

SAP 21.01.01.T0.02 Accounting and Fiscal Record Keeping



New/Approved: March 3, 2020
Next Scheduled Review: March 3, 2025

Procedure Statement

This standard administrative procedure (SAP) establishes guidelines and standards for accounting procedures, responsibilities and maintenance of fiscal records at Tarleton State University (Tarleton or university).

Reason for Procedure

This SAP supplements [System Policy 21.01, Financial Policies, Systems and Procedures](#), and [System Regulation 21.01.01, Financial Accounting and Reporting](#), and sets standards and provides guidance to ensure that Tarleton fiscal resources are monitored and maintained in accordance with federal and state laws and system and university policies, regulations, rules and procedures; transactions are processed correctly; and expenditures and/or encumbrances do not exceed budget allocations.

Procedures and Responsibilities

1. GENERAL

University fiscal record keeping is conducted in a centralized manner.

1.1 The university controller, or designee, is responsible for:

- maintaining proper fiscal records for all university accounts; and
- ensuring that university fiscal resources are monitored and maintained in accordance with federal and state laws and system and university policies, regulations, rules and procedures.

1.2 Account administrators, or designee, are responsible for:

- providing the Office of Business Services (Business Services) adequate documentation for fiscal transactions;

- monitoring account activity in the Financial Accounting and Management Information System (Canopy) to ensure transactions are processed correctly;
- reconciliation/verification of applicable departmental fiscal records systems with Canopy;
- reporting discrepancies expeditiously to Business Services and ensuring discrepancies are resolved as soon as possible; and
- ensuring that expenditures and/or encumbrances do not exceed budget allocations.

2. DEPARTMENTAL BOOKKEEPING

2.1 Departmental bookkeeping requirements are based on the type of fiscal records system utilized within a specific department. Fiscal records systems are records maintained within a department or unit that support the financial transactions of the department.

2.1.1 Secondary bookkeeping systems require monthly reconciliations to Canopy.

2.1.2 Check register/transaction log systems require monthly verifications to Canopy.

2.1.3. File systems require monthly verifications to Canopy.

3. RECONCILIATION/VERIFICATION PREPARER RESPONSIBILITIES

3.1 Minimum responsibilities of the preparer of a reconciliation/verification include, but are not limited to:

- reconciliation of the month end balance in Canopy (fund balance, balance available, etc.) to the month end balance of the secondary bookkeeping system. This is required for secondary bookkeeping systems;
- verification that all transactions recorded in Canopy for a given month are appropriate and accurate, documenting any outstanding items and actions to correct;
- verification that all transactions recorded in the departmental fiscal record system are also recorded in Canopy, documenting any outstanding items and actions to correct;
- review of outstanding items from previous months and determination that they have been resolved. If not resolved, document actions to correct;
- review of unit financial obligations for validity and adjustment, if appropriate;
- review of encumbrances/commitments for validity and adjustment, if appropriate;
- notification to supervisor if there are outstanding items older than forty-five (45) days; and
- sign and date completed reconciliation/verification.

4. RECONCILIATION/VERIFICATION REVIEWER RESPONSIBILITIES

4.1 Minimum responsibilities of the reviewer of a reconciliation/verification, include, but are not limited to:

- the reviewer cannot be the same person as the preparer;

- verification that the month-end balances on the reconciliation agree with Canopy and secondary bookkeeping system statements;
- review of outstanding items for reasonableness;
- notification to controller if there are outstanding items older than 60 days; and
- sign and date reconciliation/verification.

5. RECONCILIATION/VERIFICATION TIMING

- 5.1. Reconciliations/verifications should be prepared within fifteen (15) calendar days of Canopy month end closing. When appropriate, extensions of up to fifteen (15) days may be granted by the manager of accounting services.
- 5.2. Outstanding items, including any unusual or unidentified items should be resolved within ninety (90) days of the end of the month in which the transaction occurred. Any items older than ninety (90) days will be brought to the attention of the university chief financial officer.
- 5.3. Account reconciliations/verifications are to be reviewed by the manager of accounting services within fifteen (15) calendar days of the reconciliation/verification completion. August reconciliations will be completed per year-end timelines.
- 5.4. The assistant vice president for finance and controller must approve any exceptions to these timelines.

Related Statutes, Policies, or Requirements

[System Policy 21.01, *Financial Policies, Systems and Procedures*](#)
[System Regulation 21.01.01, *Financial Accounting and Reporting*](#)

Definitions

Financial Accounting and Management Information System (Canopy) – the official accounting system for Tarleton State University.

Departmental fiscal record systems – records maintained within a department or unit that support the financial transactions of the department. Different possible systems are:

- secondary bookkeeping system, such as QuickBooks, Peach Tree, Access database, Excel spreadsheets, etc., utilized to track financial transactions and **provide management reports for decision-making**. Reports generated from a secondary bookkeeping system should disclose the source of the report. If this system is not used to provide management

reports, it can be treated as a check register/transaction log system for reconciliation/verification purposes.

- check register/transaction log system, such as Excel spreadsheets, Access database, Word documents, etc., utilized to verify the accuracy of Canopy records. This system is not used to provide management reports for decision-making purposes.
- file system, such as copies of documents held until compared to monthly Canopy statement, used to verify the accuracy of Canopy records. This system is not used to provide management reports for decision-making purposes.

Reconciliation/verification – monitoring process whereby departments can ensure that financial data can be relied upon for decision-making purposes.

- Reconciliation – process that compares both transaction and account balances between Canopy and departmental fiscal records.
- Verification – process that compares transactions and not account balances between Canopy and departmental fiscal records.

Outstanding item – transaction that has not been matched or cleared during a reconciliation/verification process between Canopy and the departmental fiscal record system.

Unit financial obligation – funds set aside by management for a particular future use, such as startup, large equipment purchases, capital replacement/refurbishments, commitments from an offer letter, etc. Management may reverse funds set aside at any point.

Encumbrance/commitment – funds that have been contractually obligated to an external entity by departmental management for a specific purpose, such as purchase requisitions, payroll assignments, etc. Future payroll should be the only transaction that is encumbered/committed that is not truly contractually obligated to an external entity.

Preparer – individual identified as the person responsible for preparing the monthly account reconciliations/verifications.

Reviewer – individual identified as the person responsible for reviewing the monthly account reconciliations/verifications. The Reviewer cannot be the same person as the preparer.

Contact Office

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