University of Miami

Balance Sheet – Ledger Accounts Reconciliations

FYE 2019

Prepared by: General Accounting Team
Updated 5/29/2019
Executive Summary

Purpose:
The goal is to produce a Balance Sheet within 10 business days. In order to accomplish this and have confidence in its accuracy, it is imperative that balance sheet ledger accounts reconciliations be completed accurately and on a timely basis each month. This process will also aid in accomplishing a smoother and more efficient month-end close and year-end audit by providing accurate financial data.

Next Steps Needed:
Each department is now being held responsible for reconciling their respective driver worktags (program/gift/grant/project). A designated reconciler (chosen at the discretion of the Cost Center Manager) is to analyze on a monthly basis the activity that is posted to the driver worktag to ensure its accuracy and validity.

Once a reconciliation is completed, it is to be submitted to the corresponding Cost Center Manager for review before its final submittal to the Controller’s Office. Reviewed reconciliations, including supporting documentation, must be submitted via e-mail to Luis Dongo at ldongo@miami.edu and to the Controller’s Office at ControllersGeneralAccounting@miami.edu by the 20th business day after month-end. Any differences found between driver worktag balances and another source of data are to be researched and resolved with any necessary journal entries/adjustments within 5 business days of the final reconciliation submission to the Controller’s Office.

Webinar Tools:
- By the end of this Webinar you will have the tools you need to perform the Balance Sheet Ledger Accounts Reconciliations
Agenda

We plan on answering the following questions during our session:

• Am I responsible for reconciling?
  ✓ Program Manager
  ✓ Cost Center Manager

• How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?
  ✓ View Role Assignments for Worker Position

• How can I see all the Drivers in a Cost Center or Cost Center Hierarchy?
  ✓ Report: Data Audit - Programs

• What is a Balance Sheet?
• What is a Trial Balance?

• What reports can I use to run a Trial Balance from Workday?
  ✓ FIN-ACC-Trial Balance By Worktag

• Which balance sheet ledger accounts am I responsible to reconcile?
• What is a balance sheet reconciliation?
• When is the first submission of “Balance Sheet Ledger Accounts Reconciliations” due by?

Updated 5/29/2019
Am I responsible for reconciling?

If Your Assigned Roles Include:

- Program Manager
- Cost Center Manager

This means that you are the responsible person for the balance sheet ledger account that is impacted by ALL of the Drivers assigned to your role.

Example

If Program Number “PG123456” has activity in balance sheet ledger account number 1321 - A/R Other, then you must complete the “Balance Sheet Reconciliation” template, located on the Controller’s website.

NOTE:

REFER to slide number 15 of this presentation for a list of specific Balance Sheet Ledger Accounts that MUST be reconciled.

Updated 5/29/2019
Am I responsible for reconciling?

<table>
<thead>
<tr>
<th>Driver</th>
<th>Central Offices</th>
<th>Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>Office of Research Administration</td>
<td></td>
</tr>
<tr>
<td>Projects</td>
<td>Facilities Design &amp; Construction</td>
<td></td>
</tr>
<tr>
<td>Gifts (EN/BG)</td>
<td>Advancement &amp; Endowment Department</td>
<td></td>
</tr>
<tr>
<td>✓ Programs</td>
<td></td>
<td>✓ Cost Center Managers ✓ Program Managers</td>
</tr>
</tbody>
</table>

Updated 5/29/2019
Am I responsible for reconciling?

Instructions for Submission by Campus:

- **Coral Gables and RSMAS:** Submit your balance sheet – ledger accounts reconciliations to: [ControllersGeneralAccounting@Miami.edu](mailto:ControllersGeneralAccounting@Miami.edu)

- **Medical:** Submit your balance sheet – ledger accounts reconciliations to: Medical Finance Team, to the attention of Saori Kodama

  - Medical Finance will then review and approve to further submit to: [ControllersGeneralAccounting@Miami.edu](mailto:ControllersGeneralAccounting@Miami.edu)

Updated 5/29/2019
How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?

Workday Finance Portal


![Workday Tip Sheet](image)
How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?

- In Workday go to the cloud icon on the upper right-hand corner and click on “View Profile”
How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?

- Under Your Name, click on “Actions”
- Select “Security Profile” and then Click on “View Role Assignments for Worker Position”
How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?

• Please note that “Date” and “Name” fields will auto populate
• Under “Roles” Select;
  • Cost Center Manager
  • Program Manager

• Then click “OK”
How can I see the roles that I have? How do I know if I am responsible for a Cost Center and a Driver Worktag?

- On the next Screen, You will be able to see the Cost Center (s) and Programs that you are responsible for.
How can I see all the Drivers in a Cost Center or Cost Center Hierarchy?

- This step will allow the Cost Center Manager to view ALL the Program Managers under your cost center(s)
- This report can be exported to excel so that you may manage those assisting in the reconciliation process in your area.

You Can Run the Report by:

1. Cost Center (Detail Level)
   - The report will show all Driver Worktags related to the Cost Center(s) that you selected.
   - Driver Worktag Managers (Program Manager)

2. Cost Center Hierarchy (Higher Level)
   - List of all Cost Center(s) with their respective Driver Worktags (Cost Centers under the selected Hierarchy)
   - Driver Worktag Managers (Program Manager)

FIN-ACC-Cost Center for all Drivers

Instructions: Please enter a Cost Center or Cost Center Hierarchy to show ALL Driver Worktags.

Run the Report using one of the prompts, Do not use both.

Cost Center OR Cost Center Hierarchy
How can I see all the Programs in a Cost Center or Cost Center Hierarchy

Updated 5/29/2019

Report: Data Audit – Programs

- This step will allow the Cost Center Manager to view ALL the Program Managers under your cost center(s)
- This report can be exported to excel so that you may manage those assisting in the reconciliation process in your area.

Data Audit - Programs

Cost Center (Individually)

Hierarchy Level (It will show every program under the selected Hierarchy)

Data Audit - Programs

Cost Center Hierarchies

Program Object | Cost Center | Reference ID | Included in Program Hierarchies | Program Manager(s)
--- | --- | --- | --- | ---
PG000365 Library Collection | CC00009 Acquisitions | PG000365 | Other Academic Support | Alexis Yordan
PG000435 Collection Strategies | CC00009 Acquisitions | PG000435 | Other Academic Support | Alexis Yordan
PG000553 Imagebase | CC00009 Acquisitions | PG000553 | Other Programs | Alexis Yordan
PG000595 Library Marketing/PR | CC0125 Richter Library - Deeks Office | PG000595 | Other Academic Support | Alexis Yordan
PG000605 Digital Library Fellowship Program | CC0149 Digital Services | PG000605 | Other Programs | Alexis Yordan
PG000661 Richter Information Commons | CC0205 Richter Library - Front Desk | PG000661 | Other Academic Support | Alexis Yordan
PG000799 Music Library Commons | CC0205 Marta and Austin Weeks Music Library | PG000799 | Other Academic Support | Alexis Yordan
PG000802 University Archives | CC0030 Archives | PG000802 | Other Academic Support | Alexis Yordan
PG000857 Lanzee-Library Document Services | CC0125 Richter Library - Deeks Office | PG000857 | Other Academic Support | Alexis Yordan
PG001065 Offsite Shelving Facility | CC0125 Richter Library - Deeks Office | PG001065 | Other Academic Support | Alexis Yordan
What is a Balance Sheet?

- A balance sheet is a cumulative (inception to date) financial statement that reports a company's assets, liabilities and net assets at a specific point in time.

**Example:**

<table>
<thead>
<tr>
<th>Ledger Account</th>
<th>200 Academy Current YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>0.00</td>
</tr>
<tr>
<td>Bond Proceeds Held in Escrow</td>
<td>0.00</td>
</tr>
<tr>
<td>Accounts and Loans Receivable, Net</td>
<td>0.00</td>
</tr>
<tr>
<td>Contributions Receivable, Net</td>
<td>0.00</td>
</tr>
<tr>
<td>Intercompany Receivable</td>
<td>0.00</td>
</tr>
<tr>
<td>Investments</td>
<td>0.00</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>0.00</td>
</tr>
<tr>
<td>Trust Held by Others</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>0.00</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>0.00</td>
</tr>
<tr>
<td>Deferred Revenues and Other Deposits</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrued Pension and Postretirement Benefit Costs</td>
<td>0.00</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>0.00</td>
</tr>
<tr>
<td>Actuarial Liability of Annuities Payable</td>
<td>0.00</td>
</tr>
<tr>
<td>Liability for Medical Self-Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td>Government Advances for Student Loans</td>
<td>0.00</td>
</tr>
<tr>
<td>Bonds and Notes Payable</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>0.00</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>0.00</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>0.00</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>0.00</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>0.00</strong></td>
</tr>
</tbody>
</table>

Updated 5/29/2019
Which balance sheet ledger accounts am I responsible to reconcile?

List of Ledger Accounts to be Reconciled by ALL departments

Ledger Accounts

1131: Petty Cash
1306: Due From Employee - Expense Report
1308: A/R Employees
1321: A/R - Other
1522: Prepaid Expense Other
1574: Cash Clearing - DCIE
1581: Other Current Assets - Other
2001: Due To Employee - Expense Report
2011: Deferred Revenue - Prepaid Deposits
2153: Parking Surcharge Tax Payable
2531: Other Accrued Expenses
2683: Deferred Revenue - Other
2691: Other Current Liabilities - A/P

• In addition to the above ledger accounts, certain departments (Ex. ORA, ATHLETICS, ADVANCEMENT, etc.) have accounts that are solely used by them and should also be reconciled monthly. We have separately communicated with them and provided guidance.

• The remaining Ledger Accounts (Ex. Cash, Investments, PP&E, Debt, A/P, etc.) are reconciled by the Controller’s Office, therefore these are NOT your responsibility.

Updated 5/29/2019
What is a Trial Balance?

As of June 1, 2018, Departmental Accountants, Cost Center Managers (CCM), and Senior Business Managers (SBM) will be able to run the Trial Balance by Worktag report in Workday (workday.miami.edu). The Trial Balance report is a list of all Ledger accounts and an overview of all activity that is used in creating Balance Sheets and Income Statements.

When running the Trial Balance by Worktag report, please keep in mind the following:

- Only select one Driver Worktag at a time.
- The Trial Balance can be run by month; however, it is recommended to run the report for the Current Period Year to Date.
- The report will exclude Pro Forma Journals (journals in process) and will not impact Trial Balance until the journals are posted.
- The report is defaulted to the Management Reporting Book. Note: The Common and GAAP (Generally Accepted Accounting Principles) Reporting books are options.

**Departmental Guidance**

For the University of Miami, the Trial Balance by Worktag report can be broken down into the following sections:

**Balance Sheet – Includes the following ledger account ranges:**
- Assets: 1000-1999
- Liability: 2000-2999
- Equity: 3000-3999

**Income Statement – Includes the following ledger account ranges:**
- Revenue: 4000-4999
- Offsetting Revenue: 5000-5999
- Payroll Expenses: 6000-6999
- Payroll Benefits Expenses (Composite Fringe Benefits): 7000-7999
- Other Operating and Non-Operating Expenses: 8000-9999

Updated 5/29/2019
What reports can I use to run a Trial Balance from Workday?

**Workday Report**

- **FIN-ACC-Trial Balance By Worktag**
  - On the Organization field you can select Cost Centers that you are responsible for or by Cost Center Hierarchy Level. Both will Include the Related Programs (Drivers) for each Organization.
  - **Period:**
    - FY2019-May
    - Current Period YTD (Year to Date).

*Updated 5/29/2019*
When reconciling you have the option to view by Journal Source – as shown below.

There is a journal source called “Balance Carry Forward” highlighted below – this balance represents the prior fiscal year-end balance that was rolled forward into the new year. The reconciliation should include the detail of what makes up this balance.

In order to see the details, you will need to run the prior year-end trial balance. Keep in mind that this balance is at least 1 year old. It is also possible that this balance may have come over from FRS and still not been cleared. Therefore, if you cannot substantiate this balance, you need to consider writing it off. You may contact us directly for guidance to write off any unreconciled balance.
What is a Balance Sheet Reconciliation?

- Balance sheet reconciliations are an important internal control, as they verify the accuracy and completeness of the University’s Balance Sheet as well as financial reports that may specifically pertain to your department or area. A balance sheet reconciliation compares a general ledger account to another source of data, such as a subledger or bank statement.

- Every reconciliation needs to have supporting documentation and must include a detail of what the ending balance represents at the end of the reporting period:
  - Example:
    - Ledger Account 2531 - Accrued Expenses should include a list of all invoices or estimates that makeup the ending balance. The balances of these two separate sources of data must tie.

- A roll-forward is not a proper balance sheet ledger account reconciliation.

- A data dump from Workday is not a proper balance sheet ledger account reconciliation.
  - Example: A ledger account activity from Workday is not sufficient.

Updated 5/29/2019
What is a Balance Sheet Reconciliation?

Ledger Accounts Reconciliations – Key Points

• Understand the purpose and nature of the transactions that makes up the balance.

• Provide supporting documentation for the respective transactions.

• Analyze supporting documentation for reasonableness and tie out to the balances on the reconciliation.

• Make any necessary adjustments on a timely manner.

Updated 5/29/2019
What is a Balance Sheet Reconciliation?

Example:

```
<table>
<thead>
<tr>
<th>Balance Sheet Account Reconciliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department:</td>
</tr>
<tr>
<td>General Accounting</td>
</tr>
<tr>
<td>Year:</td>
</tr>
<tr>
<td>FY2019</td>
</tr>
<tr>
<td>Period:</td>
</tr>
<tr>
<td>Apr. 2019</td>
</tr>
<tr>
<td>Reconciliation of:</td>
</tr>
<tr>
<td>Ledger E54</td>
</tr>
<tr>
<td>Ledger Description:</td>
</tr>
<tr>
<td>Other Accounts - Expenses</td>
</tr>
<tr>
<td>Company:</td>
</tr>
<tr>
<td>Company 201 including M201</td>
</tr>
<tr>
<td>Purpose:</td>
</tr>
<tr>
<td>Ledger E54 is primarily used to post any Expense Accounts as needed. Expenses from various items, such as invoices, are entered in Expense Ledger prior to the period in which they were paid. This Ledger is used to allocate those invoices to the correct month until the actual expense is posted.</td>
</tr>
<tr>
<td>Prepared by:</td>
</tr>
<tr>
<td>[Name]</td>
</tr>
<tr>
<td>Supervisor review:</td>
</tr>
<tr>
<td>[Name]</td>
</tr>
<tr>
<td>Department:</td>
</tr>
<tr>
<td>[Name]</td>
</tr>
<tr>
<td>General Ledger Balance:</td>
</tr>
<tr>
<td>$ 36,440.00</td>
</tr>
<tr>
<td>Details of account:</td>
</tr>
<tr>
<td>(Must be provided for each account)</td>
</tr>
<tr>
<td>Accounting date</td>
</tr>
<tr>
<td>4/15/2019</td>
</tr>
<tr>
<td>4/22/2019</td>
</tr>
<tr>
<td>Total of details of account:</td>
</tr>
<tr>
<td>$ 36,440.00</td>
</tr>
<tr>
<td>Variance:</td>
</tr>
<tr>
<td>$ -</td>
</tr>
</tbody>
</table>
```
What is a Balance Sheet Reconciliation?

• The template provided should accommodate the vast majority of the balance sheet ledger accounts reconciliations.

• There may be exceptions for which the template format may not fit the needs of the account being reconciled, such as:

  • Ledger Account # 1522 - Prepaid Expenses Other:

    • In this case, please contact Controller’s Office - Cory Findlater and Marlene Puig-Rodriguez for further guidance

Updated 5/29/2019
When is the first submission of “Balance Sheet – Ledger Accounts Reconciliations” due by?

- “Balance Sheet – Ledger Accounts Reconciliations” are due by the 20th business day after month-end close.

- The first “Balance Sheet – Ledger Accounts Reconciliations” are due Friday, 6/28/2019 for the 5/31/2019 balances.
Appendix
Resources / Tools Available:

- This tool can be found in Ulearn, titled: Workday FDM online CBL
- This CBL serves as a tutorial for the Financial Data Module (FDM)

Updated 5/29/2019
Resources / Tools Available:

- **Email address:** [ControllersGeneralAccounting@Miami.edu](mailto:ControllersGeneralAccounting@Miami.edu)
  
  *Link is located in the Controller’s website. This is a dedicated email for questions/concerns related to “Balance Sheet Reconciliations”.*

- **Balance Sheet Reconciliation template (Provided as an example to use in this process)**
  
  *Link is located in the Controller’s Office website/Accounting/Training*

- **Revenue/Spend Category description**
  
  *Link is located in the Controller’s Office website/Accounting/Functional Areas/General Accounting*

- **FDM Conversion Tool**
  
  *Link is located in the Controller’s Office website/Accounting/Functional Areas/General Accounting/References*

- **Tip Sheet**
  
  *This is currently a work-in-progress, once completed a communication will be distributed and also located in the Controller’s Office website/Accounting/Training*