Cost Center Reconciliation

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University Policies & Procedures

Procurement Services

➤ All purchases through either the procurement card or a purchase requisition are governed by state regulations. Please see the Discretionary Expenditure Policy/Matrix at http://procurement.nku.edu/content/dam/Procurement/docs/policies/expenditure_matrix.pdf for allowable expenditures.

➤ Departments are responsible for retaining ALL credit card receipts, cash register receipts, packing slips, and itemized meal receipts related to procurement card purchases. Itemized receipts are REQUIRED.

➤ Procurement cards are subject to random audits. Failure to follow the Procurement regulations may result in the revocation of the procurement card.

➤ Receipts and other documentation should be retained for 5 full fiscal years for University purchases. Receipts for Grant related purchases should be retained for 7 fiscal years.

➤ Allowable Meals (Off Campus):

   o Meals for job candidates (one university host and the candidate)

   o Meals using Foundation Funds (with pre-approval from Foundation Accounting)

   o Meals for organized student functions or traveling students

   o Meals authorized by Grants

➤ Allowable Meals (On Campus):

   o Chartwells

   o Meals for organized student functions

   o Meals authorized by Grants

➤ Note: If your receipt from a grocery chain has food on it, you must fill out an IRS Meals and Entertainment Form. All meals on and off campus must have the ITEMIZED meal receipts and an IRS Meals and Entertainment Form completed. The form is available at:

➤ http://procurement.nku.edu/content/dam/Procurement/docs/carddocs/meals_entertainment.pdf

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- ➢ The policies and procedures of Procurement Services can be found at http://procurement.nku.edu/.

Travel
- ➢ Travel is now completed through the Employee Self Services tab on MyNKU

- ➢ All travel expenses must be the most economical available.

- ➢ Meals are reimbursed at per diem rates for trips that include an overnight stay. Meal per diems are not permitted for daytime only travel. Meals during employee travel **CANNOT** be purchased using the procurement card.

- ➢ Itemized receipts are required for reimbursement of any item, other than per diems, exceeding $10.

- ➢ AAA is the University's preferred travel agent, the online booking tool through AAA is Concur.

- ➢ The University's travel policies and procedures can be found at http://comptroller.nku.edu/travel.html

Budget Transfers
- ➢ Budget transfers cannot cross funding groups. For example, a transfer between University and Foundation cost centers is not permitted.

- ➢ The purpose of a budget transfer is to fund items for another department/cost center. When a department is charging another for a service or product, an Interdepartmental Bill must be submitted. If an expense has been coded incorrectly, a recode must be requested.

Budget Availability
- ➢ SAP checks budget availability for every posting. Departments are responsible for keeping their cost centers from having credit balances. Keep in mind that any charges submitted via paper forms are not posted immediately. Procurement card purchases post weekly, if the expense has been reconciled by the department through Fifth Third's website.

- ➢ Budgets should be free of all credit balances at the end of the fiscal year. Any cost center with a credit balance at fiscal year-end will have the credit balance carried forward into the new fiscal year.

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Commitments

A commitment is an encumbrance of funds available. The funds have not been paid out yet. Commitments can be found in the "Commitment" column within the Department Budget Consumption report (ZFBC or ZFD1), and the Business Warehouse reports, Budget Management Report, PBC Payments Report and Travel Management Report. The Budget Management Report can be used to reconcile most commitments, though the Travel Management Report can be used for travel commitments and the PBC Payments Report can be used to reconcile payroll commitments.

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Dept.Budget Consumpt              Date: 11/10/2011                    Page:  1 /  1

Northern Kentucky University
Fiscal Year               2012

Fund/Group               *                                         (*           )
Funds Center Office of the Comptroller                  (213010001
Functional Area *                        (*
Funded Program/Group *                                    (*          )
Grant *                                          (*
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Commitment Item	Original Budge	Revised Budget	YTD Exp/Rev	Commitments	Parked Actual	Available Budg
550900 Travel Pool	3,400.00	3,400.00				
550914 Employee Travel-Domestic			868.03			
550930 Ed/Train/Reg/Fees	375.00	375.00				
551230 Maint-Equip-Svc Cont	250.00	250.00	86.00			
551235 Maint-Equipment	75.00	75.00				
* Operating Pool	12,493.00	26,815.79	3,173.13	74.26		23,568.40

Type of Commitment	SAP Doc starts with	# of digits
Purchase Requisition	1	8
Purchase Order (goods receipt required)	45	10
Purchase Order (goods receipt not required)	46	10
Purchase Order (Personal Services Contract)	47	10
Travel Authorization	Varies	4-6
Payroll Encumbrance	1	9

Procurement Workflow:

➢ Once a requisition has been saved (and is not under the "Held" status), funds will be encumbered within your cost center.

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- Procurement Services will create a purchase order based on the requisition, liquidating the requisition and creating a purchase order to re-encumber the funds.

- The purchase order commitment is liquidated with a goods receipt or an invoice receipt, whichever is processed first.

- Vendor payments are blocked until both the invoice receipt and goods receipt (if necessary) have been completed.

- Any original invoices received by your department should be forwarded to Accounts Payable for invoice receipt processing. Please note the requisition number on the invoice when possible.

Travel Workflow:

- Travel requests encumber as soon as they are saved. The requests are approved by the employee's immediate supervisor, and at each level of approval for the cost center, through the Vice Provost/Vice President level.

- Travel expenses encumber as soon as they are saved. Expenses are approved by the responsible person on the cost center. After approvals, the travel expenses are reviewed and approved by Accounts Payable.

- Any residual encumbrances on a travel request will be liquidated when processing the related travel expense. The initial request must be used when processing the expense.

- For any travel that is cancelled, the travel request must be deleted from SAP.

Salary Encumbrances:

- Salary encumbrances are based on the remaining pay periods times the hourly rate times the hours per pay period (this comes from the employee' PAR)

- All active employees are encumbered, beginning with the last week of June, on weekly basis to adjust for any new hires, separations, new supplemental pay, changes in account assignment, etc.

- After payroll runs (every other Tuesday for biweekly and approximately 5 days before the end of the month for monthly), the program liquidates one pay period times the hourly rate times the hours per pay period.
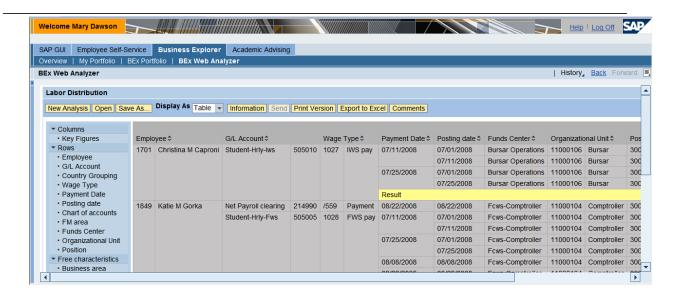
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Actuals

Actuals are the revenues and expenditures that have been posted.   Actual expenses can be found in the "YTD Exp/Rev" column within the Department Budget Consumption report (ZFBC or ZFD1). The Business Warehouse report, FI Transaction List by Month, can be used to reconcile actual revenues and expenditures. The report can be run by calendar month/year and will default to your security based on the Funds Center Hierarchy. The recommendation is to export the report to Excel and match receipts to each transaction. The Business Warehouse reports, Labor Distribution and FI Transaction List by Month – Manual Payroll Entries, can be used to obtain detail for payroll postings. The Travel Reimbursements Report, also through Business Warehouse, will provide details regarding reimbursements for travel expenditures. Another Business Warehouse report, Recipients Report, can be used to find details regarding student scholarships.

Doc Type	Examples/Description	SAP Doc starts with	# of digits
Journal Entry	Recodes, Vehicle Billings, Interdepartmental Bills	1	9
Parked Vendor Invoice	Petty Cash, Payments from Foundation account	19	10
Payroll Posting Run	Monthly and biweekly payrolls	25	10
Procurement Card		26	10
Bursar Feed	Deposits, Student Scholarships	28	10
Payroll Adjustments		29	10
Payroll Accruals	Year-end entries for biweekly salary/benefits	30	10
Departmental Uploads	Postage, Copy Center, Printing Services, Telephone Line & Maintenance, Central Storage Supplies	31	10
Travel	Expense Reimbursements	32	10
Goods Receipt	Processed by department to verify receiving of goods purchased via requisition	50	10
Invoice Receipt	Processed by Accounts Payable	51	10

Payroll Reconciliation

➢ To reconcile any payroll postings, you will need to run the Labor Distribution and the FI Transaction List by Month – Manual Payroll Entries in the Business Warehouse Reporting.

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Any salary/benefit discrepancies should be reported as discovered to Human Resources. Please complete the Labor Distribution Discrepancy form found at:

➢ http://hr.nku.edu/content/dam/human-resources/toolkit-docs/Labor_Distribution_Discrepancy_Request_.pdf

Manual Payroll Entries

➢ The FI Transaction List by Month – Manual Payroll Entries is designed to provide a list of manual payroll transactions (cost distribution adjustments to employees that have been withdrawn from their position and some year-end entries) that have posted for the selected period.

Purchase Order Reconciliation

➢ On ZFBC or ZFD1, you can drill into any non-budget amount to view all transactions related to the total. You can double-click any transaction in the document journal to bring up an overview of the entry.

   o The overview will display any relevant paper document number in the "Reference" field.

   o For procurement card documents, click the "Display Document Header" (top hat icon) to display the procurement card holder name in the "Doc. Header Text" field.

   o For additional detail on journal entries (recodes, etc.), click the "Services for Object" icon, and select "Attachment List". Double-click the attachments listed in the pop-up window to view attached documentation.

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- o On invoice receipt documents, double-click the purchase order listed in the "Purch. Doc." column. On the next screen, double-click the "Purchasing Doc." again to get back to the original P0 related to the invoice.

Parked Vendor Invoice Workflow

➤ Parked vendor invoices, used for Foundation and Agency expenditures, utilize SAP workflow. The parked vendor invoice will go to the workflow of the responsible person on the cost center.

➤ Supporting documentation for the parked vendor invoice must be attached to the SAP document.

Scholarships

➤ To reconcile any student scholarships, you will need to run the Recipients Report in Business Warehouse.
Discrepancies should be directed to Financial Assistance.

Budget Documents

Supplements are transfers, processed by central offices. Any supplemental funding from the Budget Office will be posted as a supplement. Transfers between revenue and expenditures are also processed as supplements. These transfers are processed by the Office of the Comptroller based on departmental requests. The Revenue Budget Transfer Request form can be found at: http://comptroller.nku.edu/accounting/forms.html These documents will appear under the "Supplements" column in the Budget Report (ZFB1). Transfers from carry forward funds are listed under the "Carry For-Rec" column.

Budget Transfer Workflow:

➤ The funds from a budget transfer will appear as available as soon as the document is "preposted".

➤ Funds are not actually available until the transfer has completed the workflow process.

➤ Workflow will send the transfer for approval to the responsible person on the cost center, up through the Vice President/Vice Provost level. After being approved at that level, the transfer will be approved by the

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Office of the Comptroller, and possibly the Budget Office. The g/l of both the sender and receiver lines determines whether or not a transfer requires Budget Office approval.

➢ G/L pools should be used when possible on budget transfers.

University Credit Balance Report

The University Credit Balance Report is designed to provide a view of all University credit balances (revenue, personnel, operating, etc.) and should be run as part of the monthly reconciliation process. During fiscal year-end (June-July), the report should be run more often, to prevent the carry-forward of credit balances into the new year.

Please note that this report excludes all Foundation, Grant and Agency funds centers.

Fixed Assets

Moveable Equipment & Fixed assets are part of the operating pool. The g/l account should be coded as follows:

➢ For a single item that is more than $500 - $4,999, use g/l range 551005 - 551065.

➢ For a single moveable item that is $5,000 or more, use g/l range 570105 - 570165.

➢ For a single fixed item that is $5,000 or more, use g/l range 570005 – 570070.

➢ Payments from these g/l ranges will use budget from the operating pool.

Any single moveable item $500 or more must be tagged. Please code these items correctly. Tina Herald in the Comptroller's Office will contact you to have the item tagged.

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Turnaround Times and Contacts

Document Type	Reference Number	Turnaround	Contact
Requisition	System assigned requisition number	Purchase Order created within 2 weeks of requisition completion/approvals	Procurement Services
Purchase Order	System assigned PO number	See above. P0 created within 2 weeks of requisition completion/approvals	Procurement Services
Goods Receipt	System generated goods receipt number	Departmental posting - Document appears in budget reports upon posting	Procurement Services
Invoice Receipt	Invoice number in reference field	Payment entered within 1 week of A/P receiving invoice	Melody Sumner
Travel Request	System generated request number	Funds committed upon departmental posting	Nikki Koeninger
Travel Expense	System generated expense number	Payment approved within 1 week of A/P receiving completed travel expense report	Nikki Koeninger
Recode	System generated journal entry number	Recoded within 1 week of receipt of completed recode request via email	Kim Sanders
Vehicle Billing	VB number in reference field/system generated journal entry number	Entered within one week of Comptroller's Office receiving completed form	Lisa Lange
Interdepartmental Bill	IB number in reference field/system generated journal entry number	Entered within one week of Comptroller's Office receiving completed form	Lisa Lange
Technology IBs	IT number in reference field/system generated journal entry number	Entered within one week of Comptroller's Office receiving completed form	Lisa Lange
Postage	Text in document journal/system generated departmental upload number	Uploaded at end of month	Kim Sanders
Copy Center	CC number in reference field/system generated departmental upload number	Uploaded at end of month	Kim Sanders
Printing Services	PS number in reference field/system generated departmental upload number	Uploaded at end of month	Kim Sanders
Telephone Charges	Line # in text in document journal	Uploaded at end of month	Kristine West
Central Storage	CSCS number in reference field/System generated departmental upload number	Uploaded at end of month	Kristine West
Payroll Accrual	System generated payroll accrual number	Posted at year-end	Tonya Smiley
Petty Cash	System generated parked vendor invoice number	Charges posted every 1 - 2 weeks	Diana Reincke

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Document Type	Reference Number	Turnaround	Contact
Payroll Posting	System generated payroll document numbers	Biweekly – Tues/Wed before pay date; Monthly – 3 – 5 days before pay date	Lauren Franzen
Procurement Card	System generated procurement card document number	Uploaded weekly	Holly Vasquez
Payroll Adjustment	System generated payroll posting document number	Within 1 month of receiving the completed Labor Distribution Discrepancy Form	Lauren Franzen
Cash Transmittal	Bag number in reference field/System generated deposit document number	Entered within 2 weeks of deposit at Bursar's window	Jim Woll
Student Scholarships	System generated scholarship document number		Financial Assistance
Budget Transfer	System assigned transfer number	Workflow up to VP level; approved by Comptroller's Office within 2 -3 days	Adam Hall
Assets			Tina Herald

***NOTE: All postings are subject to budget availability.