Purpose:
The University requires all departments to reconcile their accounts on a monthly basis. In order to reconcile department accounts with the university’s Office of Accounting statement of account, the department must maintain accounting records. Biomedical Engineering (BME) Administrative Team Members are required to reconcile their assigned accounts weekly.

Description of Process:
1. What is Reconciliation?
   Reconciliation is a comparison of departmental accounting records with the Office of Accounting records.

   Reconciliation is similar to balancing a personal checkbook. It is a comparison of the transactions on the statement of account to the accounting documents you have created throughout the month. The voucher number should be written at the top of your departmental copy accounting records, and you should account for all transactions. Differences or discrepancies are usually due to timing; common examples of discrepancies include postage charges, some journal vouchers, and some IDTs.

   Should a discrepancy be due to something other than a timing difference, you will need to further investigate. The following information about a transaction becomes vital in tracking it down: voucher number, record date, P.O. number, etc. Do not leave items unreconciled indefinitely.

2. Why should it be done?
   Office of Accounting records and departmental records need to be compared to ensure they are both correct. Differences revealed by the reconciling process must be verified for accuracy. Errors made by the department can be corrected to get an accurate balance. Additionally, any errors made by the Office of Accounting can be reported and corrected by the Office of Accounting.

3. How is it done?
   The BME Department maintains and reconciles records electronically on the *DEFINE system using the approved Dean’s Office coding schematic. The Administrative Team Member reviews the LR2/LR3 or LP6 screens weekly to identify accounts that have had activity.

   For detailed instructions on how to reconcile an account, please watch the following video: Reconciliation Training Video. The following link will take you to the Office of Accounting Training Video Library: http://www.utexas.edu/business/accounting/trainlib.html

4. Monthly LR5 reports will be run by the BME Financial Analyst.
   The LR5 report will compare the departmental balances to the Office of Accounting’s balances. Any accounts out of balance will need to be researched by the Administrative Team Member to ensure that monthly reconciliation is being completed. Additionally, several IF2 reports will be used to ensure that object and departmental codes are being used consistently across the department.

5. Once the month has closed, the finalized LR5 report will be presented to the BME Department Chair for signature and kept on file by the Financial Analyst.

6. All accounting files will be kept in a centralized area and held per records retention guidelines.