## Quarterly Reconciliation Accounts Receivable (12000001) Reconciliation Instructions

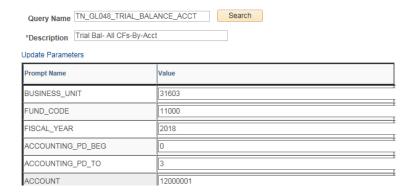
All state agencies should reconcile the non-zero balance on their business unit's trial balance for account, 12000001 (Accounts Receivable). The 12000001 account balance on the general ledger's trial balance should be reconciled at least quarterly to accounts receivable balance in the AR sub-module of 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 30<sup>th</sup>, December 31<sup>st</sup>, March 31<sup>st</sup>, and June 30<sup>th</sup>. 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 30<sup>th</sup> would be due on/before 11/14; December 31<sup>st</sup> would be due on/before 2/14; March 31<sup>st</sup> would be due 5/15; and June 30<sup>th</sup> would be due on/before August 14<sup>th</sup>.

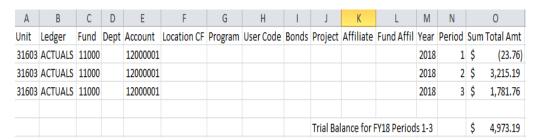
Accounts Receivable should be routinely reviewed (in addition to documenting the quarterly reconciliation) for propriety, and actions taken promptly to correct omissions or amounts included in any errors. As a general rule any Accounts Receivable should relate to state policy: Finance & Administration 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:

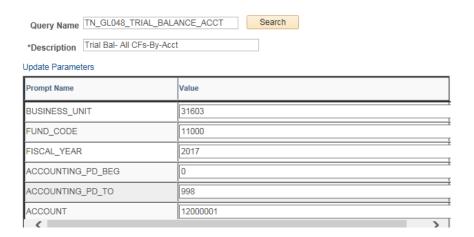
Step 1: Run the TN\_GL048\_TRIAL\_BALANCE\_ACCT query for Account 12000001. Run for the current state year beginning with Period 0 to current Period needed.



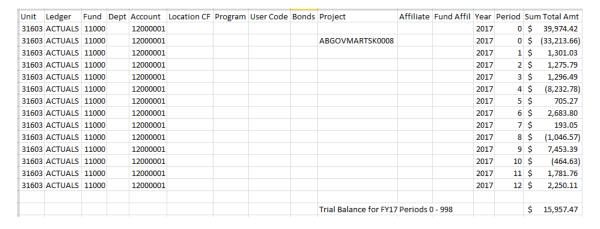
Using the pivot table functionality, sum the query results and identify them. Ignore any other chartfield information other than Unit, Fund, Account, Year, and Amount.



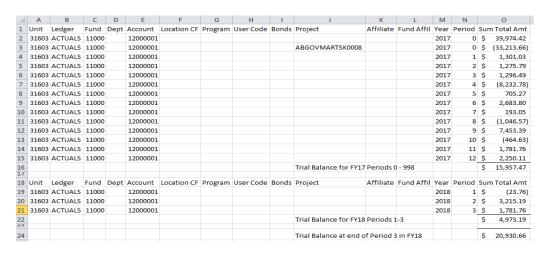
Step 2: If no results are returned for Period 0, this means that the prior state year balances have not rolled. Run the TN\_GR048\_TRIAL\_BALANCE\_ACCT query for Account 12000001 for the prior state year beginning with Period 0 through Period 998.



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.

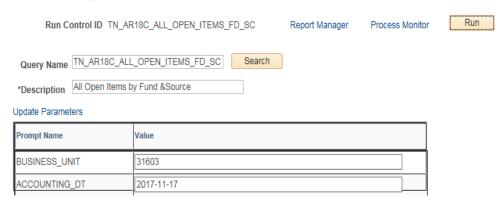


Step 3: Add the results of the two Trial Balances together:



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.

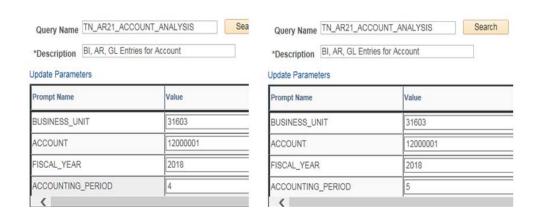
## Schedule Query



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.



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.



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:

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

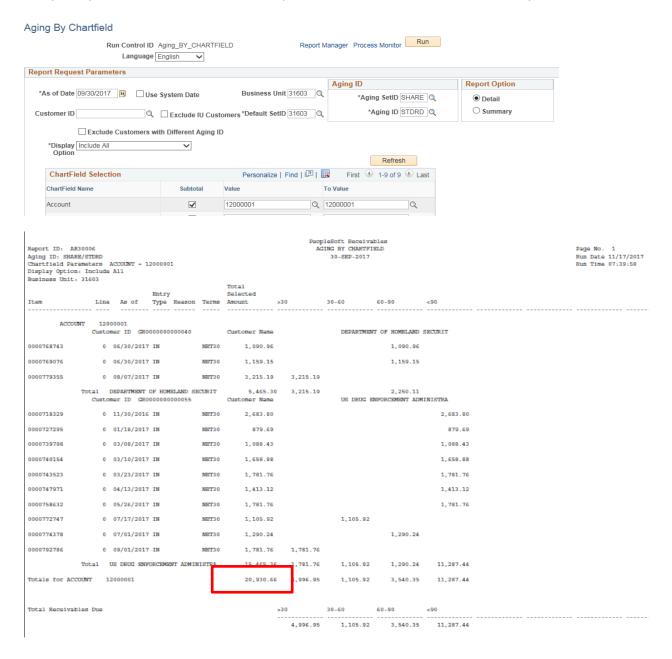
If the same, you have reconciled the General Ledger balance to the Accounts Receivable and Billing submodules in Edison. Document the trial balance amount on the *General Ledger (GL) Balance line* on the Certification of Account Reconciliation form. Document the amount from the AR queries (Step 6) on 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					Pinence & Administration Division of Accounts		
Fund: 11000	5	elect from d	Iropdown list				
Edison Account Number: 12000001 Accounts receivable					Select from dropdown list		
Agency				Select from dropdown list			
Date Completed:	11/9/2017						
Date Completed:	11/9/2017						
Fiscal Quarter: 1st Jul-Sep		elect from d	tropdown list				
State Fiscal Year:	2018						
Prepared by:	_	Email:	jai.sawlani@tn.gov	Tel:	615	-532-973	
Reviewed by:	_	Email:	Alicia.reynolds@tn.gov	Tel:	615	-741-944	
						Amount	
			General Ledger (GL) 8	alance	\$	20,930.6	
		A	gency Internal Records I	Balance	_	20,930.66	
submodule, statement, or report)	alance (e.g., indepe	endent s	(Please describe below) seconcile, Reclassify, or ystem, edison	Correct	\$		
submodule, statement, or report)	alance (e.g., indepe	endent s	econcile, Reclassify, or	Correct	\$	*	
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submodule, statement, or report) Review of Aging report in Edison AR module Reconciling item(s) and transaction details.	alance (e.g., indepe	endent s	econcile, Reclassify, or	Correct			
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Description of agency internal records be submodule, statement, or report) Review of Aging report in Edison AR module. Reconciling item(s) and transaction detail. 2. 3. 4. 5. Attach list for additional items or explanation of the properties of th	alance (e.g., independent of the control of the con	in the to	econcile, Reclassify, or system, edison  otal of reconciling items  otal of Reconciling Items		\$ \$	3 - 1	

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.



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 ARjournals are pending

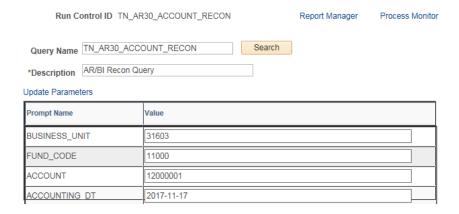
TN\_GL15A\_AR\_PAY\_NOT\_POSTED – validate that there are no Item payment deposits which have not posted

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

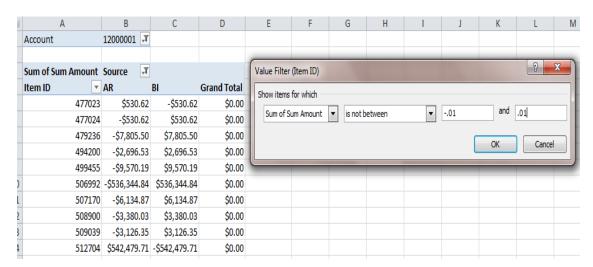
TN\_GL18A\_BI\_NOT\_POSTED\_TO\_AR – validate that all BI journals have processed to AR TN\_GR25\_BI\_NO\_JRNL\_GEN – validate that no BI journals exist which have not journal generated TN\_GL26\_AR\_NO\_JRNL\_GEN – validate that no AR journals exist which have not journal generated TN\_GL27\_AR\_NO\_DIRECT\_JRNL – 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.

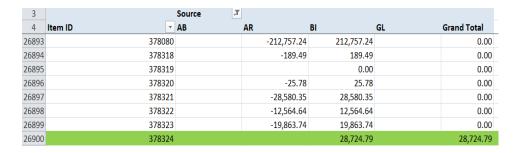


Using pivot table functionality, take the results of the TN\_AR30\_ACCOUNT\_RECON query, put Item ID in the row, Source in the column, Amount in the Data. Use a Value Filter on the Item ID field and Show items for which the "Sum of the Sum Amount" is not between -.01 and .01 as the follow example shows:



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.

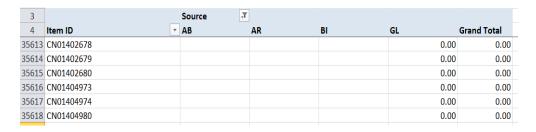
Keep in mind that Source AB means it is Archived Billing, Source BI is Billing, Source AR is Accounts receivable, and GL is General Ledger. If the Invoice Item has not had a payment applied against the open Invoice item, the AR amount would be blank and the Grand Total column would not equal zero.



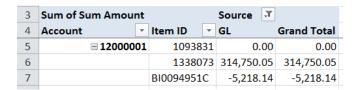
If a deposit has been put on the Customer's Account, an OA Item ID is created. If the OA Item is successfully closed either with a Maintenance Worksheet or applied to an Open Invoice Item ID, the AR amount would be zero. If you still had an OA amount(s) that were not zero, then an OA (On Account) Item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

3	Source J							
4	Item ID	AB	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.



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:



## **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.