

**TEXAS SOUTHERN UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Fiscal Affairs**  
**AREA: General Accounting**

**NUMBER: 03.07.07**

<b>TITLE/SUBJECT: Reconciliation of General Ledger FOAPAL Balances</b>
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**I. POLICY STATEMENT**

This policy sets general guidelines for the university to follow in developing GL verification procedures.

**II. PURPOSE AND SCOPE**

In order to minimize the risk of unauthorized use of institutional funds and to ensure that all financial activity specifically revenues and expenses are properly recorded, entries in the Banner General Ledger (“GL”) must be monitored monthly.

**III. DEFINITIONS**

**IV. POLICY PROVISIONS**

1. A budget is established for the operations of units within Texas Southern University (TSU) using the fund, organizational unit and program codes assigned in the chart of accounts used by the university. Budgets are referred to as FOAPAL, which stands for fund, organization, account, program, activity & location, or cost center interchangeably.
2. Each department of Texas Southern University shall perform a monthly verification of transactions for each of their active FOAPAL in the GL to ensure the accuracy and propriety of the entries.
3. FOAPAL are to be monitored each month through the preparation of a verification worksheet. After a thorough review of each FOAPAL is performed, the reviewer should document the related procedures by signing a monthly verification coversheet.
4. A complete verification includes:
  - 4.1. Verification that transactions on the verification worksheet, which include all revenue, expense, fund equity, budget, open commitments/encumbrances, and asset and liability

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transactions that were entered manually into the system (i.e., not system generated offsets to revenue and expense), are accurate and in accordance with department records;

- 4.2. Identification of transactions that appeared on a FOAPAL in error and require a correction;
  - 4.3. Preparation and transmittal of requests for corrections to the appropriate office; and
  - 4.4. Completion, review, and approval of the verification worksheet and related coversheet.
5. FOAPAL managers are responsible for reviewing/approving monthly verification worksheets & coversheets. The review process may be delegated in writing to a department or college/division business administrator. However, the FOAPAL manager is still ultimately responsible for the transactions on his/her cost centers and will approve by signing the coversheet for each monthly review

Note: The verification worksheet & coversheet must be reviewed/approved by someone other than the preparer of the verification worksheet & coversheet.

6. Verification worksheets, including documentation of their review/approval, shall be maintained (paper or computer file) at the department and made available to the Internal Audit Department and the Controller's Office upon request. In addition, a list of transactions that appeared on the FOAPAL in error and require a correction must be maintained with the verification worksheets. Verification worksheets, documentation of review and approval of those worksheets, and written delegations of authority related to the verification or review and approval process are to be retained for all periods of the current and previous fiscal year.
7. FOAPAL that will no longer be utilized should be inactivated within sixty (60) days from their last transaction date, so they are removed from the list of FOAPALs to be verified. The responsible department should inactivate FOAPAL by contacting the General Accounting Department or the Office of Research Financial Services, as appropriate. However, FOAPAL cannot be inactivated until all of the following are true:
  - 7.1. All asset, liability, and fund equity account balances are zero.
  - 7.2. The FOAPAL has no open commitments/encumbrances.



**V. APPROVALS**

Christina Ordonez-Campos, CPA

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Controller

*Kenneth Huewitt*

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Vice President of Administration & Finance/CFO

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President

Effective Date 5/9/2018

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