HOW TO READ YOUR MONTHLY ACCOUNT REPORT

Training by: Cynthia Turner
COURSE OBJECTIVES

- Who receives a monthly account report and why
- What to do with the monthly account report: analyze and review the report
- Tools to use from the Accounting Handbook to analyze and review monthly account report
- Review of Department Correction Requests (DCR) as a tool to correct problems found on a monthly account report
WHO GETS THE MONTHLY ACCOUNT REPORT FOR EACH ACCOUNT?

The Account Responsible Person

Additional copies most often go to:

Business Coordinator/Manager or as directed by the Account Responsible Person.

Please email Accounting.Services@tamucc.edu, if someone in your area needs to be getting a copy by email.

Reports should arrive by email no later than the 5th business day after the close of the month.

Note: Accounting Services often attaches announcements with information and deadlines at the bottom of the report. Please watch for these.
Why does the Comptroller send out Monthly Account Reports?

System Policy 21.01.01 Financial Accounting and Reporting in section, 2.2.3

Answers the following questions:

○ Why are they sent?

Statements showing transactions recorded in each account must be prepared monthly by the TAMUCC Comptroller’s office and forwarded to each account responsible person for comparing records of his/her office to those of the TAMUCC Comptroller’s office and promptly reporting any differences to the TAMUCC Comptroller’s office.

○ Why should they be reviewed?

In addition to ensuring that transactions are processed correctly, departmental accounting is intended to provide up-to-date financial information for departmental officials and to ensure that expenditures and/or encumbrances do not exceed budget allocations.
The review and reconciliation of the monthly account report is a process of the University’s Internal Control.

This process is carried out by administration, faculty and staff and is designed to provide reasonable assurances regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations, example: prompt payment requirements of the state.
WHAT TO DO?

An account responsible person must take the following steps to ensure the accounts under their authority are properly budgeted, accurate, and contain only authorized transactions.

- Analyze the report to find areas where budget is being under or over utilized and that all transactions are accurate and authorized.

- Review the account summary and verify that there is sufficient budget for future commitments.

- Review and analyze encumbrances to ensure proper allocations or that encumbrance estimates are sufficient to complete the fiscal year.

* If you find that you do not have enough funds budgeted for future commitments, or unexpected obligations arise, contact the Budget department for assistance. Budget@tamucc.edu
ANALYZING FOR Accuracy

Questions to ask when reviewing reports

1. Were all transactions for the month authorized?
2. Were all transactions for the month posted to correct account?
3. Were all transactions for the month posted to correct object code?

* If the answer to any of these questions is NO, please complete a DCR or contact your department accountant for assistance in making corrections
MONTHLY ACCOUNT REPORT

WHAT IS IN IT?

There are 3 segments to the Monthly Account Report.

- **Segment One**
  - **Subsidiary Ledger Account Summary:** This section is a summary of budget, actual expenditures, open commitments, and available balance year-to-date (YTD)
    
    Fame Screen - 34

- **Segment Two**
  - **Subsidiary Ledger Detail Transaction Report:** This section provides all transactions that have posted to the account during the past fiscal month
    
    Famis Screens - 23 for FY or 46 for month

- **Segment Three**
  - **Open Commitment Status Report:** This section is a breakdown of items that have been encumbered for future payment
    
    Famis Screen - 21

  Note: No Support Account information is provided on the Monthly Account Report. Use Famis/Canopy to analyze and review Support Accounts.

  Famis Screens - 74, 64, and 61
## Subsidiary Ledger Account Summary

<table>
<thead>
<tr>
<th>SUB CODE</th>
<th>DESCRIPTION</th>
<th>ORIGINAL</th>
<th>REVISED</th>
<th>CURRENT MONTH</th>
<th>ACTUALS</th>
<th>FISCAL YEAR</th>
<th>OPEN</th>
<th>BALANCE AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>Salaries Pool</td>
<td>45,922.00</td>
<td>15,000.00</td>
<td>3,750.00</td>
<td>30,000.00</td>
<td>15,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1105</td>
<td>Salary Incurrence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1510</td>
<td>Sal-Support Staff - Professional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL SALARIES

| 1720     | Wages - Classified                 | 5,000.00 | 13,740.00 | 1,873.69     | 5,516.20| 8,223.80    |      |                  |
| 1740     | Wages - Student                    |          |         |               |         |             |      |                  |

### TOTAL WAGES

| 3000     | Travel Pool                        | 1,200.00 | .23      |              |         |             |      |                  |
| 3010     | TVI-In-Public Trans. - Auto Rental |          |         |              |         |             |      |                  |
| 3016     | TVI-In-Mileage                      | 291.38   | 106.50   |              |         |             |      |                  |
| 3025     | TVI-In-Incidental Expenses          | 147.11   | 147.11   |              |         |             |      |                  |
| 3030     | TVI-In-Meals & Lodging              | 724.24   |          |              |         |             |      |                  |
| 3045     | TVI-In-Parking Fees                 | 12.50    |          |              |         |             |      |                  |

### TOTAL TRAVEL

| 4000     | Other Exp Pool                     | 26,294.00| 3,750.75 |              |         |             |      |                  |
| 4010     | Supplies - Office General           | 2,002.64 | 217.34   | 2,002.84     |         |             |      |                  |
| 4011     | Supplies - Paper Goods & Janitorial |          | 17.64    | 17.64        |         |             |      |                  |
| 4020     | Computer Consumables               | 694.53   |          | 694.53       |         |             |      |                  |
| 4024     | Subscriptions, Periodicals         | 879.08   |          | 879.08       |         |             |      |                  |
| 5000     | Utilities Pool                     | 890.37   |          |              |         |             |      |                  |
| 5110     | Telecomm-Long Distance             | 190.68   | 9.68     | 61.62        | 109.06  |             |      |                  |
| 5115     | Telecomm-Monthly Charge            | 3,712.35 | 294.00   | 2,084.80     | 1,627.55|             |      |                  |
| 5125     | Telecomm-Maintenance & Repair      | 195.68   | 109.88   | 195.68       |         |             |      |                  |
| 5130     | Telecomm-Other Service Charges    | 303.92   |          |              |         |             |      |                  |
| 5215     | Employee Training - Regis. Fees    | 617.00   |          | 617.00       |         |             |      |                  |
| 5237     | Fees - E-Travel System             | 29.33    |          |              |         |             |      |                  |
| 5530     | M&R - Buildings                    | 418.50   | 54.00    | 146.50       |         |             |      |                  |
| 5616     | SVCS - Reproduction, Scan, Imaging |          | 79.00    | 1,995.17     | 1,581.09|             |      |                  |
| 5650     | Freight/Delivery Services          | 169.93   |          |              |         |             |      |                  |
| 5670     | Other Contracted Services          | 210.50   |          |              |         |             |      |                  |
| 5682     | Postal Services-Campus Mail Service|          | 11.20    | 60.71        |         |             |      |                  |
| 5750     | Office Furn and Equip - 00-4,999.99|          | 3,981.12 | 4,581.42     |         |             |      |                  |
| 5760     | PC Peripherals/Add On 00-4,999.99  | 56.74    |          | 56.74        |         |             |      |                  |
| 5767     | Computers (iMac) 4000-4,999.99     | 3,992.96 |          | 3,992.96     |         |             |      |                  |
| 6335     | Other Expenses - Local Only        | 53.26    | 16.00    | 53.26        |         |             |      |                  |
| 6338     | Catering Services                  | 74.29    | 74.29    |              |         |             |      |                  |
| 6339     | Food Purchases (not business meals)| 37.98    | 37.98    | 37.98        |         |             |      |                  |
| 6540     | Business Meals                     | 64.41    |          | 64.41        |         |             |      |                  |

### TOTAL OTHER EXPENSES

| 86,969.78 | 26,025.82 | 911.69 | 17,610.88 | 3,773.82 | 4,641.12 |

### TOTAL ALL EXPENSES

| 86,969.78 | 26,025.82 | 911.69 | 17,610.88 | 3,773.82 | 4,641.12 |

See next two pages in handout for Report explanation.
SEGMENT ONE - SUBSIDIARY LEDGER ACCOUNT SUMMARY

öm Budgets
- The account summary displays the following in relation to budgets:
  - Original Budget - This is the budget that is loaded by an automated program on 9/1 of the current fiscal year
  - Revised Budget - This budget number shows any changes that have been made to the budget YTD (e.g. budget transfers from other accounts, fiscal requests, budget reductions, etc.)

öm Actuals
- The account summary displays the following in relation to actual expenditures:
  - Current Month Actuals - This is the total amount of expenditures posted to the account for the past fiscal month
  - YTD Actuals - This is the total amount of expenditures posted to the account for the entire fiscal year to date as of the end of the past month
SEGMENT ONE - SUBSIDIARY LEDGER ACCOUNT SUMMARY CONT.

- **Open Commitments**
  - The account summary displays the current outstanding open commitments (items that have been encumbered for future payment)
  - This amount ties to the open commitment status report section of the Monthly Account Report
  - The detail related to encumbrances can be found in the open commitment status report section, which will be explained in greater detail in the next segment of this training

- **Balance Available**
  - The account summary displays the budget balance available (BBA) as of the end of the past month (calculated as follows: revised budget less YTD actuals and outstanding open commitments = BBA)
  - The BBA shows what is available to be expended in the account until year-end, and should be monitored to ensure that funding is available to meet future commitments
SEGMENT TWO - S/L DETAIL TRANSACTION REPORT

- Utilize this section of the report to review transactions posted to your account for accuracy.

- Use the Texas A&M System website to identify object codes that you do not recognize.

Link to object codes:
http://comptroller.tamucc.edu/accounting/reference_material.html
See General Ledger Account Controls - Reference
See next two pages in handout for report explanation.
SEGMENT TWO - S/L DETAIL TRANSACTION REPORT

General Descriptors

- **Subcode** – Four digit code describing the type of expenditure (e.g. 4090 - Computer Parts and Supplies)
- **Description** – Explanation of what the expenditure relates to
- **Date** – Date transaction was written up for entry
- **Ref** – Purchasing document number
- **2nd Ref** – Unique identifier that relates to the type of transaction
- **3rd Ref** – Unique identifier, location of JXXXXXX for DCR’s
- **Dept Ref** – Utilized by the department to provide additional detail related to the transaction
- **Budget Entries** – Dollar amount of entries that are made to budget pools
- **Current Rev/Exp** – Dollar amount of entries that post to revenue/expenditure codes (ties to summary report)
- **Commitments** – Dollar amount of entries that are made related to open commitments (liquidating expenses and manual adjustments)
- **JE Offset Account** – Journal entries must include a debit and a credit account (in order to balance); this column shows the account that offsets the entry to your account
- **Batch Ref/Date** – The batch ref is an identifier that describes the type of transaction
- **Date the expenditure is posted in FAMIS**
SEGMENT THREE - OPEN COMMITMENT STATUS REPORT

- Use this section of the report to analyze outstanding open commitments on your account

- There may be some outstanding items that can be completed and funds released into the account for future use
## OPEN COMMITMENT STATUS REPORT

**Account Activity for the Month of April 2013**

<table>
<thead>
<tr>
<th>REF 4</th>
<th>PO REF</th>
<th>OBJ</th>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>ORIGINAL AMOUNT</th>
<th>LIQUIDATING EXPENDITURES</th>
<th>ADJUSTMENTS</th>
<th>CURRENT AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>AC2013</td>
<td>AC2013</td>
<td>5616</td>
<td>09/25/2012</td>
<td>Admin/Lease Copiers</td>
<td>3,046.82</td>
<td>1,465.73</td>
<td>30,000.00</td>
<td>1,581.09</td>
</tr>
<tr>
<td>A045399</td>
<td>SAL0001</td>
<td>1105</td>
<td>09/01/2012</td>
<td>SALARY ENCUMBRANCE</td>
<td>45,000.00</td>
<td></td>
<td>15,000.00</td>
<td>30,000.00</td>
</tr>
<tr>
<td>▄▄▄▄▄▄ ▄▄▄▄▄▄</td>
<td>CPF2013</td>
<td>5130</td>
<td>09/25/2012</td>
<td>Cell Phone Enc.</td>
<td>304.92</td>
<td></td>
<td>304.92</td>
<td>903.92</td>
</tr>
<tr>
<td>LD2013</td>
<td>LD2013</td>
<td>5110</td>
<td>09/25/2012</td>
<td>Long Dist. Enc.</td>
<td>191.40</td>
<td>82.34</td>
<td>109.06</td>
<td>152.20</td>
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<tr>
<td>M2R</td>
<td>F300148</td>
<td>5670</td>
<td>09/01/2012</td>
<td>TIBH INDUSTRIES INC</td>
<td>130.50</td>
<td>70.30</td>
<td>100.00</td>
<td>152.20</td>
</tr>
<tr>
<td>TC2013</td>
<td>TC2013</td>
<td>5115</td>
<td>09/25/2012</td>
<td>Telecom Enc.</td>
<td>3,712.35</td>
<td>2,084.80</td>
<td>109.06</td>
<td>1,627.55</td>
</tr>
</tbody>
</table>

### ACCOUNT TOTAL

|                | 52,384.99 | 3,711.17 | 29,900.00 | 18,793.82 |

See next four pages in handout for report explanation.
GENERAL DESCRIPTORS:

- **Ref 4** - Identifies who created the document (generally the initials of the creator)
- **PO Ref** - The purchase order number related to the encumbrance (can be viewed in detail on screen 278 in FAMIS)
- **Object Code** - Four digit number used to identify the type of expenditure (e.g. 4010 - Office Supplies)
- **Date** - The date the open commitment is entered into FAMIS
- **Description** - Generally this is the name of the vendor funds were encumbered to pay; if a manual encumbrance, this is a description of what the encumbrance relates to
- **Original Amount** - Amount initially encumbered when open commitment is created
- **Liquidating Expenditures** - Payments made against the open commitment (reduce the amount of the encumbrance)
- **Adjustments** - Manual entries made to either increase or decrease the encumbrance
- **Current Amount** - Encumbrance left unpaid at the end of the past month (ties to summary report)
Adjustments: These are entries made to either increase or decrease an encumbrance.

There are several ways that adjustments can be made to an open commitment, but the two most common are:

- Adjustment made by the creator of the document to either increase or decrease the encumbrance.
- If the open commitment is a manual encumbrance (e.g. admin copier, telecom charges, etc.) the accounting department can make adjustments based on information provided by the department.
Liquidated Expenditures: Liquidated expenditures are payments made against the open commitment that reduce the amount of the encumbrance

- These payments can be made using various methods, but the most common form of payment to external vendors is an A/P voucher
- You can view the liquidated expenditures in FAMIS on screen 278 by entering the PO ref and pressing the F5 key, which will give you invoice and voucher information
- You can then review the voucher on screen 168 for accuracy
Press F5 to see Invoice Information.
O/C STATUS REPORT

- Partial vs. full liquidation of open commitments
  - Partial liquidation of an open commitment occurs when a liquidating expense is posted that does not equal the total amount of the encumbrance.
  - Full liquidation of an open commitment occurs when all payments related to a purchasing document have been completed.
TOOLS TO USE FROM THE ACCOUNTING HANDBOOK

The Accounting Handbook contains the necessary lists of codes and definitions of most items that you will encounter when analyzing and reviewing the monthly reports.

- Batch Header Codes - Section 11.04
- Transaction Codes - Section 11.05
- Encumbrances - Section 11.06
- Voucher Status - Section 04.04.01
2nd REF - EXAMPLES

- Department Budget Request (DBR) - UXXXXXX
- A/P Vouchers - 2XXXXXX, 7XXXXXX, 4XXXXXX
- Limited Purchase Orders - LXXXXX
- Requisitions - RXXXXXX
- Purchase Orders - PXXXXXX

3rd REF - EXAMPLE

- Department Correction Requests (DCR) - JXXXXXX
## SEARCHING FOR REF 3

### 023 Transaction Inquiry by Account

**screen:** __ Account: 284510 __ Ref: 2 Direct/Indirect: D __ Bank Option: N

<table>
<thead>
<tr>
<th>Sbod</th>
<th>TC</th>
<th>Ref 2</th>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
<th>I Bat</th>
<th>Ref</th>
<th>Offset Acct</th>
</tr>
</thead>
<tbody>
<tr>
<td>6338</td>
<td>060</td>
<td>1003365</td>
<td>02/28</td>
<td>3365-Pollard-Rub</td>
<td>3.24</td>
<td>N</td>
<td>7115YC</td>
<td>210510 6338</td>
</tr>
<tr>
<td>6338</td>
<td>068</td>
<td>7301634</td>
<td>04/18</td>
<td>SOODEXO INC</td>
<td>72.25</td>
<td>N</td>
<td>VCL822</td>
<td>028400 2100</td>
</tr>
<tr>
<td>6339</td>
<td>06A</td>
<td>Y043462</td>
<td>04/30</td>
<td>PC - RUBY POLLARD</td>
<td>37.98</td>
<td>N</td>
<td>PCC100</td>
<td>000380 1615</td>
</tr>
<tr>
<td>6340</td>
<td>06C</td>
<td>30174</td>
<td>12/03</td>
<td>FREED - CORPUS CHR</td>
<td>84.41</td>
<td>N</td>
<td>CTRL01</td>
<td>000390 1615</td>
</tr>
</tbody>
</table>

### 023 Transaction Inquiry by Account

**screen:** __ Account: 264510 __ Ref: 3 Direct/Indirect: D __ Bank Option: N

<table>
<thead>
<tr>
<th>Sbod</th>
<th>TC</th>
<th>Ref 3</th>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
<th>I Bat</th>
<th>Ref</th>
<th>Offset Acct</th>
</tr>
</thead>
<tbody>
<tr>
<td>6338</td>
<td>060</td>
<td>J300100</td>
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<td>3365-Pollard-Rub</td>
<td>3.24</td>
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<td>210510 6338</td>
</tr>
<tr>
<td>6338</td>
<td>068</td>
<td>04/18</td>
<td>SOODEXO INC</td>
<td>72.25</td>
<td>N</td>
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</tr>
<tr>
<td>6339</td>
<td>06A</td>
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<td>PC - RUBY POLLARD</td>
<td>37.98</td>
<td>N</td>
<td>PCC100</td>
<td>000380 1615</td>
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</tr>
<tr>
<td>6340</td>
<td>06C</td>
<td>12/03</td>
<td>FREED - CORPUS CHR</td>
<td>84.41</td>
<td>N</td>
<td>CTRL01</td>
<td>000390 1615</td>
<td></td>
</tr>
</tbody>
</table>
WHAT IS A DCR?

Departmental Correction Request (DCR) is a process that provides the ability to initiate a correction transaction for an accounting event that has previously posted.

- DCR is a correcting journal entry that is initiated in Canopy and routed electronically through the routing & approvals system.
- After routing is complete, the correcting entry is automatically generated and posted to FAMIS and Canopy.
WHEN CAN I USE A DCR?

DCR documents can be used in any of the following situations:
Locally funded voucher, deposit, journal entry, or interdepartmental transfer (IDT) corrections.

- Account number change/correction
- Object code change/correction
- Partial or full expense transfer/allocations
- GL to GL DCR’s
- SL to SL DCR’s, including SA to SA
WHEN ARE DCR NOT ALLOWED?

DCR documents cannot be utilized in the following situations:

- No DCR’s allowed on State Accounts

Cannot use to
- Correct transactions posted to a construction (CIP) accounts
- Correct a transaction from a revenue object code to an expense object code and vice versa
- Correct any Salary, Wage or Benefit items.
- Adjust encumbrances
- Correct budget transactions
  - You will need to create Departmental Budget Request (DBR) for these transactions
- Correct any transaction within the 8xxx object codes = Any Fix Asset items.
- No prior period adjustments.
PURPOSE AND BENEFIT MUST BE INCLUDED WITH DCR’S

All DCR’s need to have proper attachments and/or notes added to the document to fully explain or justify the transaction.

Notes and attachments:

These can be added when the document is created.

Also, after the DCR is completed notes can be added to the document and it does not require rerouting.

Accounting Services may ask for additional notes to be added, if the correct documentation does not have a good purpose and benefit.

*At the request of the Comptroller, all future DCR’s created need the proper documentation, attachments and/or notes.
GOOD ATTACHMENTS AND NOTES PROVIDE A PURPOSE AND BENEFIT

- Attachments such as emails and documents pertaining to the changes being made such as directions to move, change or reallocate an item can provide a good purpose and benefit justification, approval or authorization.

- Notes in the note section of the DCR need to be filled out if your attachment does not provide all the purpose and benefit.

- Both attachments and notes need to be strong enough to be self-explanatory as to the purpose and benefit of the transaction correction or change.
Example: A Correction needs to be made because an entry was charged to the wrong account.

The note could say this: The original entry was charged to the wrong account in error. (Purpose) Changing the account number will place the transaction in the correct university account. (Benefit)

Example: A Correction needs to be made because an entry has the incorrect object code.

The note could say this: The original entry was charged to the incorrect object code. (Purpose) Changing the object code to XXXX will correctly classify the entry based on the substance of the transaction. (Benefit)

Example: The charge from Office Depot needs to be allocated across multiple accounts.

The note could say this: The Office Depot purchase needs to be allocated to the departments, 1, 2, and 3 to share the cost of the expenses appropriately. (Purpose and Benefit)
The note could say this: The original entry was charged to the wrong account in error. Changing the account number will place the transaction in the correct university account.
The Account Responsible Person and their designees will receive a monthly account report from the Comptroller to fulfill system policy.

The monthly account report should be analyzed and reviewed for accuracy and authorized transactions.

Use the tools from the Accounting Handbook to assist in the analyzing and reviewing of the monthly account report.

Use the Department Correction Requests (DCR), with proper justification in notes and/or attachments, as a tool to correct problems found on a monthly account report.

Contact the Accountant assigned to the department for transactions that cannot be corrected with a DCR.
QUESTIONS/CONCERNS???

IF YOU HAVE QUESTIONS AFTER THIS TRAINING, CONTACT YOUR DEPARTMENT ACCOUNTANT. WE ARE MORE THAN HAPPY TO HELP OR POINT YOU IN THE RIGHT DIRECTION.