Reconciling G/L to S/L Accounts

Presented by: Yolanda Castorena
Overview of Previous Class

• Non Mandatory Transfers
  • Example: 4930
  • Example: 5920

• Prior Year Adjustments
  • 4699 Additions and 5699 Deductions

• Uncommitted Net Revenue

• We tied revenue, expenses, encumbrances and budgets between the S/L and the G/L Account Controls
Class Objectives

• Should all G/L-S/L accounts tie?
• Why do you need to balance your G/L to S/L accounts?
• What are the most common transactions that cause your G/L-S/L to go out of balance?
• Complete a G/L-S/L reconciliation on an account with a one to one relationship and a Year End Process of an “F”
Why would I want to balance my G/L to S/L?

• It’s good Accounting Practice. You should be able to tie your balances to identify discrepancies.

• If it goes out of balance, you may end up spending funds you don’t have available.

• There may be funds that were transferred to you by a non mandatory transfer on the G/L account and the funds were never made available to you on the S/L account.

• The G/L Account includes important transactions: non-mandatory transfers, prior year adjustments, AR and AP
Should all G/L-S/L Accounts tie?

• All G/L – S/L Accounts will not tie

• Only S/L accounts with a Year End Process of:
  “F” Fiscal Year
  “P” Project Year

• S/L Accounts with an “E” Encumbrance or “T” Transfer, close out to the fund balance or the source account fund balance
G/L-S/L Accounts can have two relationships

Example of a one to one relationship

<table>
<thead>
<tr>
<th>Sel</th>
<th>GL</th>
<th>SL</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>060001</td>
<td>MCNAIR SCHOLARS PROGRAM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>600010</td>
<td>MCNAIR SCHOLARS PROGRAM</td>
<td></td>
</tr>
</tbody>
</table>

Example of a one to many relationship

<table>
<thead>
<tr>
<th>Sel</th>
<th>GL</th>
<th>SL</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>060010</td>
<td></td>
<td>CTE PROFESSIONAL DEVELOPMENT</td>
</tr>
<tr>
<td></td>
<td>060102</td>
<td></td>
<td>CTE LEADERSHIP PROJECT</td>
</tr>
<tr>
<td></td>
<td>060103</td>
<td></td>
<td>TEC CTE PROF. DEVL_FY13</td>
</tr>
</tbody>
</table>
What are the most common transactions that cause your G/L-S/L to go out of balance?

• One sided budget entries on grant accounts
• One sided budget entries without a non mandatory transfer
• Non Mandatory Transfers & Prior Year Adjustments without Corresponding Budget Entries
• Year End Entries that require a Beginning Balance Adjustment
• Year End Process Changes, i.e. change from an “E” to an “F”
• Clerical Errors
Example - Grant Account YE "P"

Fund Balance is <$10,000>
An original budget on a grant account should have a revenue and expense budget that equal. This entry caused the g/l-s/l to go off.
Example - Designated Account YE “P”

Fund Balance is $-8226.39

G/L-S/L off $4,000
This is an example of an account that had a budget increase and no corresponding non mandatory transfer. It caused the G/L-S/L balance to go off.
**Example - Restricted Gift Acct YE “F”**

**B34 SL Summary By Budget Pool**

<table>
<thead>
<tr>
<th>Obj</th>
<th>C/P</th>
<th>Budget</th>
<th>CM Actual</th>
<th>Actual</th>
<th>Encumbrances</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>16744.22</td>
<td>4597.41</td>
<td>55571.51</td>
<td>4597.49</td>
<td>38424.78-</td>
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</tr>
<tr>
<td>1700</td>
<td>18659.53</td>
<td>553.00</td>
<td>5463.99</td>
<td>1155.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1500</td>
<td>760.00</td>
<td>59.00</td>
<td>715.94</td>
<td>68.96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B10 GL 6 Digit List**

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>YTD Begin Balance</th>
<th>Current Month</th>
<th>YTD Thru</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>Claim on Cash</td>
<td>14566.25-</td>
<td>33808.21-</td>
<td>61071.69-</td>
</tr>
</tbody>
</table>
| 3660    | Fund Bal-Restricted Led | 14566.25 | 33808.21 | 61071.69 |}

- **Fund Balance is $-32,571.69**

- **G/L-S/L off $28,500**
This is an example of an account were a non mandatory transfer was reversed on the G/L account and no corresponding Budget entry on the S/L account. It caused the G/L-S/L balance to go off.
Current Process

- Accounts are reviewed monthly by the Accounting Director
- Only accounts with a YE process of “F” or “P”
- Utilize FBAR530 Report
- Emails are sent to responsible department to correct, i.e. budget, research office, accounting
Any Questions?