

# STEPS TO VERIFYING COST CENTER ACTIVITY

## **PREPARATION: PAPERWORK & REPORTS NEEDED**

Use these instructions for *normal* verifications in periods 1 thru 12 (September thru August). **Year-end** procedures are listed in Year End Process.doc (*please use them in addition to this one as soon as July closes*).

### **SET-UP:**

#### 1. **COLLECT ALL DOCUMENTATION:**

- department documents forwarded to Finance, Purchasing, etc.:
  - vouchers
  - journal entries
  - POs
  - Etc.
- Telephone and copier reports
- Deposit receipts
- Outstanding items from last month, if any
- Any other documents supporting revenue & charges to your cost centers

**NOTE:** hard copies of transactions are not required—if it appears on these reports, then it can be found in the system; *just make sure that the information was sent to Finance to be filmed if you do not keep any backup.*

#### 2. **SORT ALL DOCUMENTATION** in order: by cost center by type (*Deposits, vouchers & G/L jnls, Budget jnls*)

#### 3. **OBTAIN THE DEPARTMENT VERIFICATION REPORT** information for the cost center(s) to be verified:

- a. from the UGLS1074 select Verification Worksheet / Separate for the Excel file,
  - i. ***AS SOON AS the XML file is created by PeopleSoft, BE SURE TO SAVE IT AS an EXCEL WORKBOOK, AND SAVE IT TO YOUR DEPARTMENT'S NETWORK DRIVE.***
- b. ***and only if you prefer,*** for a printed report, any or all of the sections:
  - i. Revenue & Expense Budget Node Summary/Detail – Section 1/2, *summary/detail with BBA*
  - ii. Revenue/Expense Transactions – Section 3x, *detailed transactions; 'x' being:*
    - a = Asset/Liab/Fund Equity
    - b = Revenue & Expense
    - c = Budget Journals
  - iii. Open Commitments – Section 4, *purchase orders with balances and payroll encumbrances*
  - iv. Soft Commitments – Section 5, *budget-checked-but-not-posted transactions*
  - v. Balance Sheet – Section 6

**NOTE:** Your choice on paper reports—just remember to transfer verification info to the excel file & save it.  
**The excel file MUST be marked as verified.**

#### 4. **RUN the UHV\_NONPOSTED\_VOUCHERS\_ME query** –*transactions entered into the system that are not (valid) budget-checked yet.*

#### 5. **IF ANY PAYROLL ITEMS:**

- a. **POSITION STATUS (ubud022)** (*old BOB*) – *individual employee payroll activity totaled by position number within cost center.*
- b. **PAYROLL ACCOUNT REPORT** – *payroll account number activity totaled by account number within cost center.*

### **NAVIGATION FOR REPORTS IN PEOPLESOFT:** (USE THE SAME MONTH-ENDING DATE ON ALL)

In Finance: **UGLS1074:** Custom Reports ► GL ► Dept Verification Rpt (1074)

**UHV\_NONPOSTED\_VOUCHERS\_ME query:** Reporting Tools ► Query ► Query Viewer

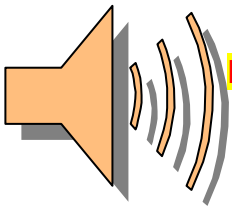
**UGLS1063 Budget Summary:** Custom Reports ► GL ► Budget Summary (1063)

In HR: **Position Status (BOB):** Uhs Hrms Budget ► UHS HRMS BUDGETS ► Reports ► BOB Report  
**Payroll Account:** Uhs Hrms Payroll ► UHS HRMS PAYROLL ► Reports ► Payroll Account Rpt

# STEPS TO VERIFYING COST CENTER ACTIVITY

## **WORK EACH INDIVIDUAL ACTIVE COST CENTER IN YOUR DEPARTMENT**

1 = State cost centers & 2-9 = Local cost centers are handled on an individual basis, depending on their purpose. Incorporating the information below, you will need to develop your own verification process for each state cost center that is active.



**PLEASE REMEMBER TO INSERT EXPLICIT COMMENTS IN ANY CELL, ON ANY TAB, AS NEEDED—THIS IS FOR YOU, YOUR DEPARTMENT, AND THE RESPONSIBLE COST CENTER MANAGER’S, PROTECTION AND INFORMATION, AS WELL AS FOR INFORMATION FOR AUDITORS.**

## **YTD FIGURES:**

### **Verification-1. REVENUE & BUDGETED FUND BALANCE SUMMARY –**

Excel file=Verification Tab

(or pdf file=Revenue/Expense Summary - UGLS1074.1)

1a. if none, go to Step 2.

1b. **REVENUE TO BE EARNED** (or Revenue total line-BBA col.): check that it is 0.

- i. If negative (-): OK, still need to receive monies.
- ii. If positive: you have extra funds; you will eventually need to create a Budget Journal to make these funds available to spend; You can:
  1. move the monies as needed;
  2. or wait until you need the monies;
  3. or wait until year-end to move all at once.

### **Verification-2. EXPENDITURE SUMMARY –**

Excel file=VERIFICATION TAB

(or pdf file=Revenue/Expense Summary - UGLS1074.1)

2a. **AVAILABLE EXPENDITURE BUDGET** (or Expense total line-BBA col.):

- i. check that it is a positive number.
- ii. If negative (-) will need to research why using detailed transactions—**must** be cleared before year-end. (Note: roll-forwards do not occur in State CCs):
  1. if funded at year-end, just make sure expenses are valid; (work with the Budget Office/Grants Office **before** year-end to clear).
  2. can use one of the following methods to clear:
    - a. Release any unneeded encumbrances;
    - b. Or, transfer expenditures (voucher corrections) by entering G/L journal entries;
    - c. Or, transfer budget from another cost center (by entering Budget journal & G/L journal entries);

2b. **IF ONLY PAYROLL ITEMS IN THIS COST CENTER:** can use the BOB report to match cost center YTD totals to Expenditure Summary items (or Revenue/Expense Summary - UGLS1074.1/2):

- i. **Budgets** (1074’s Expenditure Budget→BOB’s Final Budget)
- ii. current **actuals** (1074’s Actual Expenditures→BOB’s FYTD Actual)
- iii. **encumbrances** (1074’s Open Commitments→BOB’s Encumbrance)
- iv. and **BBA** (1074’s Available Expenditure Budget→BOB’s BBA)
- v. if any discrepancies, work current transaction tabs first to look up individuals’ activity and research.

## **CURRENT PERIOD TRANSACTIONS:**

### **Verification-3. ASSET, LIABILITY, AND FUND EQUITY DETAIL TRANSACTIONS**

Excel file=\_ASSET\_LIAB\_FUND EQUITY TAB

(or pdf file=UGLS1074.3a, Assets & Liabilities Detail Transactions Report)

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### 3a. Assets (1s) & Liabilities (2s) (if none, go to Step 3b)

- i. Using the attached list, look for transactions containing any of these account numbers: (These are also listed on UH's Finance website, under References / [Asset & Liability Accounts to Verify.](#))
  1. If any found:
    - a. once validated, mark with an "X" in the 'Verified' col.;
    - b. if no information, please contact the Finance Department, to research.
  2. If none found, place "NA" in the 'Verified' col., on all rows that do not match.

### 3b. Fund Equity (3s) (if none, go to Step 4):

- i. Go thru documentation (journals with an acct # starting with "3") to validate that transactions appear on tab (report) (if no documentation, go to **3bii**):
  1. must verify:
    - a. Cost center
    - b. Account
    - c. Amount
  2. place an "X" in the 'Verified' col. of all legitimate transactions;
  3. Create 2 stacks:
    - a. **Stack 1: POSTED:** documentation that has appeared and is correct.
      - i. Mark as "POSTED" and note the month;
      - ii. These can now be filed according to dept procedures.
    - b. **Stack 2: OUTSTANDING:** documentation that has not appeared on the report
      - i. hold these to use in checking in Step 4.
- ii. Verify/validate any remaining entry(ies) (if none, go to Step 4);
  1. if need to research, use the navigation **GENERAL LEDGER/JOURNALS/JOURNAL ENTRY/CREATE JOURNAL ENTRIES/FIND AN EXISTING VALUE.**
  2. once validated, mark with an "X" in the 'Verified' col.;
  3. if no information, please contact the Finance Department, to research.

## Verification-4. REVENUE & EXPENSES DETAIL TRANSACTIONS

Excel file= REVENUE\_EXPENSE TAB

(or pdf file=UGLS1074.3b, Revenue & Expense Detail Transactions Report):

### 4a. If any payroll items (if none, go to Step 4b):

- i. Total by account number:
  1. Compare excel file to BOB report:
    - a. if okay, place an "X" in the 'Verified' col. of each account's entry(ies);
    - b. if not, check individual employees' BBAs & research.
  2. for WCI & UCI totals, use the Payroll Account report (if none, go to Step 4b):
    - a. if okay, place an "X" in the 'Verified' col. of each account's entry(ies);
    - b. if not, check individual employees' figures & research.

### 4b. Go thru remaining documentation, **Stack 2: OUTSTANDING** (vouchers, jnls, etc.) to validate that transactions appear on tab (report);

- i. must verify:
  1. Cost center
  2. Account
  3. Amount
- ii. place an "X" in the 'Verified' col. of all legitimate transactions;
- iii. Create 2 stacks:
  1. **Stack 1: POSTED:** documentation that has appeared and is correct.
    - a. Mark as "POSTED" and note the month;
    - b. These can now be filed according to dept procedures.

## STEPS TO VERIFYING COST CENTER ACTIVITY

2. **Stack 2: OUTSTANDING: documentation that has not appeared** on the report
  - a. hold these to use in checking in Steps 5, 6, and/or 7.
- 4c. When you have completed checking all documentation, look at tab (*report*) for any amounts not addressed.
  - i. If valid, place an “X” in the ‘Verified’ col., and go to Step 5.
  - ii. If an amount appears and you do not know if it is valid, you will need to research the item. All unidentified transactions must be investigated. To see more detail:
    1. If a journal, use the navigation **GENERAL LEDGER/JOURNALS/JOURNAL ENTRY/CREATE JOURNAL ENTRIES/FIND AN EXISTING VALUE** to search.
    2. Or If a voucher, use the navigation **ACCOUNTS PAYABLE / VOUCHERS / ENTRY / REGULAR ENTRY / FIND AN EXISTING VALUE** to search.
    3. Or If an HR item, use HR Reporting database, **Uhs Hrms Payroll / UHS HRMS PAYROLL / Reports / Journal Detail Rpt** to search.
    4. Or **If a PO, run the PO Status Report from the Custom Reports / PO menu in PeopleSoft.**
    5. If still unknown, call Finance.
    6. When each transaction is validated, mark with an “X” in the ‘Verified’ col.

### Verification-5. BUDGET JOURNALS

Excel file= BUDGET JOURNALS TAB

(or pdf file=UGLS1074.3c, Budget Journals Detail Transactions Report):

- 5a. Verify transactions--go thru all remaining documentation, **Stack 2: OUTSTANDING** (looking for budget journals only) and:
  - i. verify:
    1. Cost center
    2. Account
    3. Amount
  - ii. place an “X” in the ‘Verified’ col. of all legitimate transactions;
  - iii. Place into 2 stacks:
    1. **Stack 1: POSTED:** documentation that has appeared and is correct.
      - a. Mark as “POSTED” and note the month;
      - b. Can be added to the posted revenue & expense stack, or
      - c. file according to dept procedures.
    2. **Stack 2: OUTSTANDING:** documentation that has not appeared on the report
      - a. hold these with any others **OUTSTANDING** to use in checking Steps 6, 7.

5b. To see more detail on items, use the navigation **COMMITMENT CONTROL /MAINTAIN BUDGETS / BUDGET JOURNALS / ENTER BUDGET JOURNALS / FIND AN EXISTING VALUE** to search.

- 5c. Check report to see if any items not checked off:
  - i. research same as Step-4c above.
  - ii. Be sure to mark with an “X” in the ‘Verified’ col. (or check off on the report) when validated.

### Verification-6. SOFT COMMITMENTS

Excel file= SOFT COMMITMENT TAB

(or pdf file=UGLS1074.5, Soft Commitment Report):

If you have documentation (the **OUTSTANDING** stack), and the amount did not appear on the Asset\_Liab\_Fund Equity tab (or in Section 3a), or Revenue\_Expense tab (or in Section 3b) or Budget Journals tab (or in Section 3c), then look in the soft commitments. Transactions submitted for processing (entered into the system) during the period of the report, and not listed, are considered outstanding and should be recorded as such. (The transaction amounts must appear in the Asset\_Liab\_Fund Equity or Revenue & Expense tab as Actual/posted to be considered complete.):

## STEPS TO VERIFYING COST CENTER ACTIVITY

- 6a.** go thru all remaining documentation from **Stack 2: OUTSTANDING** and verify the transaction's:
- i. verify:
    1. Cost center
    2. Account
    3. Amount
  - ii. if there,,:
    1. check reason not posted, to make sure valid;
    2. place an "X" in the 'Verified' col. of all legitimate transactions;
    3. Place documentation of items that have appeared and are correct in the **Outstanding File** in the drawer to be checked against the posted items next month.
  - iii. If **not found** (*documentation that has not appeared on the report*)
    1. hold these to use in checking against the Step 7.
- 6b.** Check report to see if any items not checked off:
- i. research same as Step-4c above.
  - ii. be sure to mark validated items with an "X" in the 'Verified' col (*or check off on the report*).

**Verification-7. UHV NONPOSTED VOUCHERS ME QUERY:** if you have documentation, (the **OUTSTANDING** stack), and the amount did not appear in Asset\_Liab\_Fund Equity or Revenue\_Expense or Soft Commitments tabs (*or UGLS1074.3 or .5*), then look on the **UHV NONPOSTED VOUCHERS ME** query. Again, transactions submitted for processing (entered into the system) during the period of the report and not listed on the previous sections, are considered outstanding and should be recorded as such. (The transaction amounts must appear as Actual/posted to be considered complete.)

- 7a.** go thru all remaining documentation from **Stack 2: OUTSTANDING** and verify the transaction's:
- i. verify:
    1. Cost center
    2. Account
    3. Amount
  - ii. If there, check to make sure valid;
    1. If legitimate:
      - a. add (insert) at the bottom of the Soft Commitments tab.
      - b. file documentation in the Outstanding File in the drawer to be checked against the posted items next month. (*If they are in the system & not posted, then they are considered outstanding.*)
    2. if not legitimate, handle as needed.
  - iii. if not there:
    1. will need to research why it is not appearing on any reports;
      - a. If legitimate:
        - i. add (insert) at the bottom of the Soft Commitments tab.
        - ii. file documentation in the **Outstanding File** in the drawer to be checked against the posted items next month. (*If they are in the system & not posted, then they are considered outstanding.*)
      - b. if not legitimate, handle as needed.
- 7b.** Check report to see if any items not checked off:
- i. research same as Step-4c above.
  - ii. If legitimate:
    1. add (insert) at the bottom of the Soft Commitments tab.
  - iii. if not legitimate, handle as needed.

## Verification-8. OPEN COMMITMENTS

# STEPS TO VERIFYING COST CENTER ACTIVITY

Excel file= **OPEN COMMITMENT TAB**

(or pdf file=UGLS1074.4, *Open Commitment Report*):

If any, check to make sure all listed items have valid Open balances.

- 8a. If Purchase Orders:
  - i. Validate the Open amount
  - ii. place an "X" in the 'Verified' col. of all legitimate transactions;
- 8b. If payroll items:
  - i. compare the Open amount to the Position Status (BOB) report, BBA.
  - ii. place an "X" in the 'Verified' col. (or check off on the report).

**Verification-9.** **VERIFICATION FORM TAB** (or **UGLS1074.6, Balance Sheet**): When you have finished checking all the tabs for the specific cost center, and have made sure all adjustments carried forward to the proper areas, check that:

**UNBUDGETED FUND EQUITY = 0**

**RECOMMENDATION:** *If not 0, refer to the job aid **Monthly\_Verif\_Form\_Unbudg\_Fund\_Equity\_Comp** for more specific steps on **HOW to research.***

- 9a. If not 0:
  - i. Any out-of-balances not resolved from previous month?
- 9b. If negative (good/over):
  - ii. check that any revenue rec'd has been budgeted.
- 9c. If positive (bad/short):
  - i. has cost center been funded?
  - ii. have roll-forwards taken place?
- 9d. If still not 0, using the YTD figures:
  - i. check that the **Revenues** match: Current Budget Reference/Revenue & Fund Balance Summary/Actual Revenue vs Current Fiscal Year/Fund Equity Summary/Revenue
  - ii. check that the **Expenses** match: Current Budget Reference/Expenditure Summary/Actual Expenditures vs Current Fiscal Year/Fund Equity Summary/Expenses (current BRef)
  - iii. and, if necessary, check that the **Open Commitments** match: Current Budget Reference/Expenditure Summary/Open Commitments vs Current Fiscal Year/Fund Equity Summary/ Open Commitments (current BRef)
  - iv. and, if necessary, check that the **Soft Commitments** match: Current Budget Reference/Expenditure Summary/Expense Soft Commitments vs Current Fiscal Year/Fund Equity Summary/Soft Commitments (current BRef)
  - v. and, if necessary, check that the **Expense Budget** matches **Fund Equity**: Current Budget Reference/Expenditure Summary/ Expenditure Budget vs Current Fiscal Year/Fund Equity Summary/ (Beginning Fund Equity) + (Fund Adjustments) + (Expenses [Prior BRef]).



# STEPS TO VERIFYING COST CENTER ACTIVITY

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## WHEN ALL COST CENTERS HAVE BEEN COMPLETED:

- Final-1.** If another department involved in any adjustments: the appropriate department should be notified of any corrections needed. If an error was made by the originating department, they should submit the journal entry. Please be sure to send courtesy copies to all involved departments.
- Final-2.** Balance sheet accounts 20100, 20999 and 39975 and payroll liability accounts are clearing accounts and questions related to those account balances should be addressed to Payroll and Finance.
- Final-3.** The preparer will need to update the excel Verification form.
- If any corrections/additions, make sure any necessary adjustments carried forward to the verification form to show “corrected” totals;
  - Go thru all tabs to make sure all the items in each tab have been marked as “verified” with either an “X” or “NA” in the appropriate column; *(if using the printed 1074 reports, make sure all items are “checked”, then add the ‘X’s & ‘NA’s to the excel worksheet tabs.)*
  - If any Unbudgeted Fund Equity Imbalances, make sure necessary comments are inserted.
- Final-4.** Save the file as an Excel workbook on the department’s network drive in specified folder—retain this period for a UHV policy of 3 (three) years plus current period.
- Final-5.** Send the Verification form and, if requested, all related data, to the manager to review either by:
- If paper used:
    - Print a copy of the individual cost center’s Verification form from the first tab;
    - The preparer signs & dates the excel form;
    - Send to the manager for signature;
    - Forward file to manager for review.
  - If electronic system used:
    - The preparer fills in their name and the current date in the file.
    - Save the file.
    - Then email the file to the manager for review.
- Final-6.** Approval & Retention:
- If paper used:
    - The manager signs & dates the excel Verification form indicating that they approve of the current balances as shown on the form.
    - Returns form to preparer.
    - Retain original signed form for a UHV policy of the last period of the previous fiscal year (period 998) and all of the period in the current fiscal year.
  - If electronic system used:
    - Retain the “read receipt” *(considered approval from manager)* for this period for a UHV policy of the last period of the previous fiscal year (period 998) and all of the period in the current fiscal year. *(Same as you would the printed form).*
- Final-7.** File the **POSTED** stack, if any, per department’s procedures.
- Final-8.** File the **OUTSTANDING** stack, if any, back in the Outstanding folder for matching with next month’s reports.

# STEPS TO VERIFYING COST CENTER ACTIVITY

This list can be found: on UH's Finance website, under References / Verification Worksheet section / [Asset & Liability Accounts to Verify](#)

<b>Acct</b>	<b>PS Acct Descr</b>	<b>Need to Verify</b>
10102	PETTY CASH	Yes
10103	CHANGE FUNDS	Yes
12100	ACCOUNTS RECEIVABLE	Yes
12101	A/R-RETURNED CHECKS	Yes
12102	A/R-MISCELLANEOUS	Yes
12103	A/R-HOTEL-IN HOUSE	Yes
12104	A/R-CONT EDUCATION	Yes
12105	A/R - HOTEL CONTRACT	Yes
12106	A/R-FACULTY/STAFF PARKING	Yes
12350	A/R-TUITION & FEES	Yes
14100	RESALE	Yes
14101	RESALE MDSE-LOCAL	Yes
14102	RESALE MDSE-STATE	Yes
14103	RESALE-SATELLITE	Yes
14104	RESALE-CRAFT SHOP	Yes
14105	RESALE-CHEM STKRM	Yes
14106	RESALE-OPTICAL SERVICES	Yes
14107	RESALE-COPY CENTER	Yes
14108	RESALE-CONTACT LENS SERVICES	Yes
14109	MAINTENANCE	Yes
14110	RESALE-MICROCOMPUTERS	Yes
14111	SUPPLIES	Yes
14112	RESALE-COUGAR BYTE	Yes
15100	PREPAID EXPENSE	Yes
15101	DEF CHRGS AIR TRAVEL	Yes
15102	DEFERRED CHARGES	Yes
15103	DEFERRED CHARGES	Yes
15104	PREPAID EXP-PRNT PLT	Yes
16100	SUSPENSE	Yes
20103	A/P - HOTEL CONTRACT	Yes
20108	ACCTS PAY-OTHER	Yes
20109	PROCUREMENT CARD LIABILITY	Yes
20110	TRAVEL CARD LIABILITY	Yes
20602	LIAB-EQUIP HELD IN TRUST	Yes
20603	RETNG PAY-CONST CONT	Yes
20604	TAX PAYABLE-SALES TX	Yes
20605	OCCP. TAX - STATE	Yes
20606	OCCP. TAX-CITY	Yes
20607	OCCP. TAX-COUNTY	Yes
20613	UNCLASSIFIED RECEIPT	Yes
20614	DEFERRED CREDITS	Yes
20615	ACCRUED LIABILITIES	Yes
22100	DEFERRED INCOME	Yes
22101	DEFERRED INC-FALL	Yes
22102	DEFERRED INC-SPRING	Yes
22103	DEFERRED INC-SUMMER	Yes
22104	DEF INC-REGIS DEPOST	Yes
23100	DEP HELD FOR OTHERS	Yes