
WVU POLICY

DIVISION OF FINANCE

RECONCILIATION OF FUNDS

1. PURPOSE & SCOPE

- 1.1. **Purpose** – To establish requirements for the reconciliation of funds by fund owners.
- 1.2. **Scope** – This policy applies to all West Virginia University departments, including those on the regional campuses - Potomac State College of WVU, WVU Institute of Technology, Charleston division of the Robert C. Byrd Health Sciences Center, Jackson's Mill State 4-H Conference Center and Camp, and the WVU Farms – and the West Virginia University Research Corporation.

2. POLICY

- 2.1. This policy is applicable to all fund owners. This policy is applicable to all funds including, but not limited to, funds for sponsored awards, student financial aid and public private partnerships.
- 2.2. Ownership of the fund identifies the unit responsible for reconciliation of balances and monitoring of activity.
- 2.3. **Central funds** – Central funds are reconciled by central administration on a monthly basis.
- 2.4. **Clearing funds** – The cash balance in clearing funds should be reconciled by the fund owner on a monthly basis. All transactions that make up the cash balance in the fund should be identified and provided to central administration upon request along with a brief explanation as to when the transaction or cash balance will clear to zero. The cash balance, and any balance in specific clearing line items (such as line items for revenue clearing and expenditure reduction clearing), should be cleared by fiscal year end close. The fund owner must also be prepared to provide an explanation for any balance in these clearing line items to Institutional Accounting, Reporting and Analysis upon request.
- 2.5. **Non-central funds** – All transactions on non-central funds should be reconciled by the fund owner on a monthly basis. The fund owner is responsible for ensuring that transactions



posted correctly and for initiating corrections of any errors and/or any internal transfers to cover negative cash balances within a reasonable amount of time and no later than the end of the current fiscal year. Support for any balances must be provided to central administration upon request.

2.6. Unreconciled or unsubstantiated balances could result in audit findings. Incorrect transactions or balances could result in the University's financial statements being inaccurate or misleading.

2.7. Reconciliations and support for balances must be provided to Institutional Accounting, Reporting and Analysis and/or Treasury Operations upon request.

3. DEFINITIONS

3.1. **CENTRAL FUND** – Funds allocated by the University's central administration. These funds are managed and controlled by central administration.

3.2. **CLEARING FUND** – Funds used to hold transactions temporarily. These funds should be routinely cleared and should not normally have a cash balance.

3.3. **FUND OWNER** – The owner of the fund as designated by the college owner assigned to the fund.

3.4. **FUND** – Represents ownership of assets, liabilities, revenues, expenses, and fund balance (net position) by a fund owner.

3.5. **NON-CENTRAL FUND** – Funds with revenue generated by a college or department. These funds are managed and controlled at the college/department level.

3.6. **RECONCILIATION** – Accounting process that reconciles one set of records to another set of records to ensure records are correct and in agreement.

4. RESPONSIBILITIES

4.1. **Interpretation** – The responsibility for interpretation of this policy rests with the Senior Associate Vice President for the Division of Finance or designee.

4.2. **Application** – The responsibility for application of this policy rests with the Institutional Accounting, Reporting and Analysis.

4.3. **Procedure Development** – The responsibility for procedure development of this policy rests with Institutional Accounting, Reporting and Analysis.



5. AUTHORITY & REFERENCES

- 5.1. WVU Board of Governors Finance & Administration Rule 5.1 Approvals and Delegation of Authority for Financial and Administrative Matters (under consideration for approval and out for public comment).

6. SUPERCEDES

- 6.1. This policy supersedes all other Reconciliation of Funds policies, procedures or guidelines at the University to the extent those documents are inconsistent with and fall under the scope of this policy.

Signature: Barbara Weiss Date: Apr 29, 2024

Barbara Weiss
Senior Associate Vice President – Division of Finance



FIN-IARA-3 Reconciliation of Funds

Final Audit Report


2024-04-29

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