

CLARK ATLANTA UNIVERSITY

Policy 7.7.3: Grants & Contracts Reconciliations Policy



CLARK ATLANTA UNIVERSITY		
POLICY AND PROCEDURES	Subject: Grants Receivable Reconciliations	
Department: Finance - OGCA	Review Date:	Issued By: Vice President for Finance and Business Services and Chief Financial Officer
	Effective Date:	
Distribution: Office of Grants and Contracts	Date of President's Approval:	No. of Pages: 4

Table of Contents

Page

1.0 Policy Statement..... 3

2.0 Procedural Narrative..... 3

3.0 Entities Affected By This Policy..... 3

4.0 Definitions..... 3

1.0 Policy Statement

The Office of Grants and Contracts Accounting reconciles all Line of Credit (LOC) grants receivable accounts during the subsequent LOC draw request. All billing grants receivable are reconciled by the 15th of the following month.

2.0 Procedural Narrative

Reconciliations are performed to ensure (1) the accuracy and validity of the entries and balances posted to the general ledger during the month, (2) the payments are accurately recorded, and (3) unauthorized changes/charges did not occur.

Line of Credit (LOC)

Line of Credit receivables are reconciled each time a request for reimbursement is prepared by the Grant Analyst. LOC receivables are reconciled by comparing the current expenditure draw request with the current LOC receivable balance. Because LOC payments are usually paid within two business days, the expenditure balance for the current draw request must equal the current LOC receivable balance. Variances between these two amounts are reconciled before the draw request is processed. The variance is usually due to undistributed cash (Account Number 2195) not being applied to the outstanding receivable balance. The Grant Analyst completes a journal entry to move the variance amount out of the undistributed cash account to the outstanding receivable account. Once this entry is made, the LOC receivable balance will reconcile with the current LOC draw request.

Invoice Billing

Grant invoice billing receivables are reconciled after each invoice has been submitted to the appropriate agency for payment. The Grant Analyst compares all unpaid invoices from the Grants Receivable Log to the grant receivable balance in the general ledger. Any discrepancy between these two amounts are researched by the Grant Analyst and reconciled before the next billing cycle. If the amount cannot be reconciled by the Grant Analyst, it is then forwarded on to the Manager of Grants and Contracts Accounting for resolution.

3.0 Entities Affected By This Policy

Office of Grants and Contracts

4.0 Definitions

General Ledger – The General Ledger (G/L) is a collection of an organization's accounts. The G/L is organized by account.

Journal Entry – A journal entry is a record of the accounting information for a transaction. The journal entry usually has a date, account to be debited and account to be credited along with a short explanation.

Letters of Credit (LOC) - LOC's are instruments from awarding agencies that allow payment requests to be made in advance for anticipated expenditures (if allowable) or for reimbursement of expenditures already incurred. These requests called "draws" can be made every day as long as the funds are applied toward expenditures that will occur within three (3) days of the request or have already been incurred and can be supported with appropriate documentation.