11i Bank & Credit Card Deposit Procedures

Current Issues with Bank Reconciliation

With the conversion to 11i, we will begin a new method of recording bank deposits. We are hoping that this will address issues that field departments have experienced and those we have experienced centrally. These issues include:

- Field department's inability to see what the bank credits to the University on their behalf.
- Researching reconciling items centrally is difficult due to the decentralized nature of the University.
- The time consuming nature of the central reconciliation often results in several months delay in the departments being made aware of issues with their deposits.

Solution

A departmental clearing account has been established for each direct bank depositing location and each credit card merchant ID. This clearing account will act as the departmental cash line deposits recorded by Bank of America.

STEP 1: When recording deposits, the department will use their departmental clearing account as the debit line in their journal and their departmental OGL string for the credit line.

Example Journal: Attachment A

STEP 2: Accounting Services will download the bank deposit and credit card deposit information from BOA daily. This information will be used to generate an Oracle journal debiting the University Cash Line and crediting the appropriate departmental clearing accounts.

Example Journal: Attachment B

STEP 3: The department will use the standard Oracle Report IS.GL_Only Project Activity Detail to reconcile the clearing account. The project must be reconciled at least monthly to meet UVA reconciliation guidelines. However, for areas with a large volume of deposit activity, it is recommended that the project be reconciled more frequently. The project should reconcile to zero with the exception of the most recent days deposits. Credit cards can potentially have up to three days lag in posting at the bank.
STEP 4: If the reconciliation reveals problems with the manner in which the bank recorded the deposit, you may contact Imelda Carter 4-4202 (ic6z). She will work with you and the bank to resolve the issue.

Other Important Notes

- Aliases – Each departmental depositor and each merchant location will have a GL alias established to assist in keying the departmental clearing line. This is the same as the cash alias that currently exists. For direct bank depositors the alias is BDxxx (xxx being the 1st 3 digits of the deposit ticket). For credit card depositors the alias is CCxxxx (xxxx being the last 4 digits of the merchant number).

- [Use link below for] our current database of credit card and direct depositing locations. It contains your new clearing string and alias. Please let us know if changes are needed to the project manager. We suspect several are out of date.

- Deposits made on or before April 23rd should be made using the current cash line, even if you do not make the entry until Oracle becomes available on May 2.

- Deposits made after April 23rd should use the new clearing string.

- Please continue to make your deposits at the bank during the 11i conversion. When the system returns you will make the entries.

- The clearing accounts will be monitored by the Post Audit Accounting area of Accounting Services. The monitoring will be to see that the accounts are being cleared in a timely fashion.

- As of April 23rd, there will be no need to submit your deposit tickets to Accounting Services. Please keep them in the department for your reference.

Excel Workbook of Direct Deposit and Credit Card Locations:
http://www.virginia.edu/finance/docs/Dir_Dep_Db.xls

See Financial Procedure 5-5 for details on making direct bank deposits:
http://www.virginia.edu/finance/polproc/proc/5-5.html
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