

SPONSORED PROJECT



Reconciliations



What is a reconciliation?

The review of documentation on all expenditures to ensure the expense is allocable, reasonable, allowable and accurate

Verification of expenses posted in SAP match the documentation



Why reconcile?

Demonstrate financial oversight of funds

BPM requirement

Serves as the primary method for detecting errors, omissions and fraud

Ensures all corrections are identified and processed timely

Allows for maximum utilization of funds

Reduces administration burden and risk on timely corrections



Who is responsible to reconcile?

Departmental staff identified as responsible for managing the funds

If no designated person is identified, the PI is the responsible person

Reconciler and approver both certify the reconciliation



What is included in the review?

Review expense documentation

Ensure documentation is sufficient to support expense

Match documentation to expenses posted in SAP

Ensure expense was processed and posted (product/service invoices received and paid)

Identify missing postings for followup (i.e. tuition, DLAR, etc)



What is included in the review?

Review labor distribution reports for reasonableness with time spent on the project

Review encumbered/open items to determine if action is needed to resolve (i.e. travel, subawards, JVs, POs, procards, etc)

Review available budget



When are reconciliations due?

At least monthly



What if an error is found?

Correct the expense immediately

Process a JV or change the payroll distribution to correct the error

Delays in identifying or processing the correction can be indicative of a lack of appropriate financial oversight

Log corrections identified



What if an error is found?

Follow up continuously to ensure correction is processed timely including unresolved corrections from previous reconciliations

Delays in correcting expenses can become exception JVs or unallowable expense



Resources

BPM E-1-3 Fiscal Roles and Responsibilities

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-1-3.pdf>

BPM E-17-6 Reconciliation and Review of Financial Transactions

<https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-17-6.pdf>

OSPA Project Management <https://www.research.uky.edu/office-sponsored-projects-administration/project-management>

Hand in Hand Reconciliation Procedures

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/Reconciliation%20procedures.pdf>



Extras

Who can I contact for assistance?

Business Officer

College Grants Officer

FA (Financial Administrator)

Presentations: <http://www.uky.edu/ufs/sponsored-projects-bits-pieces-presentations>

RFS: <https://www.uky.edu/ufs/research-financial-services>

UFS: <https://www.uky.edu/ufs/>

