

Quarterly Reconciliation Accounts Receivable (12000001) Reconciliation Instructions

All state agencies should reconcile the non-zero balance on their business unit’s trial balance for account, 12000001 (Accounts Receivable). The 12000001 account balance on the general ledger’s trial balance should be reconciled at least quarterly to accounts receivable balance in the AR sub-module of Edison and, if applicable, to the agency’s internal and/or external system of accounts receivable.

This reconciliation should be done after the quarter month end’s period closing in Edison, for example: September 30th, December 31st, March 31st, and June 30th. The signed reconciliation must be submitted to the Division of Accounts no later than 45 days after the physical quarter end’s calendar date, for example: September 30th would be due on/before 11/14; December 31st would be due on/before 2/14; March 31st would be due 5/15; and June 30th would be due on/before August 14th.

Accounts Receivable should be routinely reviewed (in addition to documenting the quarterly reconciliation) for propriety, and actions taken promptly to correct omissions or amounts included in any errors. As a general rule any Accounts Receivable should relate to state policy: Finance & Administration Policy 4 Recognition of Revenues and Expenditures – Definitions and Guidance and Finance & Administration Policy 20 Accounting for Federal Grant Expenditures and Revenues.

Following are the steps that should be followed to complete the reconciliation:

Step 1: Run the TN_GLO48_TRIAL_BALANCE_ACCT query for Account 12000001. Run for the current state year beginning with Period 0 to current Period needed.

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	31603
FUND_CODE	11000
FISCAL_YEAR	2018
ACCOUNTING_PD_BEG	0
ACCOUNTING_PD_TO	3
ACCOUNT	12000001

Using the pivot table functionality, sum the query results and identify them. Ignore any other chartfield information other than Unit, Fund, Account, Year, and Amount.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Unit	Ledger	Fund	Dept	Account	Location CF	Program	User Code	Bonds	Project	Affiliate	Fund Affil	Year	Period	Sum Total Amt
31603	ACTUALS	11000		12000001								2018	1	\$ (23.76)
31603	ACTUALS	11000		12000001								2018	2	\$ 3,215.19
31603	ACTUALS	11000		12000001								2018	3	\$ 1,781.76
														Trial Balance for FY18 Periods 1-3
														\$ 4,973.19

Step 2: If no results are returned for Period 0, this means that the prior state year balances have not rolled. Run the TN_GR048_TRIAL_BALANCE_ACCT query for Account 12000001 for the prior state year beginning with Period 0 through Period 998.

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	31603
FUND_CODE	11000
FISCAL_YEAR	2017
ACCOUNTING_PD_BEG	0
ACCOUNTING_PD_TO	998
ACCOUNT	12000001

Using the pivot table functionality, sum the query results and identify them. Ignore any other chartfield information other than Unit, Fund, Account, Year, and Amount.

Unit	Ledger	Fund	Dept	Account	Location CF	Program	User Code	Bonds	Project	Affiliate	Fund Affil	Year	Period	Sum Total Amt
31603	ACTUALS	11000		12000001								2017	0	\$ 39,974.42
31603	ACTUALS	11000		12000001					ABGOVMARTSK0008			2017	0	\$ (33,213.66)
31603	ACTUALS	11000		12000001								2017	1	\$ 1,301.03
31603	ACTUALS	11000		12000001								2017	2	\$ 1,275.79
31603	ACTUALS	11000		12000001								2017	3	\$ 1,296.49
31603	ACTUALS	11000		12000001								2017	4	\$ (8,232.78)
31603	ACTUALS	11000		12000001								2017	5	\$ 705.27
31603	ACTUALS	11000		12000001								2017	6	\$ 2,683.80
31603	ACTUALS	11000		12000001								2017	7	\$ 193.05
31603	ACTUALS	11000		12000001								2017	8	\$ (1,046.57)
31603	ACTUALS	11000		12000001								2017	9	\$ 7,453.39
31603	ACTUALS	11000		12000001								2017	10	\$ (464.63)
31603	ACTUALS	11000		12000001								2017	11	\$ 1,781.76
31603	ACTUALS	11000		12000001								2017	12	\$ 2,250.11
														\$ 15,957.47
Trial Balance for FY17 Periods 0 - 998														\$ 15,957.47

Step 3: Add the results of the two Trial Balances together:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Unit	Ledger	Fund	Dept	Account	Location CF	Program	User Code	Bonds	Project	Affiliate	Fund Affil	Year	Period	Sum Total Amt
31603	ACTUALS	11000		12000001								2017	0	\$ 39,974.42
31603	ACTUALS	11000		12000001					ABGOVMARTSK0008			2017	0	\$ (33,213.66)
31603	ACTUALS	11000		12000001								2017	1	\$ 1,301.03
31603	ACTUALS	11000		12000001								2017	2	\$ 1,275.79
31603	ACTUALS	11000		12000001								2017	3	\$ 1,296.49
31603	ACTUALS	11000		12000001								2017	4	\$ (8,232.78)
31603	ACTUALS	11000		12000001								2017	5	\$ 705.27
31603	ACTUALS	11000		12000001								2017	6	\$ 2,683.80
31603	ACTUALS	11000		12000001								2017	7	\$ 193.05
31603	ACTUALS	11000		12000001								2017	8	\$ (1,046.57)
31603	ACTUALS	11000		12000001								2017	9	\$ 7,453.39
31603	ACTUALS	11000		12000001								2017	10	\$ (464.63)
31603	ACTUALS	11000		12000001								2017	11	\$ 1,781.76
31603	ACTUALS	11000		12000001								2017	12	\$ 2,250.11
														\$ 15,957.47
Trial Balance for FY17 Periods 0 - 998														\$ 15,957.47
31603	ACTUALS	11000		12000001								2018	1	\$ (23.76)
31603	ACTUALS	11000		12000001								2018	2	\$ 3,215.19
31603	ACTUALS	11000		12000001								2018	3	\$ 1,781.76
Trial Balance for FY18 Periods 1-3														\$ 4,973.19
Trial Balance at end of Period 3 in FY18														\$ 20,930.66

Step 4: Run the TN_AR18C_ALL_OPEN_ITEMS_FD_SC query (note the time and date of the query). Do not run for the quarter end date, we will back into the number at the quarter end date in a different step.

Schedule Query

Run Control ID TN_AR18C_ALL_OPEN_ITEMS_FD_SC Report Manager Process Monitor Run

Query Name Search

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	<input type="text" value="31603"/>
ACCOUNTING_DT	<input type="text" value="2017-11-17"/>

From the results of Step 4, using pivot table functionality, separate by fund and subtotal. This gives one the results of Accounts Receivable on the current date the query was ran.

TN_AR18C_ALL_OPEN_ITEMS_FD_SC ran on 11/17/2017

Unit	Customer	Name	Item ID	Item Balance	Acctg Date	Contract	Source	Fund
31603	GR00000000000040	DEPARTMENT OF HOMELAND SECURITY	769076	\$ 1,159.15	6/30/2017	ICESLOT16	GRANTS	11000
31603	GR00000000000040	DEPARTMENT OF HOMELAND SECURITY	779355	\$ 3,215.19	8/7/2017	ICESLOT16	GRANTS	11000
31603	GR00000000000040	DEPARTMENT OF HOMELAND SECURITY	794661	\$ 896.90	10/1/2017	ICESLOT16	GRANTS	11000
31603	GR00000000000055	US DRUG ENFORCEMENT ADMINISTRATION	774378	\$ 1,290.24	7/1/2017	OCDEF2017	GRANTS	11000
31603	GR00000000000055	US DRUG ENFORCEMENT ADMINISTRATION	792786	\$ 1,781.76	9/1/2017	OCDEF2017	GRANTS	11000
31603	GR00000000000055	US DRUG ENFORCEMENT ADMINISTRATION	793216	\$ 2,088.96	10/6/2017	OCDEF2017	GRANTS	11000
				\$ 10,432.20	AR at 11/17/2017			

Step 5: Run the TN_AR21_ACCOUNT_ANALYSIS query for Account 12000001 for each period past the period one is trying to back into the results, for this example we are trying to get to the balance at the end of Period 3 and we are in period 5 (November – from Step 4), so we would need this query ran for both periods 4 & 5.

Query Name Sea

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	<input type="text" value="31603"/>
ACCOUNT	<input type="text" value="12000001"/>
FISCAL_YEAR	<input type="text" value="2018"/>
ACCOUNTING_PERIOD	<input type="text" value="4"/>

Query Name Search

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	<input type="text" value="31603"/>
ACCOUNT	<input type="text" value="12000001"/>
FISCAL_YEAR	<input type="text" value="2018"/>
ACCOUNTING_PERIOD	<input type="text" value="5"/>

Step 5a: Add the results of Step 5 together and using pivot table functionality; put the Unit and Accounting Date (Acctg Date) on the Row and Data Source in the Column and Amount in the Data field (don't forget to change the Count to Sum). To understand what the Data Source AR and BI represents – AR in this query represents Invoice Items closed, while BI represents new Invoice Items billed.

Sum of Amount		DataSource		
Unit	Acctg Date	AR	BI	Grand Total
31603	10/1/2017		\$3,429.18	\$3,429.18
	10/6/2017		\$2,088.96	\$2,088.96
	10/10/2017	-\$1,090.96		-\$1,090.96
	10/31/2017	-\$2,348.54	\$2,348.54	\$0.00
	11/2/2017	-\$12,393.36		-\$12,393.36
	11/7/2017	-\$2,532.28		-\$2,532.28
Grand Total		-\$18,365.14	\$7,866.68	-\$10,498.46

Step 6: Combine TN_AR18C_ALL_OPEN_ITEMS_FD_SC and TN_AR21_ACCOUNT_ANALYSIS as below: Enter the amount of TN_AR18C by Fund and the Grand Total from the TN_AR21 query(s) from the accounting dates past the quarter end which gives one the AR that has been closed and the new Billing which has occurred to the current date. Reverse the Grand Total sign. This should give one the Accounts Receivable at the quarter date desired (for our example at end of Period 3 or 9/30/2017).

\$10,432.20	TN_AR18C_ALL_OPEN_ITEMS_FD_SC as of 11/17/2017
\$10,498.46	Take the Grand total of the Dates past the desired quarter end from Query TN_AR21 from the previous stap) This gives you all the AR that has been closed and the new Billing that has occurred to date 11/17/2017 Reverse the Grand total sign (if amount is a credit, change it to a debit or if amount is a debit, change it to a credit)
\$20,930.66	This sum gives you the AR at the date desired (end of period 3 or 9/30/2017)

Step 7: Document and Compare results from Step 6 to the General Ledger Results:

Trial Balance for FY17 Periods 0 - 998					\$ 15,957.47
Project	Affiliate	Fund Affil	Year	Period	Sum Total Amt
			2018	1	\$ (23.76)
			2018	2	\$ 3,215.19
			2018	3	\$ 1,781.76
Trial Balance for FY18 Periods 1-3					\$ 4,973.19
Trial Balance at end of Period 3 in FY18					\$ 20,930.66

If the same, you have reconciled the General Ledger balance to the Accounts Receivable and Billing sub-modules in Edison. Document the trial balance amount on the **General Ledger (GL) Balance line** on the Certification of Account Reconciliation form. Document the amount from the AR queries (Step 6) on the **Agency Internal Records Balance line**. If the calculation in the form results in an amount other than \$0.00 (see line **Reconcile, reclassify or correction** on the form) identify the details of the differences (see below for some helpful researching tips) and document on the reconciling items section of the form and take corrective or other action as needed.

If no reconciling differences exist, complete the Reconciliation Form and submit. Don't leave the Description field blank. Note the dating and running of the AR queries in the Description. Save as a signed PDF and submit by the due date:

Below is an example:

Certification of Account Reconciliation		Finance & Administration Division of Accounts
Fund: <u>11000</u>	Select from dropdown list	
Edison Account Number: <u>12000001 Accounts receivable</u>	Select from dropdown list	
Agency: [REDACTED]	Select from dropdown list	
Date Completed: <u>11/9/2017</u>		
Fiscal Quarter: <u>1st Jul-Sep</u>	Select from dropdown list	
State Fiscal Year: <u>2018</u>		
Prepared by: [REDACTED]	Email: <u>jai.sawlani@tn.gov</u>	Tel: <u>615-532-9738</u>
Reviewed by: [REDACTED]	Email: <u>Alicia.reynolds@tn.gov</u>	Tel: <u>615-741-9442</u>
		Amount
General Ledger (GL) Balance		\$ <u>20,930.66</u>
Agency Internal Records Balance		20,930.66
(Please describe below)		
Difference to Reconcile, Reclassify, or Correct		\$ <u>-</u>
Description of agency internal records balance (e.g., independent system, edison submodule, statement, or report)		
<u>Review of Aging report in Edison AR module (Report AR30003)</u>		
Reconciling item(s) and transaction details		
1.		\$ <u>-</u>
2.		-
3.		-
4.		-
5.		-
<i>Attach list for additional items or explanations and include in the total of reconciling items</i>		
Total of Reconciling Items		\$ <u>-</u>
Unreconciled Balance (SHOULD BE -0-)		\$ <u>-</u>
Department Controller or Budget /Fiscal Officer		Date
[REDACTED]		<u>11-13-17</u>
By signing above, I certify that the completed reconciliation certification for the account listed is an accurate and verifiable representation of the stated balance and has been prepared and reviewed by accounting personnel employed by this agency. Identified discrepancies will be corrected within 60 days of the above quarter end.		

Step 7a: An additional way of reconciling, which should equal the same results as previous could be performed by running the AR Report AR300003 report as described in the example reconciliation given. Navigation: FSCM> Accounts Receivable> Receivable Analysis> Aging> Aging by Chartfield. This will give you a PDF report by Customer ID. Take note, this report does not break the amounts down by FUND.

Aging By Chartfield

Run Control ID Aging_BY_CHARTFIELD Report Manager Process Monitor Run

Language English

Report Request Parameters

*As of Date 09/30/2017 Use System Date Business Unit 31603

Customer ID Exclude IU Customers *Default SetID 31603

Exclude Customers with Different Aging ID

*Display Option Include All

Aging ID

*Aging SetID SHARE

*Aging ID STDRD

Report Option

Detail

Summary

Refresh

ChartField Selection Personalize | Find | | First 1-9 of 9 Last

ChartField Name	Subtotal	Value	To Value
Account	<input checked="" type="checkbox"/>	12000001	12000001

Report ID: AR30006 PeopleSoft Receivables
 Aging ID: SHARE/STDRD AGING BY CHARTFIELD
 Chartfield Parameters ACCOUNT = 12000001 30-SEP-2017
 Display Option: Include All
 Business Unit: 31603

Page No. 1
Run Date 11/17/2017
Run Time 07:39:58

Item	Line	As of	Entry Type Reason Terms	Total Selected Amount	>30	30-60	60-90	<90
ACCOUNT	12000001							
Customer ID	GR00000000000040			Customer Name	DEPARTMENT OF HOMELAND SECURIT			
0000768743	0	06/30/2017	IN NET30	1,090.96			1,090.96	
0000769076	0	06/30/2017	IN NET30	1,159.15			1,159.15	
0000779355	0	08/07/2017	IN NET30	3,215.19	3,215.19			
Total	DEPARTMENT OF HOMELAND SECURIT			5,465.30	3,215.19		2,250.11	
Customer ID	GR00000000000055			Customer Name	US DRUG ENFORCEMENT ADMINISTRA			
0000718329	0	11/30/2016	IN NET30	2,683.80				2,683.80
0000727295	0	01/18/2017	IN NET30	879.69				879.69
0000739798	0	03/08/2017	IN NET30	1,088.43				1,088.43
0000740154	0	03/10/2017	IN NET30	1,658.88				1,658.88
0000743523	0	03/23/2017	IN NET30	1,781.76				1,781.76
0000747971	0	04/13/2017	IN NET30	1,413.12				1,413.12
0000758632	0	05/26/2017	IN NET30	1,781.76				1,781.76
0000772747	0	07/17/2017	IN NET30	1,105.92		1,105.92		
0000774378	0	07/01/2017	IN NET30	1,290.24			1,290.24	
0000792786	0	09/01/2017	IN NET30	1,781.76	1,781.76			
Total	US DRUG ENFORCEMENT ADMINISTRA			15,465.36	1,781.76	1,105.92	1,290.24	11,287.44
Totals for ACCOUNT	12000001			20,930.66	4,996.95	1,105.92	3,540.35	11,287.44
Total Receivables Due					>30	30-60	60-90	<90
					4,996.95	1,105.92	3,540.35	11,287.44

Note: If the agency/business unit had more than one fund, the previous steps would need to be done for each fund.

The additional steps would only be needed if the reconciliation had reconciling differences.

Step 8a: If you are out of balance, the results of the AR Aging Report may reflect Customers which are State Agencies and a possible “in-correct” rate set may have been used on the Customer (revenue) Contract.

Step 8b: If you are out of balance, first look for any journals with budget errors by running the following two queries only looking for errors on account 12000001:

TN_GL33_EDIT_ERRORS_HDR – validate no errors exist on the header level for account 12000001
 TN_GL13_BUDGET_EXCEPTIONS – validate no budget errors exist on journals for account 12000001

If out of balance, normal month end AR & BI queries to run include:

To validate that no AR/BI journals are pending:
 TN_GL15_AR_NOT_POSTED – validate that no AR journals are pending
 TN_GL15A_AR_PAY_NOT_POSTED – validate that there are no Item payment deposits which have not posted
 TN_GL_15B_DJ_NOT_COMPLETE – validate that no Direct Journals are incorrectly posted
 TN_GL15C_VAL_DEP_ITEM_ACTIVITY – validate that there are no incorrectly posted deposits
 TN_GL18_BI_NOT_POSTED – validate that there are no invoices which have never made it to the GL from billing
 TN_GL18A_BI_NOT_POSTED_TO_AR – validate that all BI journals have processed to AR
 TN_GR25_BI_NO_JRNL_GEN – validate that no BI journals exist which have not journal generated
 TN_GL26_AR_NO_JRNL_GEN – validate that no AR journals exist which have not journal generated
 TN_GL27_AR_NO_DIRECT_JRNL – validate that no Direct Journals exist which have errors & have not posted
 TN_GL27A_AR_NOT_JRNL_GEN – validate that no AR journals exist which have not posted to GL
 TN_GL27B_AR_DEPOSIT_SUSPENSE – validate that no AR deposits are in suspense
 TN_GR40_AR_DIR_JRNL_NOT_POSTED – validate that all Direct Journals have posted

Step 9: If still out of balance run TN_AR30_ACCOUNT_RECON query.

Run Control ID TN_AR30_ACCOUNT_RECON Report Manager Process Monitor

Query Name

*Description

Update Parameters

Prompt Name	Value
BUSINESS_UNIT	<input type="text" value="31603"/>
FUND_CODE	<input type="text" value="11000"/>
ACCOUNT	<input type="text" value="12000001"/>
ACCOUNTING_DT	<input type="text" value="2017-11-17"/>

Using pivot table functionality, take the results of the TN_AR30_ACCOUNT_RECON query, put Item ID in the row, Source in the column, Amount in the Data. Use a Value Filter on the Item ID field and Show items for which the “Sum of the Sum Amount” is not between -.01 and .01 as the follow example shows:

Account	12000001												
Sum of Sum Amount	Source												
Item ID	AR	BI	GL	Grand Total									
477023	\$530.62	-\$530.62		\$0.00									
477024	-\$530.62	\$530.62		\$0.00									
479236	-\$7,805.50	\$7,805.50		\$0.00									
494200	-\$2,696.53	\$2,696.53		\$0.00									
499455	-\$9,570.19	\$9,570.19		\$0.00									
506992	-\$536,344.84	\$536,344.84		\$0.00									
507170	-\$6,134.87	\$6,134.87		\$0.00									
508900	-\$3,380.03	\$3,380.03		\$0.00									
509039	-\$3,126.35	\$3,126.35		\$0.00									
512704	\$542,479.71	-\$542,479.71		\$0.00									

Value Filter (Item ID)

Show items for which

Sum of Sum Amount is not between -.01 and .01

OK Cancel

This gives one the ability to see only the Item ID’s (Invoice Items) which have a balance, an open accounts receivable. Normally this query is equal to the amount on AR (12000001) on the date (current) date that the TN_AR18C query was ran, however it can assist with finding reconciling values.

Keep in mind that Source AB means it is Archived Billing, Source BI is Billing, Source AR is Accounts receivable, and GL is General Ledger. If the Invoice Item has not had a payment applied against the open Invoice item, the AR amount would be blank and the Grand Total column would not equal zero.

Item ID	Source	AR	BI	GL	Grand Total
26893	378080		-212,757.24	212,757.24	0.00
26894	378318		-189.49	189.49	0.00
26895	378319			0.00	0.00
26896	378320		-25.78	25.78	0.00
26897	378321		-28,580.35	28,580.35	0.00
26898	378322		-12,564.64	12,564.64	0.00
26899	378323		-19,863.74	19,863.74	0.00
26900	378324			28,724.79	28,724.79

If a deposit has been put on the Customer’s Account, an OA Item ID is created. If the OA Item is successfully closed either with a Maintenance Worksheet or applied to an Open Invoice Item ID, the AR amount would be zero. If you still had an OA amount(s) that were not zero, then an OA (On Account) Item exists and needs further research (normally would be applied to a future billing and closed via Maintenance Worksheet.

Item ID	Source	AR	BI	GL	Grand Total
35650	OA-12097		0.00		0.00
35651	OA-13034		0.00		0.00
35652	OA-14705		0.00		0.00
35653	OA-15767		0.00		0.00
35654	OA-15803		0.00		0.00
35655	OA-15831		0.00		0.00

Also keep in mind, if your agency has prepaids, the CN journals will be returned as “Item ID” numbers where the utilization of the zero dollar billing occurs. These Item IDs will begin with “CN” on this particular query even though they are pulling from a BI journal. The desired results of those should be zero.

3	Source					
4	Item ID	AB	AR	BI	GL	Grand Total
35613	CN01402678					0.00 0.00
35614	CN01402679					0.00 0.00
35615	CN01402680					0.00 0.00
35616	CN01404973					0.00 0.00
35617	CN01404974					0.00 0.00
35618	CN01404980					0.00 0.00

Additionally, if a GL journal or a billing correction had been done (filter on Source GL and ignore CN), one would have Item ID’s other than the normal CN journal ID’s (CNXXXXX) or OA Item ID’s (OA-XXXX) as in the following example of AR30 which would need further research:

3	Sum of Sum Amount		Source	
4	Account	Item ID	GL	Grand Total
5	12000001	1093831	0.00	0.00
6		1338073	314,750.05	314,750.05
7		BI0094951C	-5,218.14	-5,218.14

Final Note:

If differences remain and after extensive review and analysis has been done by the agency, if further assistance is needed on reconciling the AR Account (12000001) to the general ledger, contact the Division of Accounts Grants team for assistance.