



Reconciliation of Sponsored Projects in MicroStrategy

What is Reconciliation?

A periodic review of financial activity recorded in Banner Finance to ensure that all transactions are accurate and complete

Why Reconcile?

- Compliance with University Policy 2114, Reconciling Departmental and Sponsored Fund Accounting Records
 - All transactions must include accurate descriptions and sufficient supporting documentation
 - Funds must be reconciled in a timely manner on a monthly or bi-monthly basis
 - Reconciliations must be prepared, approved, and certified not later than two months after the last day of the reconciled month
 - Discrepancies must be resolved in a timely manner, not later than three months from the last day of the reconciled month
- Provides accurate and reliable fiscal reporting
- Manages fiscal risk and maintains accountability and effective controls
- Compliance with Virginia Commonwealth Accounting Policies and Procedures

Why is Sponsored Fund Reconciliation Required?

- Compliance with federal requirements of OMB Uniform Guidance
- Compliance with sponsor/award terms and conditions
- Audit purposes
- Confirm expenditures do not exceed the available award budget
- Confirm expenditures are within the award period of performance
- Ensure expenditures are appropriate according to the approved budget and are for the intended purpose of the sponsored project

Best Practices for Reconciliation

- Use an electronic filing system that is easily accessible to maintain all source documents for transactions
 - A source document results in a financial charge or credit to a sponsored fund
- Maintain an electronic Excel file that is easily accessible to log transaction details and note when transactions have been reconciled
- Begin reconciling when “Month ended/is closed email” is received from Fiscal Services

- o Review all transaction charges and credits against transaction log/source documents for accuracy
- o Confirm account codes are accurate for transactions
- o Identify any missing transactions
- o Correct all errors immediately and follow-up as needed
- o Make any notes regarding adjustments or discrepancies
- o Ensure any processed corrections post accurately
- Reconciliations and transaction corrections should be completed before the end of the university's fiscal year (June 30)
 - o Fiscal Services will post a memo prior to fiscal year end with cut-off dates for processing cost transfers
- Keep all records (logs, source documents, correction documentation, certified reconciliations) for auditing purposes

Reconciliation Certification

- Reconciler must certify and date the reconciliation as the individual preparing the reconciliation
- Approver must certify and date the reconciliation as the individual responsible for approving the work of the reconciler and responsible for the fund
- PI must certify and date the reconciliation as to verify all charges and credits are allowable, allocable and reasonable
 - o The PI may not delegate this responsibility
- Electronic certification is encouraged