UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATIVE MEMORANDUM

SECTION: Fiscal Affairs NUMBER: 03.G.06

AREA: General Accounting

SUBJECT: Bank Account Reconciliation Procedures

1. PURPOSE

Each university of the University of Houston System maintains a number of bank accounts to support their activities. It is the responsibility of each university to reconcile their bank accounts to the records of their institutions monthly and to track all outstanding items, including discrepancies, to satisfactory resolution in a timely manner. This document applies to all universities and the bank accounts held in their names and sets general guidelines for universities to follow in developing procedures for reconciling bank account(s) to the financial records.

2. POLICY

- 2.1. Each university shall develop and maintain procedures for the monthly reconciliation of each bank account to the financial records. Statements not accessible via bank web sites will be provided by the System Treasurer. The System Treasurer will send copies of the monthly bank statements within three working days of their receipt from the bank.
- 2.2. The director of general accounting (director), or equivalent responsible person at each university, will ensure the reconciliation of each bank account to the financial records. Trained employees will prepare the monthly reconciliation reports. The director will designate the managerial/supervisory level employees responsible for reviewing the monthly reconciliation reports.
- 2.3. A monthly report is prepared documenting the reconciliation of each bank account and the review of entries in the financial records. Reconciliation reports will be completed and reviewed no later than 30 working days after the later of: receipt by reconciling department of the bank statements or the final accounting close of the fiscal month to be reconciled. The persons preparing and reviewing the reconciliation report will certify the report indicating the date the reconciliation report was completed and the date it was reviewed by management.

2.4. A reconciliation report includes:

2.4.1. Verification that entries (e.g., deposits, wire transfers, withdrawals, expenditures and revenue) on bank statements and monthly financial reports are accurate and agree with department records.

- 2.4.2. Identification of all reconciling items and the separation of those items into timing differences (i.e., those that will clear with the passage of time) and differences requiring adjustments to clear either by the bank or with an adjusting journal entry in the financial records.
- 2.4.3. An indication of preparation and timely transmittal of requests for corrections to the appropriate office. Documented requests for bank adjustments will be submitted to the System Office of the Treasurer within 20 working days of reconciliation completion. Journal entries developed for clearing other differences will be completed and submitted to the appropriate accounting office for review and data input within twenty working days of the date the reconciliation schedule is completed.
- 2.4.4. Completion, review, and approval of a formal reconciliation form consistent with Exhibit A.
- 2.5. Reconciliation reports shall be filed at the department and made available to internal auditors upon request. Reports are retained in accordance with records retention guidelines.
- 3. REVIEW AND RESPONSIBILITY
 Responsible Party: Associate Vice Chancellor for Finance
 Review: Every five years
 4. APPROVAL

 Approved: /Raymond Bartlett/
 Senior Vice Chancellor for Administration and Finance

 /Renu Khator/
 Chancellor

January 10, 2022

Date:

Exhibit A

Sample Bank Reconciliation Form

Sample University Bank Reconciliation Bank Name & Account Number ~ PS Account Number as of Month DD, YYYY

Description	Book (PS)	Bank	Comments
Ending Balance, Month DD, YYYY			
Timing Differences			
Deposits in Transit			
•			
Subtotals, Deposits in Transit		-	
Withdrawals Outstanding			
Subtotal, Withdrawals Outstanding			
Transfers In (Out) Outstanding			
Transiers in (Out) Outstanding			
Subtotals, Transfers In (Out) Outstanding		-	
(,			
Deposits in Transit (Book)			
Subtotal, Deposits in Transit (Book)			
Subtotal, Timing Differences	-	-	
Difference on Department Adjustment			
Differences Requiring Adjustment Bank Discrepancies			
Dank Discrepancies			
Subtotal, Bank Discrepancies		_	
Book Discrepancies			
Subtotal, Book Discrepancies			
Subtotal, Differences Requiring Adjustments	-	-	
AP ALE P DI M ALDD MANA			
Adjusted Ending Balance, Month DD, YYYY	≟	=	
This reconciliation was prepared according to	the current d	lesk manua	al procedure and it accurately
reflects the activity in these accounts.			r · · · · · · · · · · · · · · · · · · ·
Prepared by Date	!		
Reviewed by Date	 !		