Account Review

Purpose

Account Review procedures describe the one to one match of a department’s supporting documentation to actual charges against the account as detailed in the Statement of Account (SOA). This ensures that expenditures are properly authorized and charged to the correct account and also identifies any discrepancies or errors that need to be resolved. This process assures University administration and external parties that fiscal resources are monitored and maintained in accordance with university policies and procedures.

Policy

Departments must review accounts on a monthly basis. The account administrator may designate a full-time managerial staff member to complete the review process as long as there is a separation of duties between the account review and transaction approval functions. However, the account administrator may not delegate the fiduciary responsibility of assets to another individual. Department account balances are to be reconciled to the Business Information System (BIS). Any discrepancies should be identified and corrected within 60 days or before the fiscal year end, whichever is sooner.

- Authority
  - The University of Texas Handbook, Subchapter 1.3 Financial Responsibilities
  - The University of Texas at El Paso Handbook of Operating Procedures, Sec. 7, Chapter 5, requires all account administrators to review accounts for which they have signature authority on a monthly basis.

Procedures

The account administrator or designee should review expenditures for reasonableness by comparing the statement of account (SOA) to supporting documentation. This procedure provides evidence that expenditures are accurate, complete, and valid. It also ensures that reconciling items are researched and corrected.

As a department expends funds from their accounts, they will issue different types of documentation. Supporting documentation is available for all expenditures including purchases, salaries, fringes, wages, operating expenses, travel, and equipment. Supporting documentation is the authorization to charge expenses against the departmental accounts and comprises the bulk of the back-up documentation required for the account review process.

The following are examples of the expenditures or income transactions that may occur and the types of documentation that are likely to support the expenditure/income:

- Purchases - purchase orders (PBO or PB4), purchase requisitions, PRO Card transactions, should have attached copy of receipts, transaction log, or payment voucher (VP2, VP3), etc.
- Salaried accounts will only show a disencumbrance and associated expenditure. Other documentation includes:
  - Budget page with salary roster
  - Print screens of electronic appointment document
  - Employment requisition
  - Request & Authorization memos
- Fringe benefit accounts normally have an encumbrance and a disencumbrance processed against the account. Charges to these accounts are centrally controlled.
- Wage account expenditures should match the daily time record for the number of hours processed.
  - Print screens of the electronic timesheet or copies of manual timesheets processed for payment (payment on an OV1, OV2 etc.)
  - Employee daily time record
• For operating accounts:
  o Print screens of the Payment Request Voucher (VP2) with copies of receipts
  o Print screens of Inter-departmental Charges (VT5) and associated Purchase Requisition
  o Print screens of Pro Card Payment Voucher (VP7), Pro Card Transaction Logs and detailed receipts
• Travel accounts:
  o A Copy of the Travel Payment Voucher (VP5) and copies of receipts to support charges to the account
  o Mileage reports and associated Payment Request Voucher (VP2) print screen
• Income accounts:
  o Print screens of Cash Receipts Vouchers (VC1) for deposits along with copies of checks and deposit slips
  o Print screens (with routing information) of Journal Vouchers (VJ1) for adjustments or corrections
• Balance forward accounts (sub-account 99)-These accounts are centrally controlled and there is no documentation for the initial and adjusted balance forward entries.

Once all accounts have been reviewed, the account administrator should sign and date each SOA. If a department has several accounts a summary sheet that details account activity for each account is acceptable. The summary sheet must match activity being reviewed and contain, at a minimum:

• Month being reviewed
• Account numbers being reviewed
• Beginning balance
• Total expenditures/income
• Ending Balance
• Signature line for approval and date

All Statements of Account and their supporting documentation must be retained for a period of one fiscal year within the department.

**Applicability**

This policy applies to all departments

**Definitions**

- **Statement of Account (SOA)** – The statement of account is a report distributed by General Accounting Services (no later than the 15th of the month for the previous month) which details all activity in the account for a given month and is issued only when there is activity in the account.

- **BIS** - The University Business Information Accounting System also referred to as "DEFINE" Fiscal Year- The University operates on a fiscal year from September 1st - August 31st

**Responsible Party**

Comptroller

Last updated: December 1, 2006