

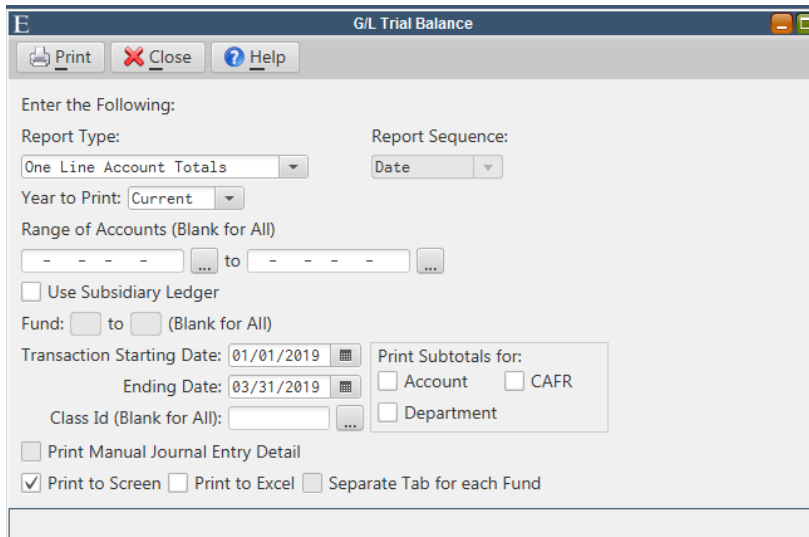
Best Practices for Monthly Reconciliation

- End of Month Checklist
- Validate Trial Balance is in balance
- Update Revenue to Receivables (if applicable)
- Reconcile Accounts Receivable
- Bank Reconciliation
- Reconcile Sub Ledger to General Ledger
- Reconcile AP to GL
- Reconcile Encumbrances

Validate Trial Balance is in Balance

The Trial Balance is a useful report and/or auditing tool to reconcile general ledger accounts within MCSJ. This is the first step users should take within the system to verify the trial balance is in balance before performing any other reconciliations.

Go To: *Finance* → *G/L* → *Trial Balance*



The screenshot shows the 'G/L Trial Balance' configuration window. It includes a title bar with 'E' and window controls. Below the title bar are buttons for 'Print', 'Close', and 'Help'. The main area is titled 'Enter the Following:'. It contains several fields and options: 'Report Type' (One Line Account Totals), 'Report Sequence' (Date), 'Year to Print' (Current), 'Range of Accounts' (Blank for All), 'Use Subsidiary Ledger' (checkbox), 'Fund' (Blank for All), 'Transaction Starting Date' (01/01/2019), 'Ending Date' (03/31/2019), 'Class Id' (Blank for All), 'Print Subtotals for' (Account, CAFR, Department checkboxes), 'Print Manual Journal Entry Detail' (checkbox), and 'Print to Screen' (checked), 'Print to Excel', and 'Separate Tab for each Fund' (checkbox).

On the Report Type drop down menu, change the type to “One Line Account Totals”. Adjust the Transaction Ending Date to the last day of the month you wish to reconcile and ensure the Year to Print is in the correct year. Click Print to view the report. An in-balance Trial Balance will have all Fund Totals and Report Totals showing a zero-balance ending balance.

Next, run the Trial Balance using the Subsidiary Ledger. This can be done on the main report screen by selecting “Use Subsidiary Ledger” and re-printing the report in the same manner. Verify there is a zero-balance ending balance of all Fund Totals and Report Totals to ensure the trial balance is in balance; even when including the sub ledger.

The screenshot shows a window titled "G/L Trial Balance" with the following fields and options:

- Buttons: Print, Close, Help
- Enter the Following:
 - Report Type: One Line Account Totals
 - Report Sequence: Date
 - Year to Print: Current
 - Range of Accounts (Blank for All): - - - - to - - - -
 - Use Subsidiary Ledger
 - Fund: [] to [] (Blank for All)
 - Transaction Starting Date: 01/01/2019
 - Ending Date: 03/31/2019
 - Class Id (Blank for All): []
 - Print Subtotals for:
 - Account
 - CAFR
 - Department
 - Print Manual Journal Entry Detail
 - Print to Screen
 - Print to Excel
 - Separate Tab for each Fund

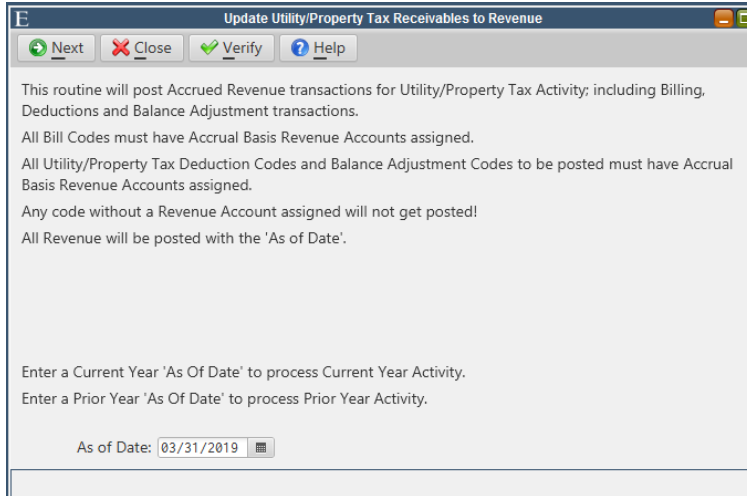
Note: If reconciliations are being completed on a monthly basis and the trial balance is not in balance, it is important to determine when the trial balance was last in balance. This can help users identify a good starting point to determine which transaction(s) caused the trial balance to fall out of balance. The Transaction inquiry can be used to review all transactions posted on the account within a specified date range.

Note: To prevent unbalanced fund entries from being posted, uncheck Allow Unbalanced Funds for GL Batch in Finance Parameter Maintenance

How to Update Receivables to Revenue (if applicable)

This routine will journalize any billings or adjustments from the tax/utility module.

Go to: *Finance* → *Revenue* → *Update Receivables to Revenue* (this routine may be labeled differently, depending on the collection modules you have)



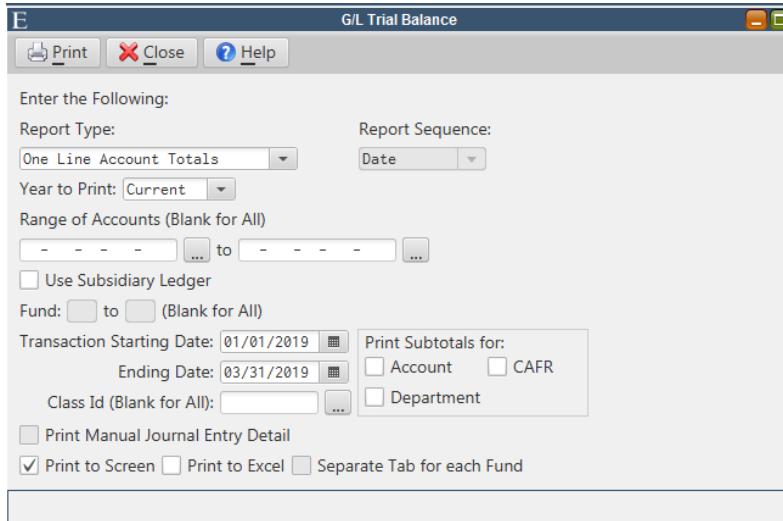
Note: Since billings and balance adjustments can be back dated, it is important to verify this routine for the prior month before verifying it for the current month you are reconciling.

Specify the “As of Date” for which all revenue will be posted and click Verify. A Current Year ‘As of Date’ will process Current Year Activity and a Prior Year ‘As of Date’ will process Prior Year Activity. Once all entries have been verified, click Next to run the routine. This routine can be run on a daily, weekly, and/or monthly basis.

How to Reconcile Accounts Receivable

Reconciling Accounts Receivable can be done by simply reconciling a utility account status report consisting of billings/adjustments to the Trial Balance. **Note:** both the utility report and the Trial Balance must be run with the same parameters or the reports will not match.

Go to: *Finance* → *G/L* → *Trial Balance*



The screenshot shows the 'G/L Trial Balance' configuration window. It includes a toolbar with 'Print', 'Close', and 'Help' buttons. The main area contains the following fields and options:

- Enter the Following:**
- Report Type:** One Line Account Totals (dropdown)
- Report Sequence:** Date (dropdown)
- Year to Print:** Current (dropdown)
- Range of Accounts (Blank for All):** - - - - to - - - - (with selection buttons)
- Use Subsidiary Ledger
- Fund:** [] to [] (Blank for All)
- Transaction Starting Date:** 01/01/2019 (calendar icon)
- Ending Date:** 03/31/2019 (calendar icon)
- Print Subtotals for:**
 - Account
 - CAFR
 - Department
- Class Id (Blank for All):** [] (with selection button)
- Print Manual Journal Entry Detail
- Print to Screen
- Print to Excel
- Separate Tab for each Fund

On the Report Type drop down menu, change the type to “One Line Account Totals”. Adjust the Transaction Ending Date to the last day of the month you wish to reconcile and ensure the Year to Print is in the correct year. Click Print to view the report.

Note: Class IDs can be utilized to reconcile multiple services by different funds easily.

Next, for the Utility report, go to: *Billing/Collections* → *Utility/Property Tax Billing* → *Utility Reports* → *Account Status*

The screenshot shows the 'Utility Account Status' window with the following settings:

- Report Sequence: Account Id
- Bill Year Range: 2019 to 2019
- Bill Period Range: 1 to 12
- Date Range: / / to 03/31/2019
- Cycle Range: to
- Account Type Range: to
- Section Range: to
- Select Status: Both
- Status As Of: / / (Blank to ignore Status Date)
- Report Type: Totals Only
- Name to Print: Bill To
- Location to Print: Property
- Include Section Totals:
- Include Zero Balance:
- Exclude Non-NSF Reversed Payments:
- Include Prior Year/Prds in Balance:
- Include Year/Prd Balance Only:
- Print Block/Lot/Qual:
- Print to Screen:
- Print Only Accts with Service/Separate Charge Debit AND Credit Balances:

Leave the date range beginning date open and modify the 'To' date to the date you are reconciling. The 'To' date should be the same date as the Trial Balance's ending date. Select the service(s) to be included on the report, and change the Report Type to Totals Only. The Principal Balance on the Utility Account status report should match to the Accounts Receivable Balance on the Trial Balance.

The screenshot displays a financial report with the following summary:

- Total Accrued Revenue/Write Off Balance Adjustments: 36,570.61
- Total Transfer Overpayment Balance Adjustments: 0.00
- Total Balance Adjustments: 36,570.61
- Total Transfer Overpayments: 0.00
- Balance as of 03/31/19:
 - Credit Balance: 4,888.29
 - Debit Balance: 972,472.69
 - Principal Balance: 968,384.40
- Total Interest Adjustments: 0.00

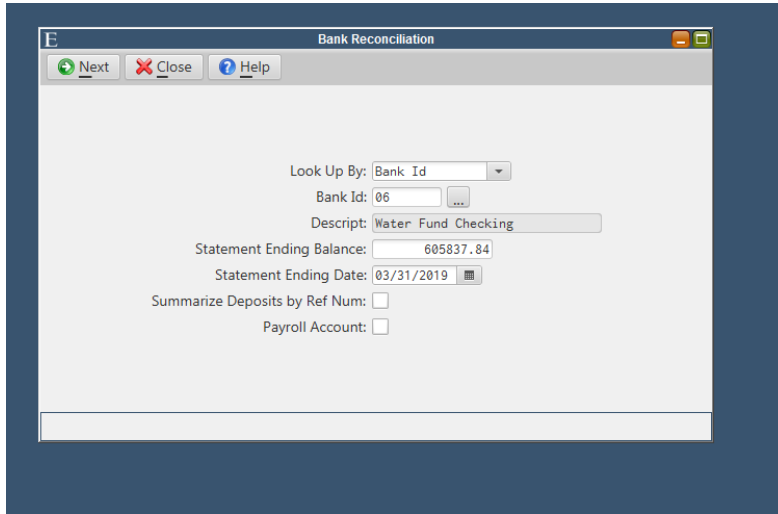
NOTE: Prior Year/Period Principal IS included on this report.

Account No	Description	Type	Begin Balance	Debit	Credit	Net	End Balance
06-149-00-000-000	ACCOUNTS RECEIVABLE	A	440.00 Db	1,530,856.85	562,912.45	967,944.40 Db	968,384.40 Db
	Fund Totals		440.00 Db	1,530,856.85	562,912.45	967,944.40 Db	968,384.40 Db
	Fund Balance Totals			968,384.40	0.00		
Total Accounts ==>> 1							
	Report Totals		440.00 Db	1,530,856.85	562,912.45	967,944.40 Db	968,384.40 Db
	Report Balance Totals			968,384.40	0.00		

How to Complete a Bank Reconciliation

A bank reconciliation will verify the balance of the cash account within the system matches the balance on physical bank statements. Make sure all transactions have been posted in MCSJ properly prior to completing the bank reconciliation routine.

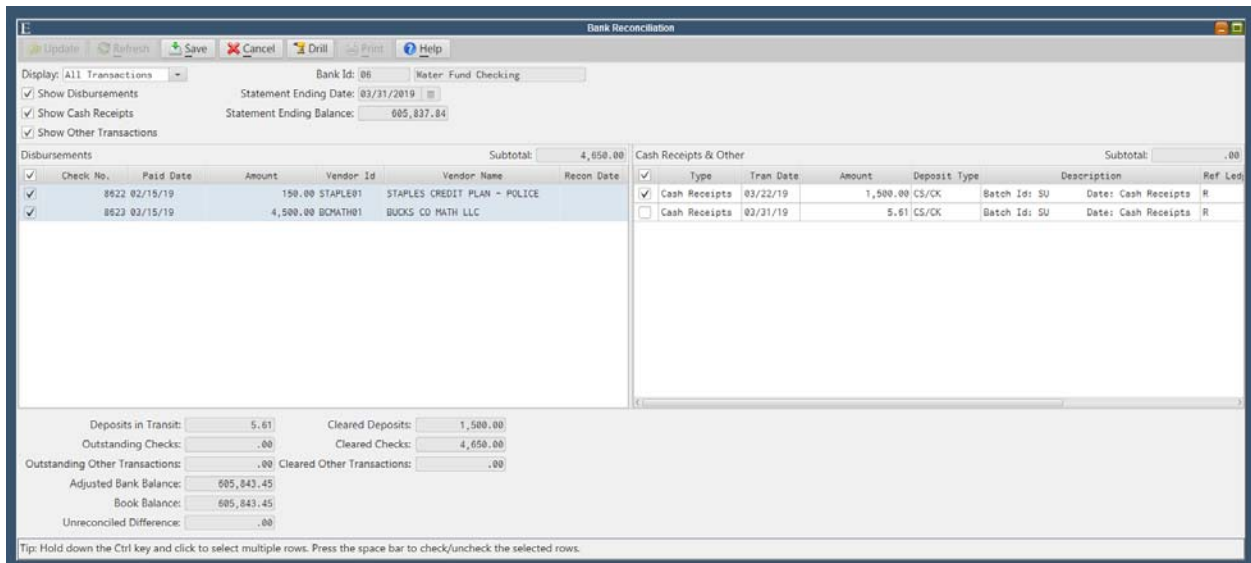
Go To: *Finance* → *G/I* → *Bank Reconciliation* → *Bank Reconciliation*



The screenshot shows the 'Bank Reconciliation' window with the following fields and values:

- Look Up By: Bank Id (dropdown)
- Bank Id: 06
- Descript: Water Fund Checking
- Statement Ending Balance: 605837.84
- Statement Ending Date: 03/31/2019
- Summarize Deposits by Ref Num:
- Payroll Account:

Select the Bank ID, enter the Bank Statement Ending Balance and type in the statement ending date. Click Next to enter the Bank Reconciliation Routine.



The screenshot shows the 'Bank Reconciliation' window with the following details:

- Display: All Transactions
- Bank Id: 06
- Water Fund Checking
- Statement Ending Date: 03/31/2019
- Statement Ending Balance: 605,837.84
- Subtotal: 4,650.00

Check No.	Paid Date	Amount	Vendor Id	Vendor Name	Recon Date
8622	02/15/19	150.00	STAPLE81	STAPLES CREDIT PLAN - POLICE	
8623	03/15/19	4,500.00	BOMATH01	BUCKS CO MATH LLC	

Type	Tran Date	Amount	Deposit Type	Description	Ref Led
Cash Receipts	03/22/19	1,500.00	CS/OK	Batch Id: SU Date: Cash Receipts	R
Cash Receipts	02/21/19	5.61	CS/OK	Batch Id: SU Date: Cash Receipts	R

Deposits in Transit: 5.61 Cleared Deposits: 1,500.00
Outstanding Checks: .00 Cleared Checks: 4,650.00
Outstanding Other Transactions: .00 Cleared Other Transactions: .00
Adjusted Bank Balance: 605,843.45
Book Balance: 605,843.45
Unreconciled Difference: .00

Tip: Hold down the Ctrl key and click to select multiple rows. Press the space bar to check/uncheck the selected rows.

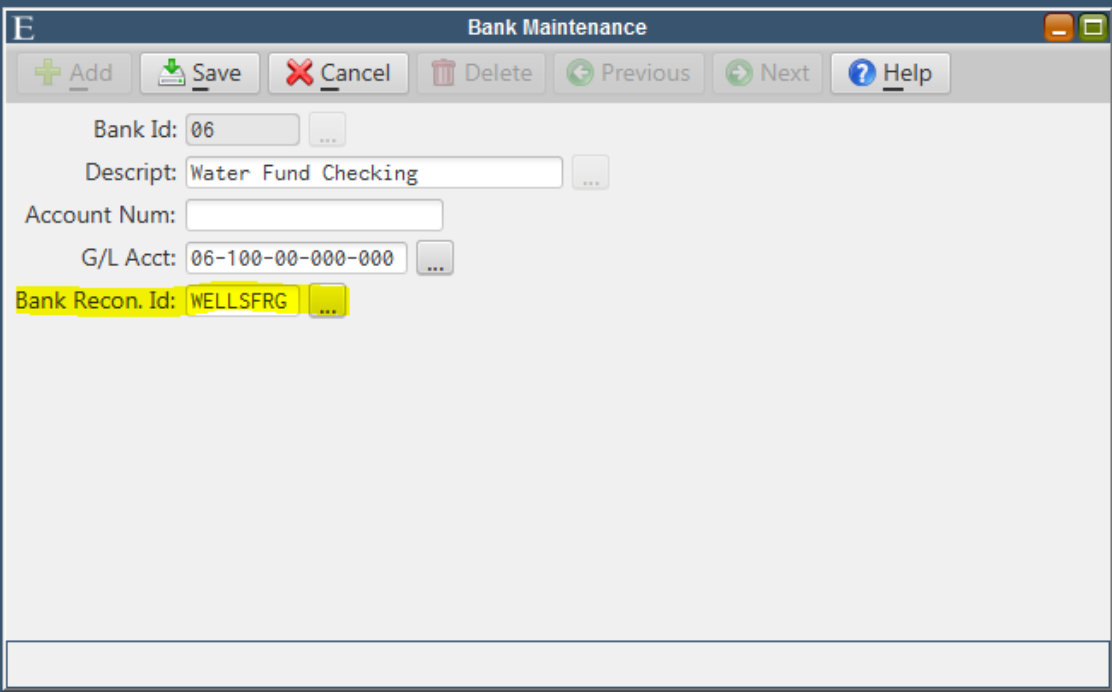
Transactions selected within the bank reconciliation will be reconciled. Users can select the box located directly underneath Disbursements/Cash Receipts & Other to select all transactions contained within the bank reconciliation. Transactions that are not selected/de-selected will remain outstanding.

The totals at the bottom can be used to keep a running total of deposits in transit (unselected/outstanding cash receipts), outstanding checks (unselected disbursements), outstanding other transactions (unselected other transactions in Cash Receipts & Other column), adjusted bank balance (statement ending balance), book balance, unreconciled difference (adjusted bank balance minus book balance), cleared deposits, cleared checks, and cleared other transactions (selected).

If all transactions were not posted prior to reconciling, entries can be posted and brought into the bank reconciliation batch by hitting the “Refresh” button. The bank reconciliation should be saved throughout the reconciliation process to prevent losing any work. When the unreconciled difference is zero, the bank reconciliation can be printed for records.

Note: A range of transactions can be reconciled together by selecting the first transaction, holding shift on the keyboard, selecting the last transaction and clicking space on the keyboard.

Multiple Bank IDs can be tied to a Bank Reconciliation ID so that a bank reconciliation can be performed on multiple GL accounts representing a single physical bank account. Bank Reconciliation ID’s will appear in the Bank Reconciliation picklist and, if selected will pull in transactions from all Bank Id’s associated with that Bank Reconciliation ID.



The screenshot shows a software window titled "Bank Maintenance" with a menu bar containing "Add", "Save", "Cancel", "Delete", "Previous", "Next", and "Help". The main area contains several input fields: "Bank Id" with the value "06", "Descript:" with the value "Water Fund Checking", "Account Num:" which is empty, "G/L Acct:" with the value "06-100-00-000-000", and "Bank Recon. Id:" with the value "WELLSFRG". The "Bank Recon. Id:" field is highlighted in yellow.

How to Reconcile Sub Ledger to GL

The GL is typically made up of only GL type accounts which include Assets, Liabilities & Fund Balance accounts. There will be one Revenue Control and one Expense Control for each fund within the GL. The sub-ledger is the detail of all the revenue and expenditure accounts. Reconciling the sub-ledger to the GL is essential to verify that all sub-ledger accounts are linked correctly to the GL.

Note: If you have a detailed Chart of Accounts, you will have to individually reconcile each sub-ledger line item account to the detailed GL revenue/expense line items.

Go to: *Finance* → *GL* → *Trial Balance*

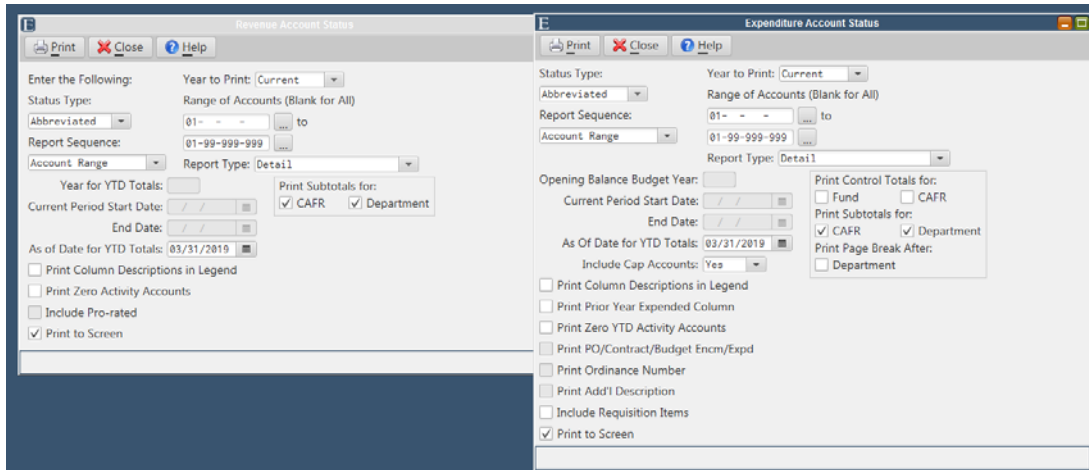
The screenshot shows the 'G/L Trial Balance' configuration window. It includes fields for Report Type (set to 'One Line Account Totals'), Report Sequence (set to 'Date'), Year to Print (set to 'Current'), and Range of Accounts (set to '01-000-00-000-000' to '01-999-99-999-999'). There are checkboxes for 'Use Subsidiary Ledger', 'Print Subtotals for' (Account, CAFR, Department), 'Print Manual Journal Entry Detail', and 'Print to Screen' (checked).

Change the report type to One Line Account Totals and modify the Ending Date. This report can be run for all accounts, or individually by fund. Click Print.

Account	Description	Account Type	Balance	Debit	Credit	Debit	Credit	
01-291-00-000-000	ENCUMBRANCES PAYABLE	L	34,381.98	Db	153,250.85	153,250.85	34,381.98	Db
01-300- - -	REVENUES ANTICIPATED	L	0.00		9,028,984.00	48,134.00	8,980,850.00	Db
01-300-00-000-000	REVENUE CONTROL	R	0.00		119,960.10	356,170.38	236,210.28	Cr
01-400- - -	EXPENDITURE APPROPRIATIONS	A	0.00		69,700.00	9,759,700.00	9,690,000.00	Cr
01-400-00-000-000	EXPENDITURES CONTRL	E	0.00		445,650.85	222,700.00	222,950.85	Db
	Fund Totals		0.00		11,139,599.88	11,139,599.88	0.00	
	Fund Balance Totals				17,932,869.88	17,932,869.88		
Total Accounts ==>			107					
	Report Totals		0.00		11,139,599.88	11,139,599.88	0.00	
	Report Balance Totals				17,932,869.88	17,932,869.88		

Identify the Revenue and Expenditure Control account balances. Those accounts will be tied to the Sub-ledger reports.

Go to: Finance → Revenue → Account Status AND Finance → Expenditure → Account Status



Change the Status Type to Abbreviated and modify the As of Date for YTD Totals (this date needs to be the same ending date as the Trial Balance). These reports can be run for all accounts or individually by fund. Click Print to view reports.

The total YTD Revenue from the Abbreviated Revenue Account Status Report should match the Revenue Control account on the Trial Balance. The Net Expended/Reimbursed (Net Expd/Reimb) column on the Abbreviated Expenditure Account Status Report should match the Expenditure Control account on the Trial Balance.

Account	9,690,000.00	0.00	0.00	222,950.85	9,467,049.15	9,467,049.15	2
Fund Budgeted							
Payable:		153,000.00					
Fund Non-Budgeted	0.00	0.00	0.00	0.00	0.00	0.00	0
Fund Total	9,690,000.00	0.00	0.00	222,950.85	9,467,049.15	9,467,049.15	2
Payable:		153,000.00					
Final Budgeted	9,690,000.00	0.00	0.00	222,950.85	9,467,049.15	9,467,049.15	2
Payable:		153,000.00					
Final Non-Budgeted	0.00	0.00	0.00	0.00	0.00	0.00	0
Final Total	9,690,000.00	0.00	0.00	222,950.85	9,467,049.15	9,467,049.15	2
Payable:		153,000.00					
Final Total	8,980,850.00	236,210.28	236,210.28	0.00	8,744,639.72-	2.27	

Account	Description	Balance	Balance	Balance	Balance
01-300-00-000-000	REVENUE CONTROL	R	0.00	119,960.10	356,170.38
01-400- - -	EXPENDITURE APPROPRIATIONS	A	0.00	69,700.00	9,759,700.00
01-400-00-000-000	EXPENDITURES CONTRL	E	0.00	445,650.85	222,700.00
Fund Totals			0.00	11,139,599.88	11,139,599.88
Fund Balance Totals				17,932,869.80	17,932,869.80
Report Totals			0.00	11,139,599.88	11,139,599.88
Report Balance Totals				17,932,869.80	17,932,869.80

Note: If reconciliations are being completed monthly and the sub ledger does not match the general ledger controls, it is important to identify the date they went out of balance. The transaction inquiry can

be used as a helpful report to review all transactions posted on the date the reports did not match. (This would include the GL Transaction Inquiry for GL controls only, Expenditure Transaction Inquiry, and the Revenue Transaction Inquiry).

How to Reconcile AP to the GL

Confirm the current balance in Accounts Payable matches all received/approved/held Purchase Orders.

Go to: *Finance* → *AP* → *Purchase Order* → *PO Status Report*.

When running the P.O. Status Report, Select “Rcvd/Aprv/Held” under the “Select Item As of Status to Include”. Leave the first portion of the First Enc Date Range open and modify the ‘To’ date to reflect the date you are reconciling. Choose your “As of Date” to also reflect the date you are reconciling.

The screenshot shows the 'P.O. Status Report' window with the following settings:

- Report Sequence:** P.O. Number
- Range of P.O.'s (Blank for All):** [] to []
- Select Item As of Status to Include:**
 - Open
 - Void
 - Paid
 - Deleted
 - Rcvd/Aprv/Held
- Select Purchase Type to Include:**
 - Bid
 - Other
 - State
 - Exempt
- As Of Date:** 03/31/2019
- Prior Year Only
- Print to Screen
- Print to Excel

Additional options on the right side of the window:

- Report Format:** Detail
- Print Line Item Notes
- First Enc Date Range:** / / to 03/31/2019
- P.O. Type Option:** All
- Include Project:** Yes
- Include Revenue and G/L:** Yes
- Include Non-Budgeted
- Print Subtotals for:**
 - CAFR
 - Department
- Print Page Break After:**
 - Department

When running the Trial Balance, change the Report Type to One Line Account Totals. Modify the Ending Date to match the ending date on the PO Status Report. Identify the Accounts Payable Account by fund or use the Class ID. Click print.

Enter the Following:

Report Type: **One Line Account Totals** Report Sequence: **Date**

Year to Print: **Current**

Range of Accounts (Blank for All): **- - - -** to **- - - -**

Use Subsidiary Ledger

Fund: to (Blank for All)

Transaction Starting Date: **01/01/2019** Ending Date: **03/31/2019**

Class Id (Blank for All): **AP**

Print Subtotals for: Account CAFR Department

Print Manual Journal Entry Detail

Print to Screen Print to Excel Separate Tab for each Fund

When running both reports, the total Expended column should match the amount presented in the Accounts Payable accounts.

G/L Trial Balance: Print to Screen

April 10, 2019 12:43 PM CITY OF ANYWHERE 2019 General Ledger One Line Account Totals Trial Balance Page No: 1

Account Range: First to Last Date Range: 01/01/19 to 03/31/19 Class Id: AP

Account No	Description	Type	Begin Balance	Debit	Credit	Net	End Balance
01-200-00-200-000	ACCOUNTS PAYABLE	L	0.00	250.85	153,250.85	153,000.00 Cr	153,000.00 Cr
	Fund Totals		0.00	250.85	153,250.85	153,000.00 Cr	153,000.00 Cr
	Fund Balance Totals			0.00	153,000.00		
06-200-00-200-000	ACCOUNTS PAYABLE	L	0.00	4,650.00	49,000.00	45,150.00 Cr	45,150.00 Cr
	Fund Totals		0.00	4,650.00	49,000.00	45,150.00 Cr	45,150.00 Cr
	Fund Balance Totals			0.00	45,150.00		
Total Accounts ==>			2				
	Report Totals		0.00	4,900.85	203,050.85	198,150.00 Cr	198,150.00 Cr
	Report Balance Totals			0.00	198,150.00		

PO Status Report: Print to Screen

April 10, 2019 12:43 PM CITY OF ANYWHERE Purchase Order Status Report by P.O. Number Page No: 3

Fund Description	Fund	Expend Total	Revenue Total	G/L Total	Total
GENERAL FUND	01	153,000.00	0.00	0.00	153,000.00
WATER FUND	06	45,150.00	0.00	0.00	45,150.00
Total of All Funds:		198,150.00	0.00	0.00	198,150.00

April 10, 2019 12:43 PM CITY OF ANYWHERE Breakdown of Expenditure Account Current/Prior Received/Prior Open Page No: 4

How to Reconcile Encumbrances

Confirm the balance sitting in Encumbrances matches all open Purchase Orders

Go to: Finance → AP → P.O. Status Report

The screenshot shows the 'P.O. Status Report' dialog box. The 'Report Sequence' is set to 'P.O. Number'. The 'Range of P.O.'s' is blank. Under 'Select Item As of Status to Include', 'Open' is checked. Under 'Select Purchase Type to Include', 'Bid', 'Other', 'State', and 'Exempt' are checked. The 'First Enc Date Range' is set to 03/31/2019. The 'P.O. Type Option' is set to 'All'. The 'Print to Screen' checkbox is checked.

Select to include the Open status, modify the ending date range for the date you wish to reconcile and click print. The total Expend column should be proved to the Encumbrance total.

If you post encumbrance entries to the GL, use the Trial Balance report. Change the Report Type to One Line Account Totals. Modify the ending date to match the ending date on the P.O. Status Report. Identify the Encumbrance account by fund or use the Class ID. Click Print

The screenshot shows the 'G/L Trial Balance' dialog box. The 'Report Type' is set to 'One Line Account Totals' and the 'Report Sequence' is 'Date'. The 'Year to Print' is 'Current'. The 'Range of Accounts' is blank. The 'Transaction Starting Date' is 01/01/2019 and the 'Ending Date' is 03/31/2019. The 'Class Id' is 'ENC'. The 'Print to Screen' checkbox is checked.

PO Status Report: Print to Screen						
Print Close Print Range Search						
GENERAL FUND	8-01	34,381.98	0.00	0.00	0.00	34,381.98
PARK FUND	8-04	10,050.00	0.00	0.00	0.00	10,050.00
WATER FUND	8-06	10,490.43	0.00	0.00	0.00	10,490.43
WASTE WATER FUND	8-08	155,786.03	0.00	0.00	0.00	155,786.03
CAPITAL PROJECTS FUND	8-18	84,124.00	0.00	0.00	0.00	84,124.00
Total Of All Funds:		294,832.44	0.00	0.00	0.00	294,832.44
<hr/>						
	Fund Totals		34,381.98 Db	153,250.85	153,250.85	34,381.98 Db
	Fund Balance Totals			34,381.98	0.00	
04-291-00-000-000	ENCUMBRANCES PAYABLE	L	10,050.00 Db			10,050.00 Db
	Fund Totals		10,050.00 Db			10,050.00 Db
	Fund Balance Totals			10,050.00	0.00	
06-291-00-000-000	ENCUMBRANCES PAYABLE	L	10,490.43 Db	49,800.00	49,800.00	10,490.43 Db
	Fund Totals		10,490.43 Db	49,800.00	49,800.00	10,490.43 Db
	Fund Balance Totals			10,490.43	0.00	
08-291-00-000-000	ENCUMBRANCES PAYABLE	L	155,786.03 Db			155,786.03 Db
	Fund Totals		155,786.03 Db			155,786.03 Db
	Fund Balance Totals			155,786.03	0.00	
18-291-00-000-000	ENCUMBRANCES PAYABLE	L	84,124.00 Db			84,124.00 Db
	Fund Totals		84,124.00 Db			84,124.00 Db
	Fund Balance Totals			84,124.00	0.00	
Total Accounts ==>	5					
	Report Totals		294,832.44 Db	203,050.85	203,050.85	294,832.44 Db
	Report Balance Totals			294,832.44	0.00	

If you do not post encumbrance entries to the GL, use the same PO Status Report as above. The PO Status Report totals should match the total encumbrance column on the Expenditure Account Status Report.