



FIN-023 Reconciling Unit Accounting Records

Effective Date Tuesday, August 11, 2009

Status Final

Last Revised Wednesday, June 22, 2022

Policy Type [University](#)

Contact Office

[Financial Reporting and Operations](#)

Oversight Executive

[Vice President and Chief Financial Officer](#)

Applies To

Academic Division The College at Wise

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Reason for Policy

Reconciliations of all University accounts are required to maintain the integrity of the University's accounting records and to protect the interests of the University. Reconciliations are essential for an effective internal control environment so that:

- The information transmitted to, contained in, and reported from the University's financial systems is accurate, complete, and recorded in a timely manner.
- The information can be relied upon for making financial and administrative decisions.
- Irregularities are quickly detected, reported to the appropriate authorities, and resolved to prevent recurrences.

Definition of Terms

Account Certification

The functionality and business process within the finance system used to perform monthly reconciliations. This process includes both expenditures and revenues.

Approver

The employee who has the authority and knowledge to approve transactions on the account.

Cost Center

A required worktag (in the UVA account structure) that denotes the area that owns a subset of revenues and/or expenses to support management decision making or accountability.

Designated Worktag

The financial data that is used for funding other than gifts and grants such as discretionary, state appropriations, Equipment Trust Fund, including earned revenue such as tuition and Facilities & Administrative costs.

Foundation Data Model (FDM)

The name of the UVA chart of accounts. FDM strings are comprised of required and optional worktags and are included on every transaction.

Gift Worktag

The financial data that is used for pledges, outright contributions received from private sources, or activities supported by an external party (i.e., donor).

Grant Worktag

The financial data that is used for activity that meets the University's policy definition of a sponsored program (e.g., federal, state, local, and private).

Preparer

The employee who performs the monthly detailed reconciliation and prepares documentation for approval.

Reconciliation

A systematic review of accounts against source documents to (1) verify that all charges are accurate, appropriate, and charged to the correct Foundation Data Model string; and (2) identify expected charges that have not yet occurred.

Worktags

The financial data required to submit a financial transaction in the finance system, such as Cost Center, Project, Fund, Grant, and Spend category.

Policy Statement

The timely reconciliation of transactions is an important part of responsible stewardship of University resources and an effective system of internal controls, thus the following requirements have been established:

1. Reconciliation using Account Certification:

Units must reconcile each cost center and gift/grant/designated worktags no later than 30 calendar days after the end of the month. Both the preparer and the approver must certify that all transactions are appropriate, necessary, charged to the correct Foundation Data Model (FDM) string, and supported by

documentation filed in the department. **Any variance must be documented, including the time frame for expected resolution.**

The timely review and certification of transactions of all FDM strings are critical to maintaining the integrity of the University's accounting records. Units must maintain files that are sufficient to support the accuracy and completeness of data entered into the financial system(s) of record. This documentation must be retained by the unit to satisfy University, state, federal, and, if applicable, sponsor records retention requirements (see policy [IRM-017: Records Management](#)) and to support transactions in case of audit.

Unit leaders/supervisors are responsible for verifying that preparers and approvers complete all required training and comply with applicable University policies, procedures, and standards related to reconciliation, system access/use, and record retention.

2. Use of University System(s) of Record:

The University system(s) of record must be used for reconciling FDM strings in accordance with University account certification procedures. University units are not permitted to establish or operate independent accounting systems without approval by the Associate Vice President for Financial Operations. For those units that have an approved independent system, that system can be referenced for supplemental detail in support of unit account certifications.

3. Compliance with Policy:

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination in accordance with relevant University policies.

Questions about this policy should be directed to [Financial Reporting and Operations](#).

Procedures

Under development. Please contact UVA Finance for questions.

Related Information

[FIN-021: Internal Control](#)

[IRM-017: Records Management](#)

Major Category [Finance and Business Operations](#)

Next Scheduled Review Sunday, June 22, 2025

Revision History

Revised 6/22/22; Updated 2/16/18, 1/25/18 (procedures); 11/16/17; 10/12/17; 6/30/11.

Applies To Text

Academic Division and the College at Wise.

Supersedes Policy Text

II.B.2, University Reviews and Reconciliations.

Last modified April 18, 2024 - 2:43pm

Approved By Policy Review Committee

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