

State of Georgia Accounts Payable/Disbursements Reconciliation Summary

Introduction

Each agency should run the following queries for each month close to ensure that for:

- *Unprocessed Transactions* – all transactions have been processed through the Accounts Payable system, and
- *General Ledger Reconciliation* – the balances and activity reconcile between AP and the GL.

The following reports/queries should be performed and verified on an on-going basis.

Unprocessed Transactions – these reconciliations ensure that all transactions have been processed through the Accounts Payable system. These queries identify unprocessed transactions that should be corrected to ensure that all voucher and disbursement activity is properly processed:

1. 0AP042_VOUCHERS_NOT_POSTED – Vouchers Not Posted
2. 0AP043_PAYMENTS_NOT_POSTED – Payments Not Posted
3. 0AP014_VOUCHERS_ON_HOLD – Vouchers On Hold

General Ledger Reconciliation – these reconciliations ensure that the activity processed in AP during the month, and the current liability balances in AP, reconcile to the activity and balances reported in the GL.

1. *Accounts Payable Liability Balances* – The results of these reports/queries are used to reconcile the accounts payable liability accounts balance between AP and GL. The liability accounts are:

200001 - Accounts Payable	210002 - Contracts Payable	210057 - ContrPay DOT CtyUtity
200002 - Accounts Payable	210003 - Contracts Payable	210058 - ContrPay DOT Other
200003 - Accounts Payable	210004 - Contracts Payable	210070 - Contracts Pay-17-DHR
200004 - Accounts Payable	210005 - Contracts Payable	230001 - Due to Other Funds
200005 - Accounts Payable	210006 - Contracts Payable	233001 - Interfund Payable
200006 - Accounts Payable	210007 - Contracts Payable	233053 - Interfund MS Trusts 457
200007 - Accounts Payable	210050 - ContrPay DOT ComConstr	233054 - Interfund MS Trusts401k
200008 - Accounts Payable	210051 - ContrPay DOT CntyConstr	233055 - Interfund MS Trusts Res
200009 - Accounts Payable	210052 - ContrPay DOT CtyContr	202050 - Inter Gov Pay-Local_DHR
200010 - Accounts Payable	210053 - ContrPay DOT CntyROW	201001 - Intergov'tl Pay-Fed'l
206001 - Comp Absences Payable	210054 - ContrPay DOT Railroads	202001 - Intergov'tl Pay-Local
207001 - Claims & Judg Pay Cur	210055 - ContrPay DOT PubUtity	234001 - Intrafund Payable
210001 - Contracts Payable	210056 - ContrPay DOT CntyUtity	215530 - W/Fringe Employer CurCon
		200050 - W/H Employee Cur Consol

2. *Disbursements/Activity* – The results of these reports/queries are used to reconcile the cash disbursement/expense activity in the AP module to the following accounts in the GL.
 - Cash Accounts (100000 series)
 - All Expense Accounts (500000 through 999999)
 - Key specific Expense Accounts:
 - Travel Expenditures (640000 through 640999)
 - Per Diem & Fees (651000 through 651999)

The following sections describe these reconciliations in detail.

Unprocessed Transactions

In PeopleSoft, it is possible to have vouchers and payments that have not been posted. The following queries identify those specific transactions that require further followup, correction, and processing. These queries show all AP transactions that have not posted. These transactions should be corrected before month end close.

Vouchers Not Posted

0AP042_VOUCHERS_NOT_POSTED – Vouchers Not Posted

This query will display a detailed list of voucher information for vouchers that have not been posted and closed vouchers for which closing entries have not been posted. Relevant status information is also included on each voucher (post status, close status, budget checking status, entry status, etc.).

Potential reasons for these transactions include:

- Match Errors – Match Errors are displayed on the Match Exceptions Report (APS4005X) or the Match Exceptions panel (Go -> Administer Procurement -> Enter Voucher Information -> Inquire -> Match Exceptions). The exceptions should be corrected as much as possible before month end.
- Budget Errors – Budget Errors are displayed on the Budget Errors Exceptions Report (APS4001X) or the Budget Exceptions Inquire panel (Go -> Administer Procurement -> Enter Voucher Information -> Report -> Budget Exceptions). The exceptions should be corrected as much as possible before month end.
- Recycle Entry Status – The Recycled Transactions by BU query (0AP002_All_Recycled_Trans-BU) lists all voucher transactions that are in error and cannot be posted. This query displays the chart field values. Verify that: a. there are no duplicate vouchers containing the same vendor #, invoice, invoice date; b. that the voucher is in balance; or c. that the Labor voucher has no chartfield errors. “Recycled” vouchers can be corrected using the Enter Voucher Information panels. These exceptions should be corrected as much as possible before month end.

Successfully posting a voucher will create the appropriate accrual accounting entries and will remove it from these queries. A BCM Status code of “Selected” usually indicates that the transaction has a match error, it could also be the result of a duplicate voucher or a voucher error with a labor voucher. A BCM status of “Error” usually indicates a budget error.

Payments not Posted

0AP043_PAYMENTS_NOT_POSTED – Payments Not Posted

This query will display a detailed list of payment information, including associated voucher information, for payments that have not been posted and cancelled payments for which payment cancellation entries have not been created. Relevant status is included on each payment (pay status, post status, cancellation status, etc.).

Potential reasons for these transactions include:

- Manual Payments and Wires – When multiple vouchers are being applied to manual payments and/or wires in AP, if a user does not check the “Post this Payment” checkbox (Go -> Administer Procurement -> Create Payments -> Use -> Payment Entry) the payment will not be posted to AP or GL. To correct this problem users should simply check the “Post this Payment” check box and the posting will occur during overnight batch processing. Successfully posting a payment will create the appropriate accrual accounting entries and will remove it from these queries.

Payments on Hold

0AP014_VOUCHERS_ON_HOLD – Vouchers On Hold

This query displays a detailed list of vouchers that have been placed on hold. Agencies may have placed payments on hold when they intended to cancel them. Review the payments on hold to ensure that the payments still need to be on hold.

Vouchers can be placed on hold via the Schedule Payment panel or the Payment Cancellation panel (by selecting the Re-Open Voucher(s)/Put on Hold radio button as the Cancel Action). Navigation to both panels is: Go -> Administer Procurement -> Enter Voucher Information -> Use -> Schedule Payment; and Go -> Administer Procurement -> Create Payments -> Use -> Payment Cancellation, respectively. Payments on hold are considered open payables and reported as such in the GL. These vouchers are also displayed on the Outstanding Payables by Vendor Report (APXXX0403 report, APS4003X SQR) (Go -> Administer Procurement -> Enter Voucher Information -> Report -> Outstanding Payables -> Outstanding Payables by Vendor -> Update/Display -> select APS4003X). This report is discussed further below.

If a payment should not be reissued, select Do Not Reissue/Close Liability on the Cancel a Payment panel. This option will also close the voucher.

General Ledger Reconciliations

Reconciling Outstanding Payables Balances

This process provides instructions to reconcile the detailed outstanding payables from the accounts payable reports to the accounts payable balances reported in the general ledger at a point in time. A sample balancing template is located at the end of this document to assist agencies in the reconciliation of Accounts Payable to General Ledger. To reconcile Outstanding Payables, see Section II of the Sample Template.

1. Run the Outstanding Payables by Vendor Report (APXXX0403 report, APS4003X SQR) (Go -> Administer Procurement -> Enter Voucher Information -> Report -> Outstanding Payables -> Outstanding Payables by Vendor -> Update/Display -> select APS4003X). This report lists, by account, by vendor, by voucher, the detailed outstanding payables balances in AP. This report will list all outstanding payables through the date the report is requested—this is a time critical report.
2. From the Outstanding Payables report, for each account, enter the Current and Prior Year Liability Account amounts in their respective columns under Section II of the template. Enter the sum of each liability account in the total field.
3. Request the General Ledger Trial Balance Report (GLXXX044M) and run it as of the current date. From the Trial Balance Report enter the balance for each account from the Ending Balance w/o Encumbrances column into the appropriate Trial Balance debit/credit column in Section II of the template. (AP line only)
4. Calculate the difference between the AP Outstanding Balances report and the GL Trial Balance Report in the Difference column.
5. The value in Difference column should be zero. If not, the reasons for the discrepancies must be identified and resolved. Potential causes could be:
 - *Manual journal entries made to the general ledger payables accounts.* Run the GL Trial Balance Report (GLXXX044M report, GLS4042X) for the fiscal year to date and identify any manual (“MAN”) entries that may have affected the GL account balance. Verify that these journals are legitimately charging the accounts payable accounts.
 - *Split Payments.* Due to how PeopleSoft split payments function, an entire voucher amount may be reported as outstanding on the Outstanding Payables by Vendor Report (Apxx0403) when the voucher has an open split payment or on hold; when in fact only a portion of the voucher is still outstanding. A split payment refers to inserting a line on the Record Payment or Schedule Payment Panel in order to issue multiple payments for a voucher. To identify split payments, run the 0AP047_VCHR_WITH_SPLIT_PYMT query.
 - Compare the vouchers listed from the query to the vouchers on the APxx0403 report.
 - If a match exists, determine the true outstanding payable amount by summing the AMOUNT column on the 0AP47 query for each voucher; exclude void payments from this total. This summed amount is the total payments that have been issued. Subtract this summed amount from the GROSS AMOUNT column to determine the true outstanding amount.
 - The summed amount for total payments that have been issued should be subtracted from the Accounts Payable APxx0403 for the Liability Account Total.
 - *Problem transactions.* If the above fail to adequately identify the potential differences between the AP403 Report and the GL Trial Balance, the 0AP005_VERIFY_EXP query can be run for a particular liability account within a certain accounting period. This will show the detailed postings, by voucher, made from the AP module to GL. Sum the “Amount” column—this total should agree to the net debits and credits posted to this account from the AP source. To identify those vouchers that remain outstanding in the GL sort the results on the “Voucher ID” and use Excel’s “Subtotal” function on the “Amount” column to generate a subtotal for each voucher. Any voucher with a balance other than zero has an outstanding payables balance in the GL. Compare those vouchers with the vouchers listed on the AP403 report. Identify and resolve any differences.

Reconciling Cash Disbursement Activity

This procedure provides instructions to reconcile the cash disbursements made in the AP system to the cash disbursements reported in the GL for a period. (See the Labor Distribution module for procedures surrounding the Payroll Cash Disbursement and Personal Services Expense reconciliations). See Section I of the Sample Template.

For each of your cash accounts (and associated banks):

Calculate Disbursement Activity from the AP system

Run Queries & Reports

1. Run the AP004_Verify_Cash_Disb query to Excel for the period (month) being reconciled. This query lists all of the disbursements/voids made through the AP system by bank and bank account. Use of the 0AP004N query or the APXXX0427 report eliminates the need to perform the bullet points below (go to step 2).
 - Sort and split the 0AP004 Excel spreadsheet (by column PAY_STATUS) between “Paid” and “Voids”. Valid Pay Status values are “Void”, “Paid”, and “Stopped.” Payments with “Stopped” status should be treated exactly like “Void’s.”
 - Sum the Amount column for all Pairs identified in step 2 above and enter the result in the Paid \$ field..
 - Re-sort the “Void’s” section. (Primary sort should be by the CREATED Date and the secondary sort should be by Cancelled Date). Split the section based on the following: a. Paid in prior period, voided in current period; b. Paid in current period, voided in a future period; c. Paid and voided in the current period. Sum the Amounts for each section and enter the result in the Void \$ field. Note: larger agencies may find that the 0AP045_VOIDS_BY_PERIODS query provides the same information easier.

Because a payment is shown as voided the minute it is voided, you must properly address each item based on the accounting treatment of that transaction for the month you are reconciling.

 - Paid in prior period, voided in current period. Excel will show voids as positive numbers in this query although the accounting entry for these voids would obviously be negative in this month. Therefore, this amount must be multiplied by negative 1.
 - Paid in current period, voided in a future period. The accounting entry for these Voids would be the same as a paid transaction for the month.
 - Paid and void-ed in the current period. The accounting entries for these transactions would net to zero in the month being reconciled, so these transactions are ignored in our reconciliation.
 - Calculate the disbursement activity from AP by totaling paid items and voids and entering the Total in the AP Grand Total field of the balancing form template.
2. Instead of Query 0AP004 – users in larger agencies may run an Accounts Payable report, “Verify Cash Disbursement Report Excel”, ID APXXX0427 in lieu of the Query. This report takes the place of the query in agencies that have large amounts of data for which the query cannot access in a timely manner. This report lists all of the disbursements/voids made through the AP system by bank and bank account. This report eliminates the need to sort by Pay Status and perform an analysis related to voids/cancels from prior periods.
3. OR – Users may run Query 0AP004N – “Verify_Cash_Disb_New”. Run this query to Excel. This query will list all activity for a bank and bank account. Sum the amount column and place the total in the Grand Total AP field on the forms template. Compare this total to the General Ledger cash account being balanced. This query will eliminate the need to sort by Pay Status and perform the analysis related to voids/cancels from prior periods.

Obtain the Balances from the GL Trial Balance and Reconcile it to the Disbursement Activity in the AP System

1. Run the GL Trial Balance Report (for the period under review and enter the amounts in the Transactions Debit and Transactions Credit columns, by budget year (AP line only).
2. Obtain net totals of the Debit column and the Credit column per the GL Trial Balance for the month and enter the amount into the net total field. (AP **totals** only). **The net totals should be inclusive of the current and prior year AP balances.**
3. Calculate the difference between the Debit and Credit activity per the GL Trial Balance and enter the balance into the Total debit or credit field and also in the Grand Total Trial Balance field.
4. Calculate the difference between the Grand Total AP activity and the Grand Total Trial Balance (debit/credit) and enter the difference in the Difference column.
5. The compared values should be zero. If not, the reasons for the discrepancies must be identified and resolved.

Note:

1 When entering voucher accounting information some agencies entered cash accounts instead of expense accounts. This will cause a difference between the total of the cash disbursements shown on the 0AP004 query and the activity posted to the GL cash accounts from AP. In order to determine whether any vouchers were posted to cash run the 0AP005_VERIFY_EXP query on the cash account. PS uses the description of "PS/AP Cash Payments" for all "regular" cash activity. Examine all vouchers with different descriptions. .

Reconciling Expenses Balances (Accounts 500000 through 762999)

This process provides instructions to reconcile the expenses from the AP system (and AR transactions and manual entries into the general ledger) for a period to the expense/expenditure accounts in the GL trial balance. This reconciliation can either be performed for one month (period) or for year to date (multiple periods). See Section III of the Sample Template.

1. Run the 0AP005_VERIFY_EXP query to Excel using the following parameters:

Accounting Period From:	the period being reconciled
Accounting Period To:	the period being reconciled
Account From:	Beginning expense account number (i.e., 500000)
Account To:	Ending expense account number

- Sort the Excel spreadsheet by Account.
- Using Excel's Subtotal function, sum the Amount column for each account and enter the total into the AP005 Amt column.
- OAR008_Verify_Rev_Recv is a query that will list all expenses derived from entering Items into PS AR.
OAR009_Verify_Rev_Other is a query that will list all expenses derived from entering Direct Journals into PS AR.
Upon executing each of these queries you will be prompted to enter a Fiscal Year, Accounting Period, Account From (GL Account), and Account Thru (GL Account).
The sum of these two amounts (for each account) should be entered into the AR008/009 column.
- Run the Account Summary Report (GLXXX041A report, GLS4018X SQR) for the period being reconciled and enter any manual journal entries made to any accounts into the column marked GL041A.
- Run the GL Trial Balance Report for the period being reconciled and enter the Prior & Current Year Transactions Debit and Transactions Credit activity for each account into the Trial Balance column. (AP line only)
- Calculate a net of the Debit and Credit activity per the GL Trial Balance for the month in the net total column.
- Calculate the difference between the AP Total Acct column minus the GL Trial Balance Net Total column and place this sum in the Difference column.
- The values in Difference column should be zero. If not, the reasons for the discrepancies must be identified and resolved.

Specific Key Expense Items

These reconciliations are a subset of the Expense Activity in Total reconciliation above, except that they only address specific travel and per diem related accounts. The reconciliations below are performed exactly the same except that the account numbers are different.

Travel Expenditures	Per Diem & Fees
Account Number From: 640000	Account Number From: 651000
Account Number To: 640999	Account Number To: 652999

Reports for both Travel (APXXX0419) and Per Diem (APXXX0420) are received for each closed accounting period. Agencies should use these reports to balance both Travel and Per Diem to the General Ledger.

Below is the navigation to run the reports:

GO-Administer Procurement-Enter Voucher Information-Report-Travel or Per Diem

Monthly versions of these reports will be produced automatically at each month-end close. The Phoenix team will create the file for the Department of Audits automatically at each month end close. Audits will review the report for each agency by using ViewDirect/Document Direct, therefore, it will not be necessary to send a hard copy of the Travel report to the Department of Audits.

Each Fiscal Year End, a year-to-date file will be created for each agency for the Department of Audits containing the July through June data. For Fiscal Year 2003, a new procedure was created to allow Agencies to verify Salary/Travel/Per Diem annual totals before they are compiled in the extract file sent to the Department of Audits. The timeframe allowed for this new procedure is from the end of a fiscal year after the GL 998 period until September 30th.

Below are the procedures for balancing:

These procedures can be used for monthly balancing as well as the Year-to-Date balancing.

To balance each of these reports compare the month-end GLXXX044A Trial Balance with the Agency Account Summary Section of the month-end Travel Expense Report and Per Diem and Expense Report. Locate the Account on the Trial Balance that corresponds with those listed on both the Accounts Payable reports. On the Trial Balance, calculate the difference between Transactions Debit and Transactions Credit for both AP and PO. The net amount calculated from the Trial Balance should balance to the Travel Expense and Per Diem Reports. **Do not include any Prior Year (PY) amounts from the Trial Balance, because they are not included on the Travel Expenses and Per Diem reports.**

The Travel Report lists regular and adjustment vouchers entered directly into AP and encumbrance amounts on a PO that are charged to a travel account. **Manual Journals entered into GL and direct journals entered into AR are also listed on the reports; therefore these amounts on the Trial Balance should balance with the amounts on the AP reports.**