



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.40, **Bank Reconciliation**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish responsibility and guidelines regarding the monthly reconciliation of TTUHSC El Paso's bank accounts.

REVIEW: This HSCEP OP will be reviewed on April 1 of each even numbered year (ENY) by the director of Accounting Services with recommendations for revisions forwarded to the chief financial officer by April 15.

POLICY/PROCEDURE:

- I. It is the responsibility of Accounting Services to monthly reconcile the bank accounts to the institution's general ledger, identify outstanding items, and create entries for reconciling items as needed.
- II. The bank reconciliation preparer will ensure the bank statement balances to the institution's general ledger. A designated supervisory level employee will be responsible for reviewing and approving the monthly bank reconciliation.
- III. Each bank account will contain a monthly reconciliation report. The report will reconcile the bank account with its corresponding balance sheet account. The reconciliation report must be completed and turned in for review before the close of the fiscal period. The fiscal period will close on the 10th day of the subsequent month. All supporting documentation must be attached to the reconciliation report.
- IV. The reconciliation report will consist of:
 - A. A copy of the bank statement.
 - B. A copy of the bank's balance sheet month-end balance.
 - C. A copy of the outstanding checks report, if applicable.
 - D. Identification of all outstanding items and/or discrepancies.
 - E. Any general ledger adjusting entries made for bank reconciling items.
- V. Any outstanding checks will be factored in the bank reconciliation report. A Cognos report will be attached to the appropriate bank reconciliation with all the outstanding checks. Any outstanding checks older than three years will be submitted to unclaimed property for processing, per HSCEP OP 50.13.
- VI. Before the close of the fiscal period, the bank reconciliation must be reviewed and approved by the designated supervisory level employee. The bank reconciliation report must be accompanied by any necessary adjusting entries for the month being closed.
- VII. After the close of the month, an updated ledger end balance will accompany the reconciliation report. This will show any outstanding items that remain after the close of the month.

- VIII.** After the close of the month, a bank reconciliation form will be filled out for each bank account by the bank reconciliation preparer. The form will document the final month's ledger balance and any reconciling items that remain after the close of the month. It is the bank reconciliation preparer's responsibility to perform detailed research for reconciling items after the month close. Outstanding reconciling items should be resolved within 30 days after month-end closing. Research findings shall be recorded on the form and appropriate documentation must be attached.
- IX.** The bank reconciliation preparer will sign and date the forms indicating all after close reconciling items have been identified and appropriate documentation is attached. The bank reconciliation forms must be turned in for approval by the end of the subsequent month.
- X.** After the bank reconciliation and forms are reviewed and approved, the documents shall be filed with Accounting Services.