UL Meeting

January 21, 2015
Agenda

1. SOA Reconciliation
   • Role of SSC and Unit
   • Management Reports
   • Required Supporting Documentation
   • New eReconciliation Fields

2. Journal Entry Workflow
The Role of SSC in SOA Reconciliation

1. The Shared Services Center (SSC) will reconcile exception transactions to ensure the completeness, accuracy and validity of the General Ledger (GL).

2. The SSC will notify units via email to request missing source documents or ask for clarification on existing documentation.

3. The SSC will notify units by the 10th business day of each month that their unit’s reconciliation is complete and they should review the management report “Reconciliation Detail”
Exception Transactions

The SSC will be working on exception based transactions. Each night, a worklist will be populated with transactions that have been flagged as exceptions from which the SSC will work.

Examples are transactions that:

• Have not been approved in another system
• Are above a threshold
• Have been approved by an unexpected person
• Required reconciliation
<table>
<thead>
<tr>
<th>Transactions</th>
<th>Mark as Reconciled</th>
<th>SSC to Reconcile</th>
<th>Random Audit</th>
<th>Support to SSC</th>
<th>Reconciliation in Other Unit</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Financial Operations</td>
<td>Allocations are distributions of funding.</td>
</tr>
<tr>
<td>AP Bank Entry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AP Bank Entry are banking staff transactions after they close AP (noon on the 3rd workday of the month). They use these journals to book PS checks, wires, manuals, EFTs, and any voids. The APE, APO and APW journals are used by the banking area and hit the General Ledger bank cash and institutional cash.</td>
</tr>
<tr>
<td>AP - AP Student Refunds</td>
<td></td>
<td></td>
<td>Random audit</td>
<td></td>
<td></td>
<td>AP Student Refunds are used to refund students for overpayment on accounts.</td>
</tr>
<tr>
<td>AP - SUB Internal &amp; External</td>
<td></td>
<td></td>
<td>Random audit</td>
<td></td>
<td></td>
<td>Service Unit Billing (SUD) are transfers of funds among University departments for services provided by internal vendors.</td>
</tr>
<tr>
<td>AP - PO Online Voucher</td>
<td></td>
<td></td>
<td>Random audit</td>
<td></td>
<td></td>
<td>PO Online Vouchers are created to pay a vendor when a PO was created.</td>
</tr>
<tr>
<td>AP - PO eSettlement Voucher</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>PO eSettlement Vouchers are purchases with a PO to authorized vendors.</td>
</tr>
<tr>
<td>AP - eBilling Upload Voucher</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>eBilling Vouchers are payments to vendors using a shortcode. Procurement is in the process of moving vendors from eBilling to eSettlement.</td>
</tr>
<tr>
<td>AP - PeoplePay Voucher</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PeoplePay Vouchers are refunds/reimbursements typically to individuals but sometimes vendors.</td>
</tr>
<tr>
<td>AP - Non-PO Online Voucher</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>Non-PO Online Vouchers are invoices for transactions that do not have a PO ID. May be refunds, reimbursements, or payments.</td>
</tr>
<tr>
<td>AP - Non-PO Upload Voucher</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-PO Upload Vouchers are invoices for transactions that do not have a PO ID. May be refunds, reimbursements, or payments.</td>
</tr>
<tr>
<td>AP - Non-PO eSettlement Voucher</td>
<td></td>
<td></td>
<td>X</td>
<td>Complete NEW</td>
<td></td>
<td>Non-PO eSettlement Vouchers are payments to strategic vendors using a shortcode using the hosting account.</td>
</tr>
<tr>
<td>Hosting</td>
<td></td>
<td></td>
<td>online form</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Non-PO eSettlement Voucher</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>Non-PO eSettlement Vouchers are payments to strategic vendors using a shortcode excluding the hosting account.</td>
</tr>
<tr>
<td>Non-Hosting</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>AP - Adjustment Voucher</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>Adjustment Vouchers account for credits or additional charges not on the original invoice/voucher.</td>
</tr>
<tr>
<td>Appropriations</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Office of Budget and Planning</td>
<td>Appropriations are funding distribution to units by the government.</td>
</tr>
<tr>
<td>Asset Management</td>
<td></td>
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<tr>
<td>Billing &amp; Accounts Receivable</td>
<td></td>
<td></td>
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<td></td>
<td>Accounts Receivable</td>
<td>Billing and Accounts Receivable are invoicing external customers for services provided.</td>
</tr>
<tr>
<td>Cash Receipt Manual</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>Banking Services</td>
<td>Cash Receipt Manual transactions are used to book ACH, wire payments, and lockbox transactions.</td>
</tr>
<tr>
<td>Cash Receipt System</td>
<td></td>
<td></td>
<td>X-U</td>
<td></td>
<td>Banking Services</td>
<td>Cash Receipt System transactions are created when deposits are picked up from cash depository locations and processed by the bank.</td>
</tr>
<tr>
<td>Credit Card Manual</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>Banking Services</td>
<td>Credit Card Manual transactions are used to manually distribute the credit card fees across the credit card merchants.</td>
</tr>
<tr>
<td>Transactions</td>
<td>Mark as Reconciled</td>
<td>SSC to Reconcile</td>
<td>Random Audit</td>
<td>Support to SSC</td>
<td>Reconciliation in Other Unit</td>
<td>Definition</td>
</tr>
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<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Credit Card System</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Banking Services</td>
<td>Credit Card System transactions are used to record credit card transactions processed through the terminal and uploaded into our system from the bank. Units will be responsible to monitor refunds.</td>
</tr>
<tr>
<td>Concur</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Concur transactions are refunds/reimbursements to employees using the Concur tool and P-Card transactions. The upfront automated approval process mitigates the need for back-end reconciliation.</td>
</tr>
<tr>
<td>DART System</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Development</td>
<td>DART System transactions are journal entries recording gifts deposited to the University gift tracking database.</td>
</tr>
<tr>
<td>Development Manual (over $10K)</td>
<td>X</td>
<td></td>
<td>Random audit &lt; $10k</td>
<td>Provided by Office of Development</td>
<td></td>
<td>Development Manual transactions are when DART is not capable of posting to the General Ledger. For example, security gifts are manually written.</td>
</tr>
<tr>
<td>Distributions</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Financial Operations</td>
<td>Distribution transactions record distributions from pooled endowments.</td>
</tr>
<tr>
<td>Endowment Mark-to-Market</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Financial Operations</td>
<td>Endowment Mark-to-Market transactions are system general journal entries that post monthly to adjust for the market changes that take place between the quarters, which can result from a mid-quarter withdrawal.</td>
</tr>
<tr>
<td>FLOC Project Grants</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Sponsored Programs</td>
<td>FLOC Project Grants are federal letter of credit transactions where the university draws on the federal government accounts.</td>
</tr>
<tr>
<td>HSIP</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Treasurer's Office - HSIP</td>
<td>HSIP is the Human Subject Incentive Program. These transactions are to pay human subjects for research related projects. The upfront automated approval process mitigates the need for back-end reconciliation.</td>
</tr>
<tr>
<td>ISR Monthly Payroll</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Institute of Social Research</td>
<td>ISR Monthly Payroll transactions are for ISR to accrue monthly Sick Holiday Vacation.</td>
</tr>
<tr>
<td>Journal Entries</td>
<td>X</td>
<td>Random audit &lt; $10k</td>
<td>Attached to journal in Imaging</td>
<td></td>
<td></td>
<td>Journal Entries record transactions or move existing transaction in the university's General Ledger.</td>
</tr>
<tr>
<td>North Campus Payments</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Banking Services</td>
<td>North Campus Payment transactions are used for student travel reimbursements/advances that are approved by Procurement.</td>
</tr>
<tr>
<td>Payroll Bank Entries</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Payroll Office</td>
<td>Payroll Bank Entries are manual journals created by the Payroll Office to move revenue to the units and cash to outside agencies for amounts deducted/withheld from employees’ paychecks each payroll.</td>
</tr>
<tr>
<td>Sponsored Journal Entries</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Sponsored Programs</td>
<td>Sponsored Journal Entries record transactions or move existing transaction in the university’s General Ledger related to sponsored project grants.</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>X-U</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Student Financial Aid transactions record payments to students.</td>
</tr>
</tbody>
</table>

*X-U: The unit will be responsible to reconcile these transactions per Internal Controls gap analysis.*
The Role of the Units in SOA Reconciliation

1. Units will be responsible for reviewing management reports to look for abnormal patterns and trends to identify unexpected payments.

2. Units will be responsible for supplying SSC with supporting documentation as requested.

3. The unit will be responsible for reconciling Cash and Student Financial Aid transactions.
### SOA Management Reports

<table>
<thead>
<tr>
<th>Management Reports</th>
<th>Informative Reports</th>
<th>Error Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Five Year Trend</td>
<td>• Approver Table Roles</td>
<td>• JE’s Initiated by Outside Department/ Department Group</td>
</tr>
<tr>
<td>• Yearly Trend</td>
<td>• Total Picture Effort Report by Project Director</td>
<td>• Payroll Funding Dept/ Appointing Dept Mismatch</td>
</tr>
<tr>
<td>• Payroll Five Year Trend</td>
<td>• Journal Entries Pending Approval</td>
<td>• Payroll Pay Estimates Compared to Actual Pay</td>
</tr>
<tr>
<td>• Payroll Yearly Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Procurement Yearly Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Procurement Spend Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Procurement Five Year Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Student Financial Activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Service Unit Billing Yearly Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Service Unit Billing Five Year Trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reconciliation Detail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Combined Activity Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Available now for P/G’s)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Supporting Documentation Requirements

Most transactions have supporting documentation attached. For transactions **without** supporting documentation:

- Units will be required to send supporting documentation via online form for:
  - **PO Vouchers between $1,500 and $10,000** – confirm receipt of goods and services
  - **Shortcode hosting expenses** – complete online Hosting form
- Units may upload support to eReconciliation.
- When reconciling, SSC may request supporting documentation via email.

**Note:** **Shortcut hosting expenses** occur when using a shortcode to pay for hosting expenses.
Supporting Documentation Online Form

Click [here](#) to add an attachment.

**Type of support**
- [ ] PO Voucher
- [ ] Hosting

**PO number**


**Certification**
- [ ] The item has been received and the chartfields and amount are correct.

**Multiple shipments**
- [ ] The PO has multiple shipments.

**Vendor**


**Comments**


[Submit]
eReconciliation Changes

Reconciliation Activity

Selection Criteria

- Business Unit: UMICH Fund
- DeptId: 415900
- Program: 
- Project/Grant: 
- Journal ID: 
- Empl ID: 
- Journal Date: 07/01/2014 To 07/31/2014

Search

SOA Detail  Voucher Detail  AR:Billing Detail  Payroll Summary  Payroll Detail  SFN Detail

PI Name:  Project Start/End Dates:  Budget Period Start/End Dates:

- View only access in eRecon. This will allow you to view the status of a transaction, and to add notes or supporting documentation.

- In-scope units will have view only access in eRecon.

- eRecon has been restructured to be viewed using any combination of:
  - Fund
  - Department
  - Project Grant
  - Program
  - EmplID
  - Journal ID
  - Journal date range
### eReconciliation Changes

#### SOD Detail

<table>
<thead>
<tr>
<th>Journal ID</th>
<th>Journal Date</th>
<th>Description</th>
<th>Fund</th>
<th>Dept</th>
<th>Org</th>
<th>Account</th>
<th>Account Desc</th>
<th>Amount</th>
<th>251</th>
<th>Revenue</th>
<th>Expense</th>
<th>Note</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>0095491172</td>
<td>07/29/2014</td>
<td>1 UMS Cita to Econ Seminar</td>
<td>194365.81</td>
<td>10000</td>
<td>415000</td>
<td>FACUL</td>
<td>21000 C1157662</td>
<td>459680</td>
<td>459680</td>
<td>459680</td>
<td>3,000.00</td>
<td></td>
<td>Add</td>
</tr>
<tr>
<td>0095491172</td>
<td>07/29/2014</td>
<td>2 UMS Cita to Econ Seminar</td>
<td>194365.81</td>
<td>10000</td>
<td>415000</td>
<td>LECTU</td>
<td>11000 U041846</td>
<td>459680</td>
<td>459680</td>
<td>459680</td>
<td>6,000.00</td>
<td></td>
<td>Add</td>
</tr>
<tr>
<td>0095800190</td>
<td>07/31/2014</td>
<td>171445 RRGISInfoKing 2</td>
<td>100000</td>
<td>415000</td>
<td>11133</td>
<td>22000 U035813</td>
<td>459680</td>
<td>459680</td>
<td>459680</td>
<td>3,000.00</td>
<td></td>
<td>Add</td>
<td></td>
</tr>
<tr>
<td>0095800190</td>
<td>07/31/2014</td>
<td>4143 Goodspeed 41294</td>
<td>100000</td>
<td>415000</td>
<td>10130</td>
<td>11000 U013130</td>
<td>459680</td>
<td>459680</td>
<td>459680</td>
<td>500.00</td>
<td></td>
<td>Add</td>
<td></td>
</tr>
<tr>
<td>0095800190</td>
<td>07/31/2014</td>
<td>57 REF Indian 412944</td>
<td>100000</td>
<td>415000</td>
<td>11000</td>
<td>21000 U004398</td>
<td>459680</td>
<td>459680</td>
<td>459680</td>
<td>6,000.00</td>
<td></td>
<td>Add</td>
<td></td>
</tr>
<tr>
<td>010499096</td>
<td>07/31/2014</td>
<td>3 Payroll Monthly FY14</td>
<td>100000</td>
<td>415000</td>
<td>CSTSH</td>
<td>31000 PG29003</td>
<td>500490</td>
<td>500490</td>
<td>500490</td>
<td>500.00</td>
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<td>Add</td>
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</tr>
<tr>
<td>010499096</td>
<td>07/31/2014</td>
<td>2 Payroll Monthly FY14</td>
<td>100000</td>
<td>415000</td>
<td>FY14</td>
<td>16500 40000 U041352</td>
<td>500980</td>
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<td>10,995.31</td>
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<tr>
<td>010499096</td>
<td>07/31/2014</td>
<td>2 Payroll Weekly FY14</td>
<td>100000</td>
<td>415000</td>
<td>CURBAR</td>
<td>22000 U003905</td>
<td>503030</td>
<td>503030</td>
<td>503030</td>
<td>2,305.00</td>
<td></td>
<td>Add</td>
<td></td>
</tr>
</tbody>
</table>
**eReconciliation Changes**

**Status** - Field used to identify the state of a transaction's reconciliation

- **1 WIP** – SSC is working to reconcile the transaction
- **2 New** – SSC has not started to reconcile
- **3 Pend Unit** – The transaction is pending a unit response
- **4 Pend SSC** – The transaction is pending SSC (Ex: JE is being written)
- **5 Complete-0** – SSC has reconciled the transaction
- **6 Complete-A** – The transaction was reconciled automatically
### eReconciliation Changes

#### SOA Exception Type
- **System assigned value based on auto-reconciliation rules. Used by SSC to identify why a transaction could not be auto-reconciled.**
  - **AN** – Approver Null – There is no approver on the transaction
  - **OT** – Over threshold – The transaction is above the specified threshold
  - **AF** – Approver Failed – The approver on the transaction does not match the approver on the approver table for the department ID
  - **RR** – Reconciliation Required – Reconciliation is required for this transaction type
**GPR Exception Type** – System assigned value based on auto-reconciliation rules. Used by SSC to identify why a transaction could not be auto-reconciled.

- CR – Comp Rate – Comp rate on pay check doesn't match comp rate on job data
- AP – Additional Pay – Additional pay doesn't match additional pay workflow or additional pay entered in HR system
- PL – Payline – Direct entry by Payroll Office into the M-Pathways Payline page, which feeds into an employee's paycheck.
- TS – Timesheet Shortcode – DeptID of override shortcode on Timesheet page doesn't match the DeptID of the Empl Record Number for the job from which the employee is being paid.
- TA – Time Approver – Approver's DeptID doesn't match the DeptID of the Empl Record Number for the job from which the employee is being paid.
- TE – Time Reporting Code/Eam Code not equal – The time reporting codes/hours on the timesheet page don't match the earnings codes/hours on the employee's paycheck.
Resolution Type – Field used to identify how an exception transaction was resolved.

- CA – Confirmed as accurate
- JE – Journal entry required
- ST – Salary Transfer
- TA – Timesheet Adjustment
- OCP – Off-Cycle Payment
- APC – Additional Pay Correction
- OTH – Other
**eReconciliation Changes**

**Reason Code** – Field used to determine why transaction was not “Confirmed as accurate.” Required when Resolution Types of “Other” or “JE” are selected.

- **IAP** – Incorrect approver – The approver was not the right person to approve the transaction
- **ICF** – Incorrect ChartField – The wrong chartfields were used
- **IPM** – Incorrect purchasing method – The wrong purchasing method was used
- **OTH** – Other

**Note:** Reason codes do not apply to GPR transactions
eReconciliation Changes

**Assigned Reconciler** – Uniqname of the person assigned in SSC to reconcile the transaction
eReconciliation Demo
Journal Entry Workflow
How are Journal Entries Processed?

JE’s are entered in M-Pathways by creating a JE online, or by uploading a JE data file.

Units will have the option to:
• continue processing JE’s in their Unit
• request SSC to process a JE at any time using an online form
NEW Journal Entry Roles

The following roles identify the individual performing the task to request, post, and approve the journal entry:

- **Requester** - Identifies the need for a journal entry (usually someone in the unit, or is the person the SSC works with during the reconciliation process who confirms a JE should be written.
- **Creator** - Uploads or enters the JE online.
- **Approver** - Determines the accuracy and appropriateness of the transaction before the JE is posted to the GL (the unit's assigned approver).
- **Ad Hoc Approver** - An additional approver step in M-Pathways before the JE can be posted to the GL. This is optional.

**Note:** To ensure separation of duties exist, the **Requester** cannot equal the **Approver**.
Supporting the Journal Entry

Providing appropriate support for a financial transaction is an essential element of internal control.

There are two methods for supporting a journal entry:

- Journal entry descriptions
- Attaching supporting documentation

**Note:** Units will no longer need to submit cover sheets / hard copy supporting documentation for Sponsored JE’s.
Approving the Journal Entry

**Today:**
- All JE's are **manually** routed for approval

**Tomorrow:**
- JE's are electronically routed for approval if there is a line $\geq$ $10,000
- JE’s < $10,000 units should review management reports
- SSC will reconcile JE’s where the DeptID on the line is different than the Requester’s Appointing DeptID
- SSC will perform a random audit of JE’s <$10k
Approving a Journal Entry

Approvers should review a JE to confirm it is:

- Appropriate
- Accurate
- Legitimate within university guidelines
- Has proper chartfield combination
- Contains proper supporting documentation
Journal Entry Notifications

• **Approver** will receive Approval Required notification
  • Reminder email is sent 3 business days prior to month-end if JE is not approved

• **Creator** will receive JE Approved notification which identified that the JE has been approved and is ready to be posted

• **Requester** will receive JE Posted notification which identifies that the JE has been posted to the GL
How to Request a JE from SSC

**CREATE JE**
Complete online form and submit to the SSC to create a JE with supporting documentation attached

**UNIT**

**SSC**
Creates the JE
The Unit will receive notification from M-Pathways when the JE has been posted
Journal Entry Online Request Form

Journal Entry Request

Click @ here to add an attachment.

Journal ID

More Information

NEXT

Journal Date

Requester

Malorie Lauzon

Category

-- None --

Comments

Submit
Journal Entry Workflow Demo