending Balance, Month DD, YYYY	=	=	

This reconciliation was prepared according to the current desk manual procedure and it accurately reflects the activity in these accounts.

 Prepared by Date

 Reviewed by Date