Business and Finance



Business Office - Accounting Disbursement Operating Bank

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**IMPORTANT:** This guideline is not all-inclusive, nor does it address every situation that may arise. Its sole purpose is to guide management and to provide reasonable assurance in the following categories:

• Effectiveness and efficiency of operations

• Reliability of financial reporting

• Compliance with the Mississippi Board of Trustees of State Institutions of Higher Learning (IHL) and the University’s policies and procedures

• Compliance with applicable state and federal laws and regulations, and

• Safeguarding the University’s assets and resources.

The Business Office homepage is located at http://www.jsums.edu/finance/businessoffice/, where you will find important, answers to common questions, directions to the office and staff contact information. All correspondence may be mailed to the following address:

Jacksons State University

Business Office

P.O. Box 17159

Jackson, MS 39217

Business Office Mission Statement

The ***Business Office*** is charged with the responsibility of supervision over the fiscal affairs of the University.  This office ensures that the financial practices are both sound and clear, to ensure effective, efficient, and reliable financial reporting.  We are cognitive of the fact that the University’s financial practices and reporting methods serve as a support mechanism in the administrative and fiscal decision making process in the pursuit of accomplishing the university goals. This is done through the effective management of Student Accounts Receivables, Accounts Payable, Accounting, and Finance Module Administration.  The Director manages all accounting internal controls to mitigate risk; ensures that the official accounting records of the University are current and accurate for the safeguarding of the University assets.

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# DEFINITIONS

Analysis - The process of providing a detailed evaluation and interpretation of financial information.

Balance Sheet Account - An account in the University’s general ledger that records and summarizes financial transactions representing assets and liabilities of the University. Assets represent economic resources that benefit future accounting periods such as accounts receivable and investments, while liabilities represent external obligations of the University, such as bonds and leases payable.

Designated Fund - A fund maintained to account for funds for specific purposes which are not restricted by donors or supporting agencies. The Designated Fund includes organized departmental activities associated with the academic programs, conferences and seminars.

GASB –Governmental Accounting Standards Board -

General Ledger Accounts - The accounts taken as a whole represent the University's balance sheet, which represents the University's financial position. G/L accounts are grouped by type (i.e.: inventory accounts, receivables, etc). General Ledger accounts are used to record assets, liabilities, fund balances, fund additions, fund deductions, and summaries of accounting entries from related subsidiary ledger accounts.

The General Ledger is the basis for the chart of general ledger accounts and is used throughout the University. The chart of accounts provides control over all financial transactions and resource balances.

Journal Voucher/Entry (JV) - A document used to record debit(s) and credit(s) to be posted to the Operating and/or General Ledgers, reflecting transactions or adjustments.

Resources - Revenue is money collected from internal or external sources within a given fiscal year (excludes budget transfers).

Review - The process of examining financial information for accuracy and reasonableness. If determined to appear inaccurate or unreasonable, further investigation is warranted.

Subsidiary Systems – A separate, independent computer system that is used to record, process and report specialized or selective financial information. An example of a subsidiary system is a computer system that is used to track costs for University Auxiliary and create internal or external billing.

# OBJECTIVE STATEMENT

## PURPOSE

It is important that the University maintain a positive reputation regarding the stewardship of all monies, whether public, federal or privately provided. It is also recognized that it is equally important that sound fiscal processes be in place that will address the needs of the University community in an efficient and effective manner. While it may not be all inclusive, the advantages of having this written document are to:

* Better educate employees
* Outline clear performance standards
* Assure legal compliance

The University promotes effective controls to ensure the protection of assets, accurate financial reporting and effective use of resources. These statements are issued as a guide regarding activities associated with Business Office.

## ADHERENCE

All are expected to adhere to these guidelines. Willful disregard of this shall be considered non-compliance and may result in a formal reprimand up to and including termination.

# INSTRUCTIONS

## Bank Statement

The disbursement operating reconciliation begins by downloading the Bank Plus Disbursement Operating Bank Statement to post all entries that are made by journal voucher (e.g. transfers, interest, fees, etc.).

## Journal Entries

1. Transfer Entry (Rule Code ZBTE)
	* + 1. DR 99000-104000 (Bank Code 32)
			2. CR 99000-103000 (Bank Code 20)
2. Stop Payment Entry (Rule Code ZSCE) One sided entry
	* 1. 100000-409000-725090-60
3. Interest Income Entry (Rule Code ZIIE) One sided entry
	* 1. 160000-100000-409000-5590005-01
	1. Reconciling Items (Only for items that are on the Bank Statement but has not been posted to the General Ledger)
		1. 100000-298008
4. Present the journal voucher to the supervisor for review and approval
5. Once the supervisor approves the journal voucher (only if it is error free), the staff accountant will complete the journal entry in Banner.
6. Run General Ledger report (FGRGLTA) for reconciliation purpose (990000-104000) from banner and then download it into excel. This report is used to generate some of the Bank reconciliation schedules as well as the disbursements for that month. Please review the steps as listed below.
	1. Go to form **FGRGLTA** (General Ledger Report) in banner
	2. **Next Block** to parameters (located at the bottom) or click **go**
	3. Put in fiscal year (e.g. **19**)
	4. Chart of Accounts**: J**
	5. Fund To/From: **990000/990000**
	6. From Account/To Account: **104000/104000**
	7. From/To Date: First day through Last day (e.g. **01**-SEP-2018/**30**-SEP-2018)
	8. Include Accrual: **N** (for all months except June) Y in June
	9. Print Fund Totals: **Y**
	10. Click **submit** and **save** (Save symbol located at the bottom of the General Ledger Report Form)
	11. Click **Related**; **Review Output**
	12. Double click within the **File Name** Box
	13. Click **OK**
	14. Click **Tools**
	15. Click on **Show Document (Save and Print File)**
	16. Click **Yes**
	17. **Select All** and **Copy**
	18. **Paste** report into Microsoft Excel
	19. Click on **Convert Text to columns**
	20. Click **next**
	21. **Set field widths**
	22. Click **Next**
	23. Click **Finish**

##  Disbursements

1. Once the General Ledger has been downloaded into a spreadsheet, sort it by rule code type and then by date. The disbursements are identified by DNEI and DNNI whereas the cancellations are identified as CNEI, CNNI, and DNNC.
2. Copy and paste all of these items into a different worksheet. Insert a Row at the top and sort 1Sort by debits /credits and then in a different column multiply the debits by negative one. Cut and paste these amounts and paste into the credit column. Subtotal these amounts.
3. Copy and paste special the checks into a different worksheet to obtain the checks for current month.

## Outstanding Checks.

1. Obtain an outstanding check list from the previous month's outstanding checks and add the current month's check to it.
2. Use the downloaded bank statement to compare the outstanding checks with the checks that have cleared the bank using the V Lookup function in excel. Assure that there are no cancellations of checks that need to be removed from the outstanding check list. If there are cancelled checks, simply remove them from the outstanding check list.
3. Checks that have not cleared after a 3 month period (90 days) will be eliminated from the listing and are posted in Disbursement Operating Escheat Account by making the following journal entry:

 DR 990000 - 104000

 CR 100000- 200016

Retrieve a copy of the previous month's bank reconciliation and save as the new month.

On the reconciliation (Bank Reconciliation Lead Sheet), change the beginning bank balance, debits, and credits to agree with totals on the bank statement so that the correct ending bank balance is generated.

Change the Balance per Books to the amount of the beginning cash balance on the general ledger.

Complete the Disbursement Operating Bank Reconciliation Work Book (Schedules A-I). Once all appropriate tabs have been completed, the difference at the bottom of the Bank Reconciliation Lead sheet should be zero confirming that the Adjusted Bank Balance equals the Balance per Book. Please refer below for the explanation of each tab of the Bank Reconciliation Work Book.

1. Schedule A – Deposits in Transits (N/A)
2. Schedule B- Other Credits (Items other than deposit in transits, that are debits on the General Ledger but are not in the bank) N/A
3. Schedule C – Outstanding Checks
4. Schedule D- Other Debits (Direct Deposits that have posted to the General Ledger but have not posted to Bank Plus Disbursement Operating Bank Account)
5. Schedule E – Transfer In (General Ledger transfers from the Operating Bank Plus Account)
6. Schedule F – Other Debit Adjustments (Debits to the General Ledger) Total voids/cancellations for rule codes CNEI, CNNI, CNEP, DNNI, DNNC, and ZESC
7. Schedule G – Cash Disbursement (Cash Disbursements) Total Disbursements for Rule codes CNNC, DNEI, DNNI, and FT01)
8. Schedule H – Bank Transfers (Transfer from this account into another Bank Plus Account) Usually, there are no funds that are transferred out of this account
9. Schedule I – Other Credits (Credit adjustments to General Ledger) e.g. Entries to remove checks from the stale dated check list, stop payment fees. etc.

 The Disbursement Operating Bank Reconciliation is now complete.

Submit to the Supervisor for review