

Bank Reconciliation:**Overview**

Bank Reconciliation is currently completed with the CCS system on a monthly basis. Bank statement information is loaded into CCS via tape media for three separate bank accounts (Leased Housing, Payroll and Payables). The new process will facilitate electronic download of bank statement information via the financial institution and should facilitate more frequent reconciliation. All electronic statement downloads should be maintained as received for historical review. In addition, integration with 3rd party bank software for performing check and deposit inquiry via the web should be possible.

No.	Process	Requirement Description	P*	Comments
1.	Bank Account Reconciliation - General	This module must interface with all modules that generate checks and/or electronic payments.	1	
2.	Bank Account Reconciliation - General	This module must interface with the general ledger.	1	
3.	Bank Account Reconciliation - General	System must have the ability to accept data from financial institutions, in commonly used formats, transmitted electronically or loaded from tape, disk, CD, or other media. The data shall be available to authorized users in <u>read-only</u> format.	1	
4.	Bank Account Reconciliation - General	System should allow for the attachment of electronic documents.	2	
5.	Accounts	System must be able to process independent reconciliation of individual accounts. Ideally the number of independent accounts handled by the system should be unlimited; at a minimum the system should be able to handle 100 independent reconciliation.	1	
6.	Access	For each account established in the system, access shall be limited to the following: <ul style="list-style-type: none"> • The Program Accountant under whose ledger the account resides, • The Reconciler assigned to the account, • The Approver who examines and approves the completed reconciliation 	1	
7.	Access	If the features of the system allow the process to be paperless, special access needs to be provided to independent auditors. At a minimum, the system needs the ability to produce on paper a	1	

Legend:

P*riority	1 = Mandatory	2 = Important	3 = Nice to Have
------------------	---------------	---------------	------------------

No.	Process	Requirement Description	P*	Comments
		reconciliation and all supporting documentation for audit review.		
8.	Reports	<p>Through module interface and data received from the financial institution, the system must, at a minimum, generate the following reports by individual accounts:</p> <ul style="list-style-type: none"> • List of checks issued for the given period. • Cumulative list of checks outstanding through the end of the given period. • Report of variance between check amounts as issued and as cleared. • Report of checks cleared for which there is no record of issue. 	1	
9.	Reconciliation	Through module interface and data received from the financial institution, the system should produce a reconciliation for the given period between the ending cash balance stated by the financial institution and the ending cash balance stated by the general ledger. The variance, if any, between the balances should be identified.	2	
10.	Reconciliation	<p>The format of the reconciliation should be, at a minimum, as follows:</p> <ul style="list-style-type: none"> • For the financial institution balance: beginning balance plus total credits, less total debits, less checks outstanding equals ending balance. • For the general ledger: beginning balance plus total debits, less total credits equals ending balance. <p>The figures for each step of the reconciliation</p>	2	

Legend:

P*riority	1 = Mandatory	2 = Important	3 = Nice to Have
------------------	---------------	---------------	------------------

No.	Process	Requirement Description	P*	Comments
		outlined above should be included for comparison and analysis.		
11.	Reconciliation	System should allow unlimited processing of an individual account reconciliation until the ending balances of the financial institution and the general ledger are equal. System should allow for reconciling adjustments commonly not booked, such as checks outstanding, deposits in transit and other adjustments as defined by the Approver.	2	
12.	Review & Approval	Upon completion of the reconciliation the system should allow for the electronic signatures of the Reconciler and the Program Accountant	2	
13.	Review & Approval	System should allow for the electronic signature of the Approver. Once the Approver signs off on a reconciliation the account is locked for the period in question and further adjustment can be made only with Approver override.	2	
14.	Review & Approval – General Ledger	If #13 above applies, the interface to the general ledger must lock the applicable account against further entry for the given period. A notation such as “Approved reconciliation on file” should be appended to the account.	1, if #13 applies	
15.	Review & Approval	If electronic approval applies, the system should automatically inform the Approver that reconciliations are available for review and approval.	1, if #13 applies	
16.	Review & Approval	If electronic approval applies, the system should allow uploading of data and work by the Program Accountant and Reconciler on subsequent	1, if #13 applies	

Legend:

P*riority	1 = Mandatory	2 = Important	3 = Nice to Have
------------------	---------------	---------------	------------------

No.	Process	Requirement Description	P*	Comments
		statements. System should bar the Program Accountant and Reconciler from signing off on subsequent reconciliations until the oldest is/are approved.		
17.	Review & Approval	If electronic approval applies, the system should possess a mechanism that automatically alerts appropriate staff should: <ul style="list-style-type: none"> • Unapproved reconciliations remain outstanding, • Account data remains unreconciled in the system (no sign-off by Reconciler and/or Program Accountant). 	1, if #13 applies	
18.	Archiving	System must be able to retain, at a minimum, up to three (3) fiscal years worth of reconciliations for each account. This includes all associated information from the financial institution, any electronic attachments, and a detailed "snapshot" of the general ledger account for the applicable period.	2	
19.	Archiving	If the system can provide a paperless reconciliation function, the three (3) year storage provision noted in #18 above is mandatory.	1	
20.	Archiving	System must allow for archiving to other electronic media, such as CD-ROM, of data beyond the system retention period noted above. System should allow for the restoration of some or all of this data should the need arise.	1	
21.	Check Inquiry	Through this module and/or interfacing with applicable modules, and with appropriate	3	

Legend:

P*riority	1 = Mandatory	2 = Important	3 = Nice to Have
------------------	---------------	---------------	------------------

No.	Process	Requirement Description	P*	Comments
		<p>authorizations, a check inquiry function could be included that utilizes data uploaded from the financial institution. This feature could provide the user information such as:</p> <ul style="list-style-type: none"> • Check number • Check date • Check amount • Issued to • Date cleared • Image of check (both sides) <p>Most of the same information could be used in an inquiry/search function when information on the check in question is incomplete.</p>		

Legend:

P*riority	1 = Mandatory	2 = Important	3 = Nice to Have
------------------	---------------	---------------	------------------