

# Financial Checklist

## Purpose

The purpose of this Financial Checklist is to assist your organization in identifying areas to be addressed prior to and subsequent to the close of each financial period. This checklist is not all-inclusive and your organization should perform additional procedures as applicable.

## General Ledger

1. The General Ledger module is the official record of the governmental entity's financial accounts. The purpose of the general ledger is to: 1) prepare the financial statements and 2) establish opening balances. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) asset, liability and fund balances are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Monitor the daily reports and queries. Refer to the State Accounting Office (SAO) website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-GL-Reports or Queries for assistance.
  - Correct the online/offline journal edit, budget and recycle errors. \_\_\_\_\_
  
3. Examine the following areas and record adjusting entries as applicable.
  - Review the general ledger by fund to ensure no amounts were posted to funds that should not be in use by your organization (e.g., the use of fund "A" rather than "A1"). \_\_\_\_\_
  - Review the general ledger by business unit, fund and program to confirm all clearing accounts have a zero balance or net to zero. \_\_\_\_\_
  - Review the general ledger for manual journal entries. If applicable, adjust the transaction so that the detail resides in the subsidiary module/ledger. \_\_\_\_\_
  - Review the general ledger by program for the appropriateness of accounts payable and accounts receivable balances. \_\_\_\_\_
  - Review the general ledger and confirm petty cash accounts (except Imprest petty cash) have no entries unless the amount of money to be accounted for is changed (increased or decreased). \_\_\_\_\_
  - Review the General Fixed Asset Account Group (GFAAG) ledger and confirm that no revenue and expense transactions are posted. \_\_\_\_\_

# Financial Checklist

## Cash/Cash Equivalents

1. Cash includes money on hand (petty cash) and deposited with a financial institution (cash in banks). Cash equivalents are financial instruments of high liquidity and safety that are readily convertible to known amounts of cash (e.g., treasury notes, certificate of deposit). The cash activity in the financial modules is compiled to generate ending balances for cash that are recorded to the general ledger. The confirmation and reconciliation of data in the cash accounts is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) asset accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following bank statements and the financial module subsidiary ledgers, reports and queries to the corresponding ending balances on the general ledger. Record adjusting entries for reconciling items as applicable. Refer to the Phoenix website ([phoenix.gagta.com](http://phoenix.gagta.com)) select Financials-AP-Special Processing-Balancing Procedures for assistance.
  - PeopleSoft Operating bank data to the Operating bank statement. \_\_\_\_\_
  - Operating bank statement to the ending balance on the general ledger. \_\_\_\_\_
  - Payroll bank statement to the ending balance on the general ledger. \_\_\_\_\_
  - All other bank statements, including the Imprest petty cash, to the ending balances on the general ledger. \_\_\_\_\_
  - Petty cash balances (currency and coin on hand) and the Petty Cash journals (disbursements with supporting documentation) to the ending balance on the general ledger. \_\_\_\_\_
  - Financial institution statements for cash equivalents to the ending balance on the general ledger. \_\_\_\_\_
  - If applicable, adjust manual journal entries that are identified as reconciling items so that the detail resides in the subsidiary module/ledger. \_\_\_\_\_
  
3. Examine the following areas and record adjusting entries as applicable.
  - Replenish petty cash based upon expenditures. \_\_\_\_\_
  - If applicable, bank accounts for which activity and balances are not recorded on the general ledger, record adjusting entries to ensure that all accounts are properly reported. \_\_\_\_\_
  - Outstanding checks are subject to a defined holding period and should be verified on an on-going basis for each financial institution. If applicable, void and cancel outstanding checks and remit the funds to the Department of Revenue. Refer to the Accounting Procedures Manual for the State of Georgia, pages 4-6-1 through 4-6-3. \_\_\_\_\_

# Financial Checklist

## Expenditures/Liabilities/Disbursements

1. The Accounts Payable module is used to record and monitor transactions owed vendors and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Accounts Payable module. The activity in the module results in ending balances for expense/expenditures, payable and other related accounts that are recorded to the general ledger. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) liability accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Accounts Payable subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger. Record adjusting entries for reconciling items as applicable. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-AP-Special Processing-Balancing Procedures for assistance.
  - Cash disbursement activity in each cash account (except payroll) to the activity on the general ledger. \_\_\_\_\_
  - Expense activity to the activity on the general ledger. \_\_\_\_\_
  - Travel and Per Diem/Fees activity to the activity on the general ledger. \_\_\_\_\_
  - Travel report and the Per Diem/Fees report Account Summary section to the accounts payable and purchase order activity for only the current fiscal year on the general ledger. \_\_\_\_\_
  - Outstanding Payable Vendor balances to the ending balances on the general ledger. \_\_\_\_\_
  - Outstanding Payable Program balances to the ending balances on the general ledger. \_\_\_\_\_
  - If applicable, adjust manual journal entries that are identified as reconciling items so that the detail resides in the subsidiary module/ledger. \_\_\_\_\_
  
3. Monitor the daily reports and queries. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-AP-Special Processing-Balancing Procedures and Financials-AP-Reports or Queries for assistance.
  - Correct budget, match and recycle errors. \_\_\_\_\_
  - Correct transactions not posted, such as, vouchers on hold, vouchers not posted, negative vouchers, payments not applied, payments not posted. \_\_\_\_\_

# Financial Checklist

## Expenditures/Liabilities/Disbursements

4. Examine the following areas and record adjusting entries as applicable.
  - Each month, review all payable ending balances on the general ledger by business unit, fund and program and the vendor subsidiary ledger for debit balances and determine if valid. Record adjusting entries if applicable or prepare an explanation for debit balances if valid. \_\_\_\_\_
  - Each check-run, from the Operating bank account, confirm the payee, address and amount before checks released. \_\_\_\_\_
  - Each month, confirm all system generated and manual check numbers are accounted for. \_\_\_\_\_
  - Each month, confirm transactions on the Travel report are for employees only. \_\_\_\_\_
  - Each month, review all payments made to elected or appointed board and commission members for compensation that is not considered “reimbursable”. Payments should be made through the payroll system and not recorded as Per Diem. Refer to the Accounting Procedures Manual for the State of Georgia, page 4-3-1. \_\_\_\_\_
  - Prior to the close of the June period, compare Payable, Travel, Per Diem and Fees, Contract and Grant account balances on the current fiscal year general ledger to an equivalent period on the prior fiscal year general ledger. Analyze material differences to determine if account balances are accurately stated. \_\_\_\_\_

# Financial Checklist

## Purchasing

1. The Purchase Order module is used to record and monitor requisitions and purchase orders for the procurement of goods and services from vendors and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Purchase Order module. The activity in the module is compiled to generate ending balances for encumbrance and related accounts that are recorded to the general ledger. The confirmation and reconciliation of the data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) liability accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Purchase Order subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger. Record adjusting entries for reconciling items as applicable.
  - Open Purchase Orders (encumbrances) to the ending balances on the general ledger. \_\_\_\_\_
  - Purchasing Card (Visa) statement to the Purchases Journal. \_\_\_\_\_
  
3. Monitor the daily reports and queries. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-PO-Reports or Queries for assistance.
  - Correct budget errors. \_\_\_\_\_
  - Correct transactions not posted, such as, completed/cancelled purchase orders with encumbrance, unapproved requisitions, requisitions not budget checked, purchase orders for current year with no budget check. \_\_\_\_\_
  
4. Examine the following areas and record adjusting entries as applicable.
  - Each month, examine the Purchasing Card (Visa) statement and confirm that each transaction amount is in compliance with the standard threshold set by the State of Georgia Purchasing Card Program (Contract Guide SWC 60695). \_\_\_\_\_
  - Each month, review purchase orders and confirm the National Institute for Governmental Purchasing (NIGP) codes are used. Refer to the NIGP Code Search and Purchase Order Review User Manual for instructions ([doas.georgia.gov](http://doas.georgia.gov)). \_\_\_\_\_
  - Review all outstanding purchase orders and cancel those that are no longer valid. \_\_\_\_\_

# Financial Checklist

## Revenues/Receivables/Receipts

1. The Accounts Receivable module is used to record and monitor transactions owed by customers and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Accounts Receivable module. The activity in the module is compiled to generate ending balances for cash, revenue, receivable and related accounts that are recorded to the general ledger. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) asset accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Accounts Receivable subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger. Record adjusting entries for reconciling items as applicable.
  - Cash receipts activity in each cash and clearing account to the activity on the general ledger. \_\_\_\_\_
  - Open Accounts Receivable ending balances to the ending balances on the general ledger. \_\_\_\_\_
  - Revenue activity to the activity on the general ledger for each fund. \_\_\_\_\_
  - Employee Travel Advance (cash advance) ending balances to the ending balances on the general ledger. \_\_\_\_\_
  - Cash receipts and deposits using valid bank documentation to the daily cash receipts journal. \_\_\_\_\_
  - Open Accounts Receivable ending balances to the ending balances on the billing sub-system. \_\_\_\_\_
  - State Appropriation revenue and receivable ending balances to the Office of Treasury and Financial Services (OTFS) data. The OTFS data can be accessed using the GTA Electronic Reporting System (ebill.gagta.com). \_\_\_\_\_
  - If applicable, adjust manual journal entries that are identified as reconciling items so that the detail resides in the subsidiary module/ledger. \_\_\_\_\_
  
3. Monitor the daily reports and queries. Refer to the SAO website (sao.georgia.gov) select Financial Systems-PeopleSoft Financials-AR-Reports or Queries for assistance.
  - Correct budget, deposit and posting errors. \_\_\_\_\_
  - Correct transactions not posted, such as, direct journals, payments, and receivable items. \_\_\_\_\_

# Financial Checklist

## Revenues/Receivables/Receipts

- 4. Examine the following areas and record adjusting entries as applicable.
  - Each month, review all receivable balances on the general ledger by business unit, fund, and program and the customer subsidiary ledger for credit balances and determine if valid. Record adjusting entries if applicable or prepare an explanation for credit balances if valid. \_\_\_\_\_
  - Each month, review the Aging Detail report to determine appropriate action for collection. \_\_\_\_\_
  - Prior to the close of the June period, compare the revenue and receivable account balances on the current fiscal year general ledger to an equivalent period on the prior fiscal year general ledger. Analyze material differences to determine if account balances are accurately stated. \_\_\_\_\_
  - Confirm all Federal programs have a Catalog of Federal Assistance (CFDA) number assigned. \_\_\_\_\_

# Financial Checklist

## Asset Management/Capital Assets

1. The Asset Management module is used to record and monitor financial information for all purchased, donated or self-constructed assets and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Asset Management module. The activity in the module is compiled to generate ending balances for asset and related accounts that are recorded to the general ledger. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) asset accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Asset Management subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger. Record adjusting entries for reconciling items as applicable. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-AM-Asset Management Reconciliation Procedures for assistance.
  - Asset Management activity to the activity on the general ledger. \_\_\_\_\_
  - Assets transferred from Accounts Payable to Asset Management. \_\_\_\_\_
  - Capital asset activity to the activity on the GFAAG or GAAPACTUALS general ledger. \_\_\_\_\_
  - Capital asset ending balances for each account on the General Ledger Inventory report, General Ledger Reconciliation Detail/Summary report and GFAAG or GAAPACTUALS general ledger. \_\_\_\_\_
  - Accumulated Depreciation activity to the activity on the GFAAG or GAAPACTUALS general ledger. \_\_\_\_\_
  - Depreciation Expense activity to the activity on the GFAAG or GAAPACTUALS general ledger. \_\_\_\_\_
  
3. Monitor the reports and queries. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-AM-Reports or Queries for assistance.
  - Each month, review the General Ledger Inventory report for Profile ID's not defined as capital assets and amounts below standard capitalization thresholds (Refer to the State of Georgia Capital Asset Guide, page 2). Record adjusting entries for items not identified as capital assets. \_\_\_\_\_
  - Each month, confirm Profile ID's listed for each asset transaction are compatible with the expense account (i.e., non-capitalized and capitalized assets are expensed to the proper accounts). \_\_\_\_\_
  - Assets which are considered movable personal property with an acquisition cost less than \$5,000.00 may be on the Agency Inventory report, but not depreciated. Items susceptible to theft or loss as well as \_\_\_\_\_

## Financial Checklist

items identified by management for other reasons should be included in this group.

---

### Asset Management/Capital Assets

4. Examine the following areas and record adjusting entries as applicable

- Each week, confirm there are no assets in the interface file. 

---
- Prior to the close of each month, review capital asset transactions and confirm all ancillary costs that are directly attributable to the asset acquisition and set-up have been included as part of the capitalized cost. Refer to the State of Georgia Capital Asset Guide. 

---
- Prior to the close of the June period, compare capital asset account balances on the current fiscal year general ledger to an equivalent period on the prior fiscal year general ledger. Analyze material differences to determine if account balances are accurately stated. 

---
- Prior to the close of the June period, compare the General Ledger Inventory report to a physical inspection of all capital assets. All capital assets must be accounted for with explanations for discrepancies. Record adjusting entries as applicable. Refer to Accounting Procedures Manual for the State of Georgia, page 3-1-29. 

---
- Prior to the close of the June period, confirm all assets that have been disposed, considered obsolete and transferred to another agency are removed from the Asset Management records. 

---
- Prior to the close of the June period, confirm all assets transferred to the organization have been properly recorded (and depreciated if applicable) into the Asset Management module. 

---
- If significant inventories exist for materials and supplies, a physical inventory should be taken on June 30<sup>th</sup> and compared to the subsidiary ledger. Research all discrepancies and record adjusting entries as applicable. Refer to the Accounting Procedure Manual for the State of Georgia, pages 3-1-13 to 3-1-15. 

---

# Financial Checklist

## Labor Distribution

1. The Labor Distribution module is used to record and monitor payroll information and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Labor Distribution module. The activity in the module is compiled to generate ending balances for labor related accounts that are recorded to the general ledger. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) liability accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Labor Distribution subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger.
  - Labor Distribution activity to the Payroll activity. \_\_\_\_\_
  - Payroll Cash Disbursement activity to the activity on the general ledger. \_\_\_\_\_
  - Personal Services expense activity to the activity on the general ledger. \_\_\_\_\_
  
3. Monitor the reports for each pay period. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)) select Financial Systems-PeopleSoft Financials-LD-Reports for assistance.
  - Correct labor distribution messages, chartfield validation, offline post/un-post errors and checks without earnings. \_\_\_\_\_
  - Confirm the automated labor clearing process is complete. \_\_\_\_\_

# Financial Checklist

## Budget Preparation/Execution (Only Organizations included in the Appropriations Act)

1. The Budget Control module is used to record and monitor financial information and to provide subsidiary ledgers, reports and queries to assist in the maintenance of the Budget Control module. The confirmation and reconciliation of data in the module is to ensure: 1) maintenance is performed each day, 2) reconciliations are performed each month, 3) reconciling items are identified and corrected in a timely manner, 4) all relevant transactions are properly recorded and posted, 5) liability accounts are accurately reported as of a specific date and 6) proper documentation is available to management and auditors.
  
2. Reconcile the following Budget Control subsidiary ledgers, reports and queries to the corresponding accounts on the general ledger. Record adjusting entries for reconciling items as applicable.
  - Balance the General Ledger, General Ledger Activity report and Budget Comparison report. \_\_\_\_\_
  
3. Monitor the reports and queries. Refer to the SAO website ([sao.georgia.gov](http://sao.georgia.gov)), select Financial Systems-PeopleSoft Financials-BCM-Reports or Queries for assistance.
  - Correct budget errors. \_\_\_\_\_
  - Transactions not budget checked. \_\_\_\_\_
  
4. Examine the following areas and record adjusting entries if applicable.
  - Prior to the close of the fiscal year-end, identify items from the prior budget year which were paid at an amount greater than originally established on the encumbrance where the excess was not charged to current year expense. \_\_\_\_\_
  - Prior to the close of the June period, review the Budget Comparison report at the business unit and program/project level in order to identify any budget overages. Analyze expenditures and if applicable, only re-rate transactions that are identified as being recorded to an incorrect program/project. \_\_\_\_\_

# Financial Checklist

## Other

1. Each month, reconcile the subsidiary ledgers, reports and queries between financial modules. Record adjusting entries for reconciling items as applicable.
  - Payroll retirement withholdings for employee deduction and employer contribution to the Payroll Confirmed report. \_\_\_\_\_
  - Payroll Confirmed report withholdings for employee deduction and employer contribution to the Retirement report. \_\_\_\_\_
  - Labor Distribution employer contributions for State Health Benefit Plan (SHBP) to the Employer contribution rate (salary expense times contribution rate) to the Accounts Payable amount. \_\_\_\_\_
  - Payroll Health Insurance Employee Membership to the Membership Enrollment Management System Reported Membership Totals (refer to Department of Community Health, [ebill.gagta.com](http://ebill.gagta.com)) \_\_\_\_\_
  
2. Examine the following areas and if applicable record adjusting entries.
  - Each month, review employees in the “Special Processing” section of the Retirement report. Identify employees that need additional employee deductions and/or employer contributions. \_\_\_\_\_
  - Review prior year audit adjustments proposed by the auditors (and accepted) make sure these adjustments are reflected in the appropriate financial modules. \_\_\_\_\_
  - For organizations included in the Appropriations Act, begin the analysis of changes in fund balance (detail amounts posted to surplus account). \_\_\_\_\_