

UNIVERSITY *of* HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Finance and Accounting**  
**AREA: General**

**Number: 05.04.06**

<b>SUBJECT: Bank Account Reconciliation</b>
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**I. PURPOSE AND SCOPE**

The University of Houston System (UHS), the University of Houston System Administration (UHSA) and the University of Houston (UH) maintain a number of bank accounts to support the activities of their institutions. It is the responsibility of Bank Reconciliation staff to reconcile each account monthly and to track all outstanding items, including discrepancies, to satisfactory resolution in a timely manner.

This document applies to all bank accounts held in the name of the UHS, UHSA and UH, and provides principles and guidelines for reconciling bank accounts to the institutions' books.

**II. POLICY STATEMENT**

The manager of Bank Reconciliation will develop and maintain procedures for reconciling each bank account held by UHS, UHSA and UH.

Each bank account will be reconciled within 15 working days of the receipt by Manager of Bank Reconciliation of the bank statement from the Treasurer's Office. Bank discrepancies will be communicated to Treasury for resolution with the bank within five working days of reconciliation. Posting discrepancies will be communicated to General Accounting for inclusion or correction in the accounting system within five working days of reconciliation.

Each bank account will be reconciled and certified by an account analyst and by the Manager of Bank Reconciliation. Their signatures will accompany a summary of the account reconciliation. The signatures 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 books. A copy of the reconciliation summary and all supporting documentation will be filed in a central file in the Bank Reconciliation office. The files will be maintained in accordance with record retention guidelines.

By the last working day of each month, the Manager of Bank Reconciliation will provide a copy of the summary report to the Director of General Accounting indicating the accounts' reconciliation status. The copy will be maintained in the Director's office for the current fiscal year. Access to this file, as well as the Bank Reconciliation files, will be made available to the Associate Vice President for Finance upon request.

### III. GENERAL BANK RECONCILIATION

Treasury is responsible for depositing, disbursing, and transferring funds in and between banks daily. Treasury confirms certain bank activity by written confirmation that is delivered to General Accounting throughout the month. Treasury receives communications (debit and credit advices) from the bank throughout the month as well as monthly printed bank statements. Treasury is responsible for ensuring these communications and bank statements are forwarded to Bank Reconciliation within three business days of receipt. Treasury, as the primary liaison between the banks and the University, is responsible for contacting the banks regarding discrepancies and untimely bank statements.

The General Accounting staff is responsible for accurately recording the confirmations received from Treasury and for accurately processing transactions received from departments throughout the month. Copies of accounting entries affecting the bank accounts are forwarded as they are processed.

Bank Reconciliation staff is responsible for identifying differences between the bank accounts and the University accounting system. They are also responsible for investigating these differences, determining the cause when possible, and referring the items to the appropriate area for correction.

The staff responsible for the bank account reconciliation will not initiate corrections to the bank or in the accounting system.

The Manager of Bank Reconciliation requests reports from the financial system within one working day of the closing of the books.

Treasury has electronic access to certain bank data, and will send electronic copies of this designated data to the Manager of Bank Reconciliation within three business days after the end of the month.

The Director will notify the Associate Vice President for Finance of items not resolved within 30 days of being referred to another area.

IV. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every two years, on or before March 1

V. APPROVAL

Carl P. Carlucci  
Executive Vice President for Administration and Finance

Renu Khator  
President

Date of President's Approval: June 9, 2009

**Addendum A**

**UH Component University Bank Reconciliation Form**

**UH - Component Bank Reconciliation**

Bank Name & Account Number ~ PS Account Number as of Month DD, YYYY

Description	Book (PS)	Bank	Comments
Ending Balance, Month DD, YYYY			
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 \_\_\_\_\_