

Fund Balance with Treasury

RECONCILIATION PROCEDURES

A Supplement to the Treasury Financial Manual
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FUND BALANCE WITH TREASURY RECONCILIATION PROCEDURES***A Supplement to the TFM*****I. Date of Standard Operating Procedures (SOPs):**

These SOPs were established May 31, 1999, but are subject to change as deemed necessary. The month and date of any change will be appropriately documented. The Financial Analysis Branch (FAB) maintains this document. FAB will provide revised procedures electronically via Internet, transmittal letter updates and in the Treasury Financial Manual (TFM).

II. Purpose:

The procedures defined in this document provide step-by-step instructions on reconciling the Fund Balance with Treasury (FBWT). Also included is guidance on reconciling warrant and nonexpenditure transactions. These procedures pertain to Federal agencies that must report receipt and disbursement activity to Treasury.

III. Acronyms and Forms:

The acronyms used throughout this document are summarized below.

A. Acronyms

ACR	Agency Confirmation Report
ALC	Agency Location Code
CFO	Chief Financial Officer
CP&R	Check Payment and Reconciliation System
EFT	Electronic Funds Transfer
DO	Disbursing Officer
FAB	Financial Analysis Branch
FBWT	Fund Balance with Treasury
FI	Financial Institution
FMS	Financial Management Service
FRB	Federal Reserve Bank
FY	Fiscal year
G/L	General Ledger
GOALS	Government On-line Accounting Link System
JV	Journal Voucher
OMB	Office of Management and Budget
OPAC	On-line Payment and Collection System
NTDO	Non-Treasury Disbursing Office
RFC	Regional Financial Center
SGL	Standard General Ledger
SIBAC	Simplified Interagency Billing and Collection
SOD	Statements of Differences
STAR	FMS's integrated accounting system
USDO	U.S. Disbursing Officer

B. Forms

SF 215: Deposit Ticket
SF 224: Statement of Transactions
SF 1081: Voucher and Schedule of Withdrawals and Credits
SF 1098: Schedule of Canceled or Undelivered Checks
SF 1151: Nonexpenditure Transfer
SF 1166: Voucher and Schedule of Payments
SF 1218: Statement of Accountability
SF 1219: Statement of Accountability
SF 1220: Statement of Transactions
SF 1221: Statement of Transactions
SF 5515: Debit Voucher
FMS 145: Schedule of Canceled EFT Items
FMS 1185: Schedule of Unavailable Checks/Cancellations/Credits
FMS 2108: Yearend Closing Statement
FMS 5206: Advice of Check Issue Discrepancy
FMS 6200: Warrants
FMS 6652: Statement of Differences
FMS 6653: Undisbursed Appropriation Ledger
FMS 6654: Undisbursed Appropriation Account Trial Balance
FMS 6655: Receipt Account Ledger
FMS 6655: Receipt Account Trial Balance
FMS 6655: Report of Unavailable Receipt Transactions

IV. Background:

The FBWT account is an asset account representing the future economic benefit of monies that can be spent for authorized transactions. The SGL defines the FBWT as consisting of all funds on deposit with Treasury, excluding seized cash deposited, reported on the Statement of Transactions, Statement of Accountability and the Yearend Closing Statement. Federal agencies use the FBWT account to record appropriation, receipt, transfer and disbursement activity. Typical fund balance transactions involve: (1) appropriations; (2) accounts receivable; (3) disbursements/deposits in transit; (4) accrued payroll/benefits; (5) accounts payable; (6) miscellaneous receipts; and (7) advances on customer orders. Agencies record this activity in the U.S. Standard General Ledger (SGL) Account 1010 and any related subaccounts. The fund balance is increased by a debit general ledger (G/L) entry. Credit G/L entries decrease the fund balance. Federal agencies must use the FBWT account to reconcile with the Department of the Treasury, Financial Management Service (FMS) records. This reconciliation is essential to enhancing internal controls, improving the integrity of various U.S. Government financial reports and providing a more accurate measurement of budget results.

Federal agencies derive fund balances from different sources. At the agency level, agencies accumulate the fund balance from the numerous receipt and disbursement transactions they record in the SGL 1010 account during an accounting month. Agencies also report this activity on their Statement of Transactions and Statement of Accountability. FMS uses STAR, an accounting and reporting system that integrates data from financial institutions (FIs) via CASHLINK, the On-line Payment and Collection System (OPAC) and the Regional Finance Centers (RFCs). FMS uses the information consolidated into STAR to compare agencies reported receipts and disbursements to amounts reported by depositories using form FMS 6652. Therefore, any discrepancies between agency reports and data from banks, RFCs and the OPAC system are reported on FMS 6652. FMS also uses STAR information to generate and present accounting results for the month by fund to Federal agencies. FMS presents those accounting results on the FMS 6653: Undisbursed Appropriation Account Ledger, FMS 6654: Undisbursed Appropriation Account Trial Balance, FMS 6655: Receipt Account Ledger/Trial Balance, and FMS 6652: Statement of Differences (SOD). FMS 6653 and 6654 give agencies their closing fund balances. The FMS 6655 discloses agencies= receipt account totals. Agencies may access those reports, FMS 6652, 6653, 6654 and 6655, using either the Government On-line Accounting Link System (GOALS) or microfiche. See Appendix 5 of this document for a map of reconciliation process procedures.

V. Policy:**A. Periodic Review and Evaluation**

Federal agencies must reconcile their SGL 1010 account and any related subaccounts with the FMS 6652, 6653, 6654 and 6655 on a monthly basis (at minimum). They must review those accounts each month to maintain the accuracy and reliability of their fund balance records for both prior year and current year appropriations. Agencies must reconcile no-year, revolving, deposit and trust fund accounts. They also must reconcile clearing and receipt accounts. This detailed reconciliation assures that agency data accumulated in the fund balance account is accurate. It also allows the agency to resolve differences in a timely manner. When resolving differences, agencies should maintain detailed reconciliation worksheets (see Appendix 1) that, if needed, can be reviewed by the agency's auditors or Treasury.

B. Differences

Federal agencies must research and resolve differences reported on the monthly FMS 6652. They also must resolve all differences between the balances reported on their G/L FBWT accounts and balances reported on the FMS 6653, 6654 and 6655. FMS notifies agencies of their deposit and disbursement differences on FMS 6652. FAB also sends periodic reminder letters of deposit and disbursement differences to each agency.

C. Adjustments

An agency may not arbitrarily adjust its FBWT account. Only after clearly establishing the causes of errors and properly documenting those errors, should an agency adjust its FBWT account balance. If an agency must make material adjustments, the agency must maintain supporting documentation. This will allow correct interpretation of the error and its corresponding adjustment.

D. Financial Management System Responsibilities

Reconciliation and related verifications ensure and demonstrate the integrity of the accounting system. These functions are necessary for a well-regulated system. To increase the efficiency of reconciling the fund balance, each agency's system should perform the following:

- Each financial system's policies and documented procedures should provide for: (1) regular and routine reconciliation of G/L accounts, (2) thorough investigation of differences, (3) determination of specific causes of differences and (4) initiation of corrective action. This includes having the ability to schedule coordinated cutoffs and systematically produce a trial balance of the G/L. These activities must be scheduled and conducted to facilitate rather than impede the reconciliation process.
- Also, the accounting system should be capable of producing subsidiary reports that provide a detailed history of receipt and disbursement activity recorded during the month, by fund. The subsidiary report balances should agree with the G/L.
- Processing controls and error checks should be programmed into the automated system, to the extent feasible. This will provide the maximum assurance that data recorded in the fund balance account is accurate.
- Federal agencies' financial management systems should satisfy the directives promulgated by the Joint Financial Management Improvement Program, Core Financial System Requirements; the Chief Financial Officers Act of 1990; Government Management Reform Act of 1994; the Office of Management and Budget (OMB) Circular A-127, Financial Management Systems; OMB Circular A-123, Management Accountability and Control; the Federal Managers' Financial Integrity Act; and the Treasury Financial Manual. These regulations provide guidance on the

development and maintenance of agency accounting systems to ensure each system, in addition to meeting the specific needs of the agency, will consistently provide compatible data required by Treasury, Congress, OMB and other regulatory agencies.

E. Internal Controls

All receipt and disbursement transactions should be reviewed by trained and knowledgeable staff prior to recording the transaction into the financial system or reporting the activity on the Statement of Transactions. This includes verifying that the arithmetic is correct and data elements are properly classified (*i.e.*, the fund account symbol). In addition, authorized officials should approve any adjustments to the fund balance. These controls help to attain a high degree of accuracy in reporting.

VI. Fund Account Symbols:

Agencies must identify each receipt or disbursement accounting transaction with the appropriate Treasury fund account symbol. Fund account symbols are used for internal and external reporting purposes. The symbol consists of a series of digits that range from 6 (XX XXXX) to 15 ((XX) XX-XX X/X XXXX (XXX)) characters in length. Refer to Treasury's FASTBOOK for specific information about fund account symbols. In general, the fund account symbol indicates (1) the department to which funds were appropriated; (2) the fiscal year(s) during which the appropriation is available for obligation; and (3) the basic fund group and numerical identification of the appropriation. Fund symbols that are 13 digits in length with 2-digit prefixes (XX) represent the subclassification prefix. The prefix denotes the agency to which the funds are transferred. The basic fund groups are categorized as follows:

Fund Group	Identification	
	From	To
Receipt account symbols		
• General funds	0000	3899
• Special funds	5000	5999
• Trust funds	8000	8999
Expenditure account symbols		
• General funds	0000	3799
• Clearing accounts	3800	3899
• Consolidated working funds	3900	3999
• Revolving funds	4000	4499
• Working capital funds	4500	4999
• Special funds	5000	5999
• Deposit funds	6000	6999
• Trust funds	8000	8999

Reference the complete fund account symbols on accounting documents. Each agency's accounting system must, by law, report and classify funds appropriated or authorized by Congress within the above budgetary classifications. Fund Balance Reconciliation (section VIII) issues guidance on how to reconcile discrepancies in fund reporting between the G/L and FMS 6653, 6654 and 6655.

VII. Agency Location Code (ALC):

The ALC is a unique numeric symbol used as an identifier in financial reports and documents prepared by or for agencies and disbursing offices. The ALC contains eight, four or three digits. An 8-digit ALC, XX-XX-XXXX, identifies the reporting and accounting sources. The first two characters of the 8-digit code identify the department or agency. The third and fourth digits represent the bureau within the department or agency. The remaining four digits identify the accounting station within the bureau. The 4-digit ALC, 00-00-XXXX, is the non-Treasury disbursing office symbol. Treasury establishes and approves each ALC.

VIII. Fund Balance Reconciliation:

Agencies must perform fund balance reconciliation for each Treasury fund account symbol. **Any reports or documents used to reconcile must reflect an identical accounting month and fund account symbol.** If an agency's G/L Chart of Accounts includes subaccounts for the SGL 1010 account, agencies must include subaccount balances in the summary SGL account total.

A. Documentation Used for Reconciliation

The basic records used to report collection and disbursement activity are derived from source documents that evidence a transaction. These documents serve as the official means of reference to reconcile the FBWT account. Federal agencies may use the source documents identified below in part 1, "Agency Source Documents." The documents FMS uses to compare fund balance activity are identified in the following listing, under part 2 "Treasury Reports."

1. Agency Source Documents

Federal agencies may internally develop and use various documents to track, record and report financial events. They should record only those documents that comply with statutory requirements. Agencies should use the following sources, currently used throughout the Federal Government, to report on the status of receipts or disbursements:

- Letters of credit.
- SF 1166.
- SF 1081.
- SF 1098.
- SF 1151.
- SF 215.
- SF 5515.
- FMS 145.
- FMS 1185.
- FMS 6200.
- OPAC (in lieu of SF 1081).

Agencies generally use the trial balance to obtain the SGL 1010 account balances. The trial balance should reveal, at a minimum, the following information by fund account symbol for easier reconciliation:

- Balance forwarded from previous month.
- Current month debits/credits (based on increases and decreases to the account).
- Ending fund balance (the difference between the balance forwarded and net current month activity).

2. Treasury Reports

FMS provides FMS 6652, 6653, 6654 and 6655 reports to Federal agencies monthly. These reports capture data recorded on agencies=Statements of Transactions and Accountability reports and data entered into the FMS central accounting and reporting system. Agencies should use these reports to reconcile their FBWT account. The reconciliation helps to (1) validate that reliable data is reported, (2) identify and correct errors with agencies=records and (3) determine any discrepancies reported by FMS. Agencies should notify FMS of any discrepancies.

a. SF 224: Statement of Transactions

The SF 224 is the central accounting document used *only* by 8-digit ALCs to report their monthly accounting activity to Treasury. The SF 224 provides Treasury with information on agency deposits and disbursements. The report captures data by appropriation, fund and receipt accounts.

Agencies for which Treasury disburses must prepare and submit the SF 224 via GOALS by the 5th workday of the current month. A separate SF 224 must be furnished for each 8-digit ALC. The SF 224 may contain adjustments for prior months accounting activity or reflect no activity for the month, if applicable. Agencies must submit a supplemental SF 224 by the 8th workday of the current month. FMS uses the supplemental SF 224 to capture financial activity not reported on the original SF 224 or to adjust information reported on the original SF 224.

FMS relies on the totals reported on the SF 224 to identify differences between Federal agencies=records and Treasury control totals reported by financial institutions. The total in section II, line 1, identifies the net disbursements recorded by an agency. It is separated into current and prior month amounts. The amount on this line is compared to Treasury disbursement control totals. The total in section III, line 3, identifies the collection and deposit activity. It includes total collections for the current and prior months. Information on this line is compared to Treasury deposit control totals.

b. SF 1218/1221: Statement of Accountability/Transactions

The SF 1218 is the means by which Treasury determines the accountability of foreign disbursing officers (USDOs) for funds held outside Treasury. SF 1218 reflects accountability transactions reported under the 4-digit ALC. An SF 1218 must be provided whenever an SF 1221 is submitted.

The SF 1221 is prepared by USDOs who collect and/or disburse foreign currency. In this report, the information is classified by appropriation, fund and receipt accounts. The SF 1221 supports the SF 1218 and provides Treasury with a monthly statement of payments and collections made by USDOs. The SF 1218 and 1221 reports are due to Treasury by the 7th workday following the close of an accounting month.

c. SF 1219/1220: Statement of Accountability/Transactions

Domestic DOs and other agencies with disbursing authority submit a monthly SF 1219 and 1220 to Treasury. Treasury uses the reports to summarize collection and disbursement activity for the month. This includes all Electronic Fund Transfer payments, prepared checks or other disbursements. SF 1219 provides detailed information about disbursing office collections and disbursements. Section I of the SF 1219 discloses changes to the disbursing officers' accountability. These changes are based on increases and decreases to fund balances. Section II provides details of disbursement and deposit activity as well as prior period adjustments. SF 1220: Statement of Transactions is similar to the SF 224. It also provides Treasury with information related to an agency's disbursement and collection

activity. Agencies report the disbursement and collection data by appropriation, fund and receipt accounts. The SF 1219 and 1220 statements must be submitted to Treasury by the 7th workday following the close of the accounting month.

d. Reconciliation of Checks Issued

FMS performs a two-step reconciliation of checks issued by RFCs and NTDOs. First, FMS compares item for item each check issued to the amount paid by the Federal Reserve Banks (FRBs) as presented through financial institutions. Second, FMS compares Statements of Accountability, SF 1219 or 1218 (line 2.10), to the detail of checks issued to assure all checks issued have been recorded as charges against appropriation or fund account symbols.

At the close of each week and month, disbursing officers submit to FMS a Level 8 magnetic tape (or electronic file transmission) that details by check symbol, serial number and amount all checks issued during the period (refer to I TFM 4-6500 for specific reporting requirements). Daily, FRB check processing offices submit to FMS an electronic file that details by check symbol, serial number and amount all checks paid that business day. The Level 8 check data and the FRB paid data are entered into the FMS Check Payment and Reconciliation (CP&R) system. Items that match exactly are reconciled and placed in archive. For items that do not match exactly, FMS reviews an image of the check to determine if a forgery has been paid or if the issue data was erroneous. Where forgery has occurred, FMS reclaims the payment amount from the financial institution. When the issue record is at fault, FMS issues the DO an FMS Form 5206. The DO must review each FMS 5206, determine the reason for the error, record an appropriate adjustment and report such adjustments on their next SF 1219 or 1218.

Monthly, each DO prepares and submits to FMS their SF 1219 or 1218. Line 2.10 summarizes the Level 8 detail check data submitted net of FMS 5206 adjustments processed and other DO identified adjustments. FMS compares SF 1219/1218 reporting to check issue data, FMS 5206 adjustments and DO requested adjustments entered into the FMS CP&R system. For discrepancies detected in this comparison, FMS sends the DO notification by letter. The DO must review the letter and determine the appropriate action needed to bring the CP&R system and the SF 1219/1218 reporting into agreement (see section VIII, part 3, exhibit 3E).

e. FMS 6652: Statement of Differences

FMS provides FMS 6652 to Federal agencies for both disbursements and deposits. A FMS 6652 is generated for each ALC by accounting and accomplished month if there is a discrepancy. The accounting month is the month the report is generated. The accomplished month is the month the difference occurred. Differences resulting from deposits indicate there is a discrepancy between the monthly totals submitted through the banking system via SF 215/5515s and the totals provided by the agency on the SF 224 (section III, line 3) or 1219 (section I, line 4.2). Treasury removes deposit differences of less than \$50 and more than 6 months old to a small difference account. The SOD for Disbursement transactions reveal discrepancies between monthly totals reported by the RFCs and/or through OPAC transactions between agencies and totals in agency reports on the SF 224 (section II, line 1) or 1219 (line 2.80). As stated in section V, agencies must research and resolve *all* differences. Differences that are not cleared during the next accounting month are carried forward to subsequent months until cleared. Agencies should report clearly supported corrective entries on the subsequent month's Statement of Transactions/ Accountability.

Federal agencies should compare the items reported on their internal deposit listing or collection schedules to the monthly deposit ticket/debit voucher support listing received

via GOALS or CASHLINK to reconcile deposit differences. An agency can reconcile disbursement differences by comparing the transactions reported on the support listings for disbursement transactions to the agency's internal subsidiary report or control ledger of disbursement activity and/or individual disbursement source documents. The disbursement support listings generated from GOALS include the RFC Agency Link (agency confirmation report) and OPAC transactions.

f. FMS 6653: Undisbursed Appropriation Account Ledger

FMS provides Federal agencies with a monthly FMS 6653 for expenditure accounts that have monthly activity. FMS 6653 provides information about the appropriation warrants issued, nonexpenditure transfers, transactions reported by agencies on the Statement of Transactions and those reported by other agencies as well as certain centrally processed FMS documents. Transactions commonly reported by other agencies and FMS are the nonexpenditure transfer, payroll disbursements, warrant and GOALS charges.

FMS 6653 is arranged to report the opening fund balance for the month, current month transactions, net disbursements and the closing balance at the end of the accounting month. Federal agencies must reconcile the FBWT account to the closing balance presented on FMS 6653 and FACTS II.

The transaction codes reported on FMS 6653 indicate the type of activity reported. The most commonly used transaction codes are *10*: appropriation warrant, *61*: disbursements and *71*: repayments. A detailed listing of transaction codes that may appear on FMS 6653 is shown in Appendix 2.

g. FMS 6654: Undisbursed Appropriation Account Trial Balance

FMS 6654 provides agencies with summary data about their expenditure accounts. This data is summarized for each appropriation and fund account at the department level and at the bureau level for certain executive departments. The data reveals the balance forwarded at the beginning of the fiscal year, cumulative warrants, nonexpenditure transactions, net disbursements to date and closing balances at month end. Federal agencies must reconcile their FBWT accounts to the closing balances shown in this report.

h. FMS 6655: Unappropriated Receipt Account Ledger

FMS 6655 contains detailed receipt transactions and balances reported by an agency during an accounting month. These balances are unavailable for expenditure until Congress passes specific appropriation legislation. It discloses information related to the balance forwarded, current month receipt transactions and the month-end closing account total. This information is reported for each special and trust fund receipt account. Federal agencies must reconcile their receipt activity to the closing balance shown on FMS 6655. The transaction codes that may appear on the FMS 6655 are disclosed in Appendix 2.

i. FMS 6655: Receipt Account Trial Balance

FMS 6655 shows receipt balances by fund account symbol and department. This includes year-to-date and current month receipt totals. Federal agencies must reconcile their current month and year-to-date receipt activity to the balances disclosed in this report.

j. FMS 6655: Report of Unavailable Receipt Transactions

FMS 6655 shows collections or deposits of funds in accounts that are not immediately available for expenditure. The unavailable receipt balances are provided for each receipt account symbol.

k. FMS 2108: Yearend Closing Statement

FMS 2108 reports the fund balance for each expenditure account symbol that has a balance and/or activity for the fiscal year. The FMS 2108 also reports the amount of receivables, unfilled customer orders, unobligated balances and unpaid obligations. Beginning fiscal 1999, Federal agencies will submit the FMS 2108 data to FMS using the Federal Agencies=Centralized Trial Balance System (FACTS II).

B. Step-By-Step Reconciliation Process

The steps used to perform fund balance reconciliation are presented in exhibits 1A through 4A. Each exhibit uses three column headings: “step,” “action” and “required documents.” The “step” column numbers the actions that must be accomplished to complete the reconciliation. The “action” column describes each step in terms of the specific processes that need to be performed to accomplish the reconciliation. The “action” column also gives examples of common discrepancies and details corrections that must be made to the agency’s Statement of Transactions/Accountability and/or the G/L. “Action” also describes common reconciliation worksheet annotations. The final column titled “required documents” lists the reports an agency will use to perform the actions/reconciliations.

This section provides step-by-step procedures for reconciling the agency FBWT accounts to the FMS 6653. The following procedures also apply to reconciling FMS 6654 (when there is no monthly activity for an expenditure account symbol), FMS 6655 as well as the SF 224, 1218/1221 and 1219/1220 reports. **The procedures are in how-to exhibit formats.** As a quick reference, the exhibits provide step-by-step directions for the following:

1. Comparing FMS 6653 and General Ledger Totals
 - Exhibit 1A—How to Compare FMS 6653 and General Ledger Totals.
 - Exhibit 1B—How to Identify Differences in FMS 6653 and General Ledger Entries Reported by the Agency.
 - Exhibit 1C—How to Identify Differences in FMS 6653 and General Ledger Entries Reported by Another Agency.
 - Exhibit 1D—How to Determine the Month-End Unreconciled Balance.
2. Identifying Prior Month Differences
 - Exhibit 2A—How to Identify Prior Month Differences.
3. Reconciling Statements of Differences
 - Exhibit 3A—How to Reconcile Statement of Differences for Disbursements.
 - Exhibit 3B—How to Use Worksheet 1B: Statement of Differences for Disbursements.
 - Exhibit 3C—How to Reconcile Statement of Differences for Deposits.
 - Exhibit 3D—How to Use Worksheet 1C: the Statement of Differences for Deposits.

- Exhibit 3E—How to Reconcile Check Issue Audits Using FMS 5206.
4. Researching Uncleared Differences
- Exhibit 4A—How to Research Uncleared Differences.

1. Comparing FMS 6653 and General Ledger Totals

This section provides detailed instructions on reconciling the FMS 6653 to the FBWT SGL account. Exhibit 1 furnishes guidance on comparing the FMS 6653 and SGL 1010 balances. Exhibit 2 issues directives on identifying entries reported by the reconciling agency. Exhibit 3 provides instructions on identifying transactions reported by other Federal agencies. Exhibit 4 furnishes guidance on determining the residual unreconciled balance.

Exhibit 1A How to Compare FMS 6653 and General Ledger Totals

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 1A-Step 1	Determine if the SGL ending balance and the FMS 6653 closing balance are equal. The balances should be compared for the same accounting month and fund account symbol. The agency's trial balance report should disclose the SGL 1010 balance. If the SGL has subaccounts for SGL 1010, combine these amounts to obtain the ending balance. If the SGL and FMS 6653 are not equal, proceed to E1A-2.	<ul style="list-style-type: none"> C Trial balance C FMS 6653
E1A-2	Using the FMS 6653, record the reconciling month's closing balance in column D of Worksheet 1A: FMS 6653 and General Ledger Reconciliation, found in Appendix 1. If it is the beginning of the fiscal year (FY) and a balance is carried forward from a prior year, record instead the prior year's closing balance in column D. This balance is reported as the balance forward. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward.	<ul style="list-style-type: none"> C FMS 6653 C Worksheet 1A
E1A-3	Using the trial balance, record the reconciling month's ending balance for SGL 1010 (column E) of Worksheet 1A in Appendix 1. If it is the beginning of the FY and a balance is carried forward from the prior year, record instead the prior year's ending balance in column E of Worksheet 1A. This balance is reported as the balance forward. The balance forward should only be recorded at the beginning of the fiscal year. It is the previous fiscal year's ending balance. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward.	<ul style="list-style-type: none"> C Worksheet 1A C Trial balance
E1A-4	Verify that the net difference between the FMS 6653 (column D) and SGL (column E) is reflected on Worksheet 1A in Appendix 1. If not, record the net difference or input the necessary formula on the worksheet to obtain the net difference. If the spreadsheet is created in Microsoft Excel or Lotus, a basic formula to derive the net difference is @sum (indicate column and row the FMS 6653 is reported) minus (-) @sum (indicate column and row SGL is reported). This formula should be copied to each row. Note: The FMS 6653 and SGL entries netted should be reported on the identical row.	<ul style="list-style-type: none"> C Worksheet 1A

Exhibit 1B How to Identify Differences in FMS 6653 and General Ledger Entries Reported by the Agency

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 1B-Step 1	Verify the transactions reported by your agency on the FMS 6653 by using the SF 224, 1219/1220 and/or 1218/1221 source documents, disbursement/receipt transaction logs or an automated report of source documents that were posted (or should have been posted) to the G/L during the month being reconciled.	<ul style="list-style-type: none"> C FMS 6653 C Source documents C Transaction logs
E1B-2	If a valid disbursement or receipt is posted in the SGL, but not reported on the FMS 6653, record the document total in column D of Worksheet 1A in Appendix 1. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Record any previous month's disbursement, not reported, in section II of the next SF 224, 1218 or 1219 as a prior month adjustment. Also, record (classify) the disbursement in section I of the next SF 224 or 1220/1221. Prior month adjustments for disbursements must be reported on the SF 224 (section II, line 1) or 1218/1219 [line(s) 2.10, 2.11, 2.12, or 2.80]. Prior month adjustments for receipts must be reported on the SF 224 (section III, line 3) or 1219 (section I, part A, line 4.20).	<ul style="list-style-type: none"> C FMS 6653 C Source documents C SF 224 C SF 1218 C SF 1219 C SF 1220 C SF 1221 C Trial balance
E1B-3	If a receipt or disbursement is reported on the SF 224/1220/1221 and reflected on the FMS 6653, but not posted to the SGL, obtain a copy of the document and record the document total in column E of Worksheet 1A in Appendix 1. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Also, record the valid disbursement or deposit transaction into the SGL when the document is received.	<ul style="list-style-type: none"> C FMS 6653 C Source documents C Trial balance
E1B-4	If a receipt or disbursement is erroneously posted to the SGL, record the document total in column E. Refer to Worksheet 1A in Appendix 1 to determine how to record the FMS 6653 balance forward. Also, reverse the entry in the G/L. A Journal Voucher (JV) should be used to document the SGL reversal. An approving official must sign the JV.	<ul style="list-style-type: none"> C Source documents C Trial balance C FMS 6653 C JV
E1B-5	<p>If a receipt or disbursement is erroneously reported by the agency on the FMS 6653 via the SF 224, SF 1218/1221 or 1219/1220, record the entry in column D. Refer to Worksheet 1A in Appendix 1 to determine how to record the FMS 6653 balance forward.</p> <p>Adjust the entry reported on the next SF 224. Reverse any erroneous disbursement in the SF 224 (section II) or 1218/1219 (line 2.80) as a prior month adjustment. Also re-classify the transaction in the next SF 224 (section I) or 1220/1221. Reverse any erroneous deposit in the SF 224 (section III) or 1218/1219 (line 4.20).</p>	<ul style="list-style-type: none"> C Source documents C FMS 6653 C SF 224 C SF 1219/1220 C SF 1218/1221

**Exhibit 1C How to Identify Differences in FMS 6653
and General Ledger Entries Reported by Another Agency**

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
	<p>Typical entries reported by other agencies include the appropriation warrant, non-expenditure transfer, GOALS user fees and Thrift Savings Plan (TSP) transactions. Entries reported by other Federal agencies are distinguished by an ALC different from the reconciling agency.</p>	
<p>Exhibit 1C-Step 1</p>	<p>Verify the amount reported on the FMS 6653 as Curr yr app by comparing this amount to the amount reported in the G/L for the appropriation warrant as well as the amount reported as available receipts. If the amounts differ, obtain a copy of the Warrant received from Treasury to determine the correct amount and/or see exhibit 3A for deposits in reconciling the available receipt amount. Sample Letter 2 shown in Appendix 4 can be used to request the document.</p> <ul style="list-style-type: none"> C If the amount is incorrectly recorded in the SGL, record the SGL difference (between the amount recorded and amount of the actual warrant) in column E of Worksheet 1A in Appendix 1. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Also, increase or decrease the SGL total to equal the amount disclosed on the Warrant. Use a JV to document the SGL entry. An approving official must sign the JV. C If the amount shown on the FMS 6653 is incorrect, record the difference (between the amount reported and amount of the actual warrant) in column D of Worksheet 1A. Also, request Treasury, Finance Management Branch to adjust the entry reported on the FMS 6653. Sample Letter 1 shown in Appendix 4 can be used to request the adjustment. 	<ul style="list-style-type: none"> C FMS 6653 C Trial balance C Warrant C JV C Letter
<p>E1C-2</p>	<p>Compare the Non-exp transaction amount reported on the FMS 6653 and in the G/L. The agency should have a copy of the SF 1151 to verify the amount reported. Otherwise, request from the agency a copy of the document. Sample Letter 2 shown in Appendix 4 can be used to request the document.</p> <ul style="list-style-type: none"> C If the amount is incorrectly recorded in the SGL, record the difference (between the amount reported and the SF 1151 amount) in column E of Worksheet 1A in Appendix 1. Also, increase or decrease the SGL total based on the amount disclosed on the SF 1151. Use a JV to document the SGL entry. An approving official must sign the JV. C If the amount shown on the FMS 6653 is incorrect, record the difference (between the amount reported/SF 1151) in column D of Worksheet 1A. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Also, notify Treasury's Finance Management Branch to adjust the entry reported on the FMS 6653. Sample Letter 1 shown in Appendix 4 can be used to request the adjustment. 	<ul style="list-style-type: none"> C SF 1151 C Trial balance C FMS 6653 C JV C Letter
<p>E1C-3</p>	<p>Compare the amount reported by Treasury, for the monthly GOALS user fees, to the amount recorded in the SGL.</p> <ul style="list-style-type: none"> C If the amount is incorrectly recorded in the SGL, record the difference (between the amount reported and the GOALS statement) in column E of Worksheet 1A in Appendix 1. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Also, increase or decrease the SGL total to the amount shown on the GOALS statement. Use a JV to document the SGL 	<ul style="list-style-type: none"> C GOALS statement C FMS 6653 C Trial balance C JV C Letter

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
	<p>entry. An approving official must sign the JV.</p> <p>C If the amount shown on the FMS 6653 is incorrect, record the difference (between the amount reported and GOALS statement) in column D of Worksheet 1A. Also, notify Treasury GOALS Marketing to adjust the entry reported on the FMS 6653. Sample Letter 1 shown in Appendix 4 can be used to request the adjustment.</p>	
<p>E1C-4</p>	<p>Compare the Thrift Savings Plan (TSP) amount reported by the National Finance Center (NFC) to the TSP amount reported in the SGL for the month.</p> <p>C If the amount is incorrectly reported in the SGL, record the difference (between the amount reported and NFC report) in column E of Worksheet 1A in Appendix 1. Also, increase or decrease the SGL total to equal the amount disclosed on the Payroll report. Use a JV to document the SGL entry. An approving official must sign the JV.</p> <p>C If the amount shown on the FMS 6653 is incorrect, record the difference (between the amount reported and NFC report) in column D of Worksheet 1A. Refer to Worksheet 1A to determine how to record the FMS 6653 balance forward. Also, notify the TSP Division to adjust the entry reported on the FMS 6653. Sample Letter 1 shown in Appendix 4 can be used to request the adjustment.</p>	<p>C NFC TSP monthly report</p> <p>C FMS 6653</p> <p>C Trial balance</p> <p>C Letter</p>
<p>E1C-5</p>	<p>If any other transaction reflected on the FMS 6653 is incorrect, as reported by another agency via the SF 224, 1218/1221 or 1219/1220, contact the agency to request a reversal of the transaction. A formal letter that is signed by an approving official should be sent to the agency to request the reversal. Sample Letter 1 shown in Appendix 4 can be used to request the adjustment. Follow-up with the agency to ensure the correction is made. The difference should be recorded in column D of Worksheet 1A in Appendix 1.</p>	<p>C FMS 6653</p> <p>C Worksheet 1A</p> <p>C Letter</p>
<p>E1C-6</p>	<p>If the amount reflected on the FMS 6653 as reported by another agency is correct, but is not posted in the G/L, contact the agency to request the source documentation to verify the entry. Sample Letter 2 shown in Appendix 4 can be used to request documentation.</p> <p>C Record the transaction in column E of Worksheet 1A in Appendix 1. When the document is received, record its corresponding G/L entry. Note: Follow-up with the agency to ensure receipt of the document(s).</p>	<p>C FMS 6653</p> <p>C Worksheet 1A</p> <p>C Trial balance</p> <p>C Source documents</p> <p>C Letter</p>

Exhibit 1D How to Determine the Month-End Unreconciled Balance

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
	Exhibits 1A through 1C explain how to identify and reconcile differences. Based on the reconciliation there may be an unreconciled amount. Exhibit 1D explains how to determine the unreconciled difference. Unreconciled balances should be shown under Cumulative Difference (column G) of Worksheet 1A in Appendix 1.	
Exhibit 1D-Step 1	Determine if the net difference amount is reported on Worksheet 1A in Appendix 1 for each row. If not, follow the guidance provided in E1A-4 on how to calculate the net difference.	C Worksheet 1A
E1D-2	Compute the cumulative difference balance on Worksheet 1A in Appendix 1. The total is derived by adding the current column/row net difference amounts to the previous cumulative difference amount. The final cumulative difference for the month is the remaining unreconciled amount. It will become a prior month difference during the next month's reconciliation. Verify the cumulative difference by subtracting the ending SGL balance(s) for the fund from the closing balance on the FMS 6653.	C Worksheet 1A
E1D-3	The difference between the amount reported on the FMS 6653 and G/L should equal the total of all uncleared differences. If not, perform another review to ensure that all <i>cleared</i> differences are canceled in the same amount. Also, verify both the net difference and cumulative difference calculations.	C Worksheet 1A
E1D-4	After completing the reconciliation for the month, give Worksheet 1A in Appendix 1 to an approving official for signature/review. It will also be helpful to attach a memorandum that details the results of the current month's reconciliation. Sample Memo 1 shown in Appendix 4 can be used for this purpose. The memorandum is titled "FMS 6653: Monthly Fund Balance Reconciliation."	C Worksheet 1A C Memo

2. Identifying Prior Month Differences

Prior month differences are uncleared items carried over from previous months.

Exhibit 2A How to Identify Prior Month Differences

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
E2A	<p>Federal agencies should adhere to the following when reconciling prior month items:</p> <ul style="list-style-type: none"> U When any prior month difference is identified and substantiated, properly adjust the G/L or Statement of Transactions/ Accountability to clear the difference. U If any of the reconciling items identified in the monthly reconciliation process detailed in exhibits 2 and 3 offset any previous months= differences, mark both the previous months and this month's reconciling item as cleared. U Annotate the month and year (00/00) the item cleared in the reconciliation worksheet (column C). X Do not permit prior month differences to remain outstanding for more than 3 months. Any differences more than 3 months old should be disclosed separately and explained on the FMS 6653 worksheet. 	

3. Reconciling the Statements of Differences

This section provides guidance on reconciling the SOD for Disbursements and Deposits. The disbursement reconciliation is outlined in exhibit 3A. Exhibit 3C provides guidance on how to reconcile deposit differences. Refer to FMS 6652 (section VIII, part 2, paragraph E) for specific information about the report.

Exhibit 3A^{3/4} How to Reconcile the Statement of Differences for Disbursements

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 3A-Step 1	Access GOALS to determine if a SOD for Disbursements has been generated.	C SOD
E3A-2	If the disbursement amount is out of balance, a SOD for Disbursements has been generated. The OPAC and Agency Confirmation Reports (ACR) generated from GOALS can be used to research disbursement differences. First, verify that the SF 1166 amount reported on the SF 224 matches the agencies=SF 1166 listing. If these amounts agree, begin the disbursement SOD reconciliation match and check off the following line items on the Statement of Transactions: C This month= SF 1166 schedules listed against positive entries on the ACR. The ACR lists all SF 1166 items Treasury control records indicate were disbursed for the month. C This month= canceled check items against negative (minus) entries on the ACR.	C ACR
E3A-3	Compare the SF 1166 schedule number and amount to the ACR list.	C ACR C SF 1166
E3A-4	If the schedule number is on the list, check the item on the ACR.	C ACR C SF 1166
E3A-5	Annotate the payment date on the SF 1166.	C SF 1166
E3A-6	If the ACR does not list the SF 1166: C File the schedule in the next month= folder. C The ACR report for the next month should include the schedule.	C Reconciliation folder
E3A-7	If the ACR lists an SF 1166 that is not reported on the SF 224: C Note the number of the unreported schedule. C Research the agency= disbursement files to retrieve the unreported SF 1166. C Adjustment: Report the unreported SF 1166 as a prior month item in the Statement of Transactions (sections I and II). C Verify that the amount is accurately reported in the G/L; if not make the necessary adjustment to the G/L. C If the ACR lists an SF 1166 that was reported on the SF 224 but classified in the incorrect fund symbol, then reclassify the SF 1166 to the correct fund symbol (in section I only) of the next SF 224.	C SF 224 C SF 1218/1221 C SF 1219/1220 C ACR C G/L
	Identify the amounts of canceled checks.	C ACR

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
E3A-8	<ul style="list-style-type: none"> C Each cancellation schedule Treasury completes during the report month shows as a negative (minus) entry of the ACR report. C Match each cancellation item with the agency's cancellation source document (SF 1098, FMS 145 or 1185). 	<ul style="list-style-type: none"> C SF 1098 C FMS 145 C FMS 1185
E3A-9	<p>If the ACR lists a cancellation not reported on the SF 224:</p> <ul style="list-style-type: none"> C Note the number of the unreported cancellation. C Research the cancellation and identify the source document. C Adjustment: Report the cancellation as a prior month item in the Statement of Transactions (sections I and II). C Verify that the amount is accurately recorded in the G/L; if not, make the necessary adjustment to the G/L. 	<ul style="list-style-type: none"> C SF 224 C SF 1218/1221 C SF 1219/1220 C SF 1098 C SF 1185 C G/L
E3A-10	Retrieve from GOALS the Monthly Register of Transactions, OPAC Transactions.	<ul style="list-style-type: none"> C OPAC report
E3A-11	Compare the OPAC payment transactions to those reported on the SF 224, 1218/1221 or 1219/1220.	<ul style="list-style-type: none"> C OPAC report C SF 224 C SF 1218/1221 C SF 1219/1220
E3A-12	<p>If the OPAC report lists an OPAC not reported on the SF 224, 1218 or 1219:</p> <ul style="list-style-type: none"> C Annotate the number of the unreported OPAC. C Research the unreported OPAC. C Verify that the support documentation has been provided to the agency. If the agency does not have the support documentation, contact the billing agency to request that the documentation be submitted. Sample Letter 2 shown in Appendix 4 can be used to request the documentation. C Adjustment: When the support documentation is received, include the unreported OPAC as a prior month item in the next month's SF 224 (section II) or 1218/1219 (line 2.80). Also, record (classify) the amount in the SF 224 (section I) or 1220/1221. C Verify that the amount is accurately recorded in the G/L; if not, make the necessary adjustment to the G/L. 	<ul style="list-style-type: none"> C OPAC report C SF 224 C SF 1218 C SF 1219 C G/L
E3A-13	<p>If the OPAC report lists an OPAC that should not be reported to the agency's ALC:</p> <ul style="list-style-type: none"> C Inform the billing agency that the charge is incorrect. C Chargeback the amount to the agency that originated the OPAC. 	<ul style="list-style-type: none"> C GOALS OPAC

**Exhibit 3B^{3/4} How to Use Worksheet 1B:
Statement of Differences for Disbursements**

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 3B-Step 1	The reconciliation performed in exhibit 3A will involve SOD items. Therefore, obtain a blank copy of Worksheet 1B, part 1: Proposed Adjustments to Resolve the Statements of Differences for Disbursements, and part 2: Statement of Differences for Disbursements Reconciliation. Both worksheets are provided in Appendix 1. In addition, retrieve from GOALS a copy of the reconciling month's SOD.	C Worksheet 1B, parts 1 and 2
E3B-2	<ul style="list-style-type: none"> Using Worksheet 1B, part 1, in Appendix 1, list the documents that should be reported by the agency in the column designated "increase." Refer to Worksheet 1B, part 1, to determine how to record this transaction. The entries recorded as an increase are transactions reported by Treasury on the OPAC and/or ACR report that have not yet been reported by the agency and/or are items in which an incorrect amount was initially reported. This amount must be increased to reflect the accurate value. Provide reconciliation explanations in the column designated for "explanation." Using the Worksheet 1B, part 2, in Appendix 1, the items annotated above as an increase should also be recorded in the columns designated for "Treasury doc #" and "Treasury amount." The "Treasury doc #" is the schedule/OPAC number shown on the Treasury reports. The "Treasury amount" is the dollar value associated with the document. Refer to Worksheet 1B, part 2, to determine how to record this transaction. 	C Worksheet 1B, parts 1 and 2
E3B-3	<ul style="list-style-type: none"> Using Worksheet 1B, part 1, in Appendix 1, record disbursements that are not captured by Treasury on the OPAC and/or ACR report, but reported by the agency as a decrease. Other decreases will include transactions that require downward adjustments because they were initially recorded for erroneous amounts. Record any reconciliation explanations in the column designated for "explanation." Refer to Worksheet 1B, part 1, to determine how to record this transaction. Using Worksheet 1B, part 2, in Appendix 1, record items the agency reported, but were not reported by Treasury on the Simplified Interagency Billing and Collection (SIBAC)/OPAC and/or ACR. These items should be reported on Worksheet 1B, part 2, in the columns designated for "agency ref #" and "agency amount." The "Agency ref #" is the Federal agency's source document number. "Agency amount" is the dollar value associated with the document. Refer to Worksheet 1B, part 2, to determine how to record this transaction. 	C Worksheet 1B, parts 1 and 2
E3B-4	Complete Worksheet 1B, part 2, in Appendix 1, by providing the additional information requested on the worksheet.	C Worksheet 1B, part 2

Exhibit 3C How to Reconcile the Statement of Differences for Deposits

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 3C-Step 1	Print the monthly deposit ticket/debit voucher support listing (DT/DV) from GOALS. In addition, obtain a copy of Treasury's CASHLINK report of receipts. Both reports will usually have the same data, except in the case of timing differences.	<ul style="list-style-type: none"> ☐ DT/DV ☐ CASHLINK report
E3C-2	<ul style="list-style-type: none"> • Compare agency list of DT/DVs to the amount reported on the SF 224. • Reconcile each SF 215 reported on the SF 224 or SF 1219/1218 to a positive item on the DT/DV. Reconcile CASHLINK transactions to agency related source documents. CASHLINK transactions include: ACH Lockbox, ASAP, Credit Card, Commodity Credit (CCC), EFT Payments, Fedwire, Farmers Home Administration (FHA), Federal Reserve Bank (FRB), FEDTAX II, Lockbox (LB), Star Transactions (ST), and Domestic and International Treasury General Account (TGA).	<ul style="list-style-type: none"> ☐ DT/DV ☐ CASHLINK ☐ SF 215 ☐ Source documents
E3C-3	If a SF 215 is not reported on the DT/DV: <ul style="list-style-type: none"> ☐ Review uncleared items from previous months to determine if the SF 215 clears a prior month difference. If so, adjust the amount between months and mark as cleared from the prior SOD. ☐ Verify that the amount is accurately reported in the G/L; if not, make the necessary adjustment to the G/L. 	<ul style="list-style-type: none"> ☐ DT/DV ☐ G/L
E3C-4	File unreported SF 215s (any reported by the agency not Treasury) for the next month's SF 224 or SF 1219. The next month's DT/DV should include the missing SF 215s. If it does not, contact the bank to verify the SF 215s were processed and to request they report the activity to Treasury.	<ul style="list-style-type: none"> ☐ Reconciliation folder deposits
E3C-5	If a SF 215 is on the DT/DV Monthly Deposit Ticket/Debit Voucher Support Listing, but not reported by the agency: <ul style="list-style-type: none"> ☐ Obtain a copy of the SF 215 and report the transaction on the next month's SF 224 or SF 1219/1218 as a prior month deposit. Also, record the SF 215 in the G/L, if necessary. 	<ul style="list-style-type: none"> ☐ DT/DV ☐ SF 215 ☐ G/L
E3C-6	If a SF 215 is listed on the DT/DV for a different amount than reported by the agency: <ul style="list-style-type: none"> ☐ Obtain a copy of the SF 215. If the amount reported on the SF 224 or 1219/1218 is incorrect, adjust the G/L for the difference. The adjustment will be the difference between the amount shown on the SF 215 and the original amount reported by the agency. ☐ Report the difference on the next month's SF 224 or 1219/1218. 	<ul style="list-style-type: none"> ☐ SF 215 ☐ DT/DV ☐ G/L
E3C-7	If the amount reported on the DT/DV is incorrect, contact the bank and request that the bank correct the amount in the next accounting month. Notify FMS's Banking Operations Branch if the correction is not made by the bank.	<ul style="list-style-type: none"> ☐ DT/DV ☐ SF 215
E3C-8	Reconcile each SF 5515 to a negative (minus) item on the DT/DV Support Listing.	<ul style="list-style-type: none"> ☐ DT/DV ☐ SF 5515

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
E3C-9	If a SF 5515 is not reported on the DT/DV: C Review previous months=uncleared items to determine if the transaction clears a prior month difference. If so, adjust the amount between months and mark as cleared from the prior SOD.	C SF 5515
E3C-10	If a SF 5515 is on the DT/DV, but not reported by the agency: C Obtain a copy of the SF 5515 and report it on the next month's SF 224 or 1219/1218 as a prior month debit voucher. Also, record the SF 5515 in the G/L, if necessary.	C SF 5515 C DT/DV
E3C-11	If a SF 5515 is listed on the DT/DV in a different amount than reported by the agency: C Obtain a copy of the SF 5515. If the amount reported on the SF 224 or SF 1219/1218 is incorrect, adjust the G/L as appropriate. The adjustment will be the difference between the amount shown on the SF 5515 and the original amount reported by the agency.	C SF 5515 C DT/DV
E3C-12	If the amount reported on the DT/DV is incorrect: C Contact the bank and request the bank correct the amount immediately. C Notify FMS's Banking Operations Branch if the bank does not make the correction.	C SF 5515 C DT/DV
E3C-13	File unreported SF 5515s (any reported by the agency not Treasury) for the next month's SF 224 or 1219 reconciliation. The next month's DT/DV should include the missing SF 5515s. If it does not, contact the bank to verify that the SF 5515s were processed and to request that they report the activity to Treasury.	C Reconciliation folder debit vouchers

Exhibit 3D How to Use Worksheet 1C for the Statement of Differences for Deposits

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 3D-Step 1	The reconciliation performed in exhibit 3C will involve SOD items. Therefore, obtain a blank copy of Worksheet 1C, part 1: Proposed Adjustments to Resolve Statements of Differences for Deposits, and part 2: Statement of Differences for Deposits Reconciliation. Both worksheets are provided in Appendix 1. In addition, retrieve a copy of the reconciling month's SOD.	<ul style="list-style-type: none"> ☐ Worksheet 1C, parts 1 and 2 ☐ Proposed adjusted deposits
E3D-2	<ul style="list-style-type: none"> • Using Worksheet 1C, part 1, in Appendix 1, list the documents that should be reported by the agency in the column designated for increase. Refer to Worksheet 1C, part 1, to determine how to record this transaction. The entries reported as an increase are transactions reported by Treasury on the DT/DV and/or CASHLINK report, but are not yet reported by the agency and/or are items for which an incorrect amount was initially reported. This amount must be increased to reflect the accurate value. Provide reconciliation explanations in the column designated for explanation. • Using Worksheet 1C, part 2, in Appendix 1, the items annotated above as an increase should be reported in the columns designated for Treasury doc # and Treasury amount. The Treasury doc # is the reference number shown on Treasury reports. "Treasury amount" is the dollar value associated with the document. Refer to Worksheet 1C, part 2, to determine how to record this transaction. 	<ul style="list-style-type: none"> ☐ DT/DV listing ☐ CASHLINK Report ☐ Worksheet 1C, parts 1 and 2 ☐ Proposed adjustment deposits
E3D-3	<ul style="list-style-type: none"> • Using Worksheet 1C, part 1, in Appendix 1, record valid deposits not captured by Treasury on the DT/DV listing and/or CASHLINK Receipt Listing, but reported by the agency as a decrease. Other decreases will include transactions that require downward adjustments because they were initially recorded for erroneous amounts. Record any reconciliation explanations in the column designated for "explanation." Refer to Worksheet 1C, part 1, to determine how to record this transaction. Using Worksheet 1C, part 2, in Appendix 1, record items that the agency reported, but are not reported by Treasury on the DT/DV and/or CASHLINK report. These items should be reported on Worksheet 1C, part 2, in the columns designated for "agency ref #" and "agency amount." The "agency ref #" is the Federal agency's source document number. "Agency amount" is the dollar value associated with the document. Refer to Worksheet 1C, part 2, to determine how to record this transaction. 	<ul style="list-style-type: none"> ☐ Worksheet 1C, parts 1 and 2
E3D-4	Complete Worksheet 1C, part 2, in Appendix 1, by providing the additional information requested on the worksheet.	<ul style="list-style-type: none"> ☐ Worksheet 1C, part 2

Exhibit 3E How to Reconcile Check Issue Audits Using FMS 5206

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
	<p>A FMS Form 5206 is issued by FMS to NTDOs when the information Treasury receives from the FRBs on paid check amounts differs from the information reported by the agency on their check issue Level 8 tape. Therefore, a discrepancy exists when the totals reported on lines 2.10, 2.11 and 2.12 of the SF 1219 are different from the amounts recorded in the CP&R based on agencies submissions of their check issue Level 8 tapes.</p> <p>Refer to section VIII, part 2DC Reconciliation of Checks Issued, for more specific information about the check issue Level 8 tape submission.</p>	
<p>Exhibit 3E-Step 1</p>	<p>Agencies should maintain a check issue log that provides specific information about the check issue amount reported on the actual check and checks that were voided and/or canceled. For example, the log should include information about the check amount, check number that was paid, check number that was voided, check number that was canceled and information about the credit received from Treasury on cancellation of check.</p>	<p>C Check issue log C FMS 5206</p>
<p>E3E-2</p>	<p>Compare the information reported on the check issue log to the information reported by Treasury in the CP&R system. Unmatched items should be researched to determine the cause of discrepancy. In addition, unmatched items should be annotated on a reconciliation listing that includes the cumulative unreconciled amounts for the fiscal year. A cumulative listing will make it easier to identify reconciling items that clear prior month differences. When a prior month difference is cleared, the month/year the difference cleared should be annotated on the listing. In general:</p> <ul style="list-style-type: none"> C If a FMS 5206 adjustment is reported by Treasury but not the agency, contact FMS's Check Reconciliation Branch (CRB) if a copy of the FMS 5206 has not been received. Report the FMS 5206 on the SF 1219 (section I, part A, line 2.11) and on the SF 1220. C If a limited payability credit has been issued by FMS's Accounts Branch through OPAC, the credit should be reported in SF 1219 (section I, part A, line 2.12 and line 2.80) and 1220. C If the limited payability credit has been issued via SF 1081, report the check issue difference on the SF 1219 (section I, part A, line 2.12) and 1220. Charge the same fund account shown on the SF 1081. C If void checks were reported on the DO's Level 8 tape with dollar amounts, contact FMS's CRB and request that the checks be voided in the CP&R system. Note: This must be accomplished within 12 months or the Accounts Branch will issue a limited payability. C If an amount is incorrectly reported by the agency on the SF 1219, line 2.10, report the difference between the SF 1219 and the Level 8 tape on the next month's SF 1219, line 2.12. C If an amount is incorrectly reported by the agency on the Level 8 tape, contact the CRB. C If Treasury has not processed a check issue Level 8 tape, contact the CRB. C If Treasury has not processed an SF 1219, contact the agency that submits the SF 1219. 	<p>C SF 1179 C SF 5206 C SF 1219 C SF 1220</p>

4. Researching Uncleared Differences

Uncleared differences are amounts that remain unreconciled at month end. In general, differences result from

disbursement or receipt transactions that have not been posted to the G/L and/or are not reported on the SF 224, 1219/1220 or 1218/1221. Erroneous transactions posted by other Federal agencies to the reconciling agency's fund symbols via SF 224/1220/1221 will subsequently create a difference. Refer to exhibit 1C for directives on how to reconcile differences reported by other Federal agencies. The fund balance will also be out of balance with Treasury if transactions are recorded to the incorrect fund account symbol either in the SGL or monthly reports submitted to Treasury.

Exhibit 4A How to Research Uncleared Differences

EXHIBIT-STEP	ACTION	REQUIRED DOCUMENTS
Exhibit 4A-Step 1	Review the remaining uncleared differences from the previous months and current month to eliminate and clear offsetting items.	C Worksheet 1A C Worksheet 1B, part 2, and Worksheet 1C, part 2
E4A-2	The total uncleared FBWT difference should be shown in the Accumulative difference column on Worksheet 1A in Appendix 1. The total receipt or disbursement differences are shown on the SOD reconciliation worksheets found in Appendix 1 [1B (part 2) and 1C (part 2)].	C Worksheet 1A
E4A-3	Review adjustments proposed from Worksheet 1A (see exhibits 1A and 1B) in Appendix 1.	C Worksheet 1A
E4A-4	For any remaining differences, begin research efforts to identify/clear these differences in the next reporting period.	C Worksheet 1A

IX. General Information:**A. Most Commonly Made Errors**

Federal agencies can make several mistakes internally that lead to a difference in reporting between the agency and Treasury. These mistakes, when identified, must be appropriately resolved. Some of the more common errors in fund balance reporting include:

- Reporting disbursement and/or receipt transactions to the incorrect receipt, expenditure or suspense account in the SGL.
- Reporting disbursement and/or receipt transactions to the incorrect receipt, expenditure or suspense account on the SF 224, 1220 or 1221.
- Recording a valid transaction in the SGL, but not reporting it on the SF 224, 1219/1220 or 1218/1221.
- Assigning an incorrect value to a disbursement or receipt transaction in the SGL.
- Assigning an incorrect value to a disbursement or receipt transaction on the SF 224, 1219/1220 or 1218/1221.
- Reporting the disbursement or receipt transaction in the incorrect column on the Statement of Transactions (i.e., a receipt is reported as a disbursement or a disbursement is reported as a receipt).
- Not recording a valid transaction on the SF 224, 1219/1220 or 1218/1221.
- Federal agencies are not being notified when they report an incorrect transaction or amount to the reconciling agency= fund symbolCthe transaction is not reversed.
- Items reported for an incorrect month by the bank, RFC or billing agency on OPAC.
- ALC reported incorrectly by the agency, bank and/or RFC.
- Items reported for an incorrect month by the agency, bank and/or RFC.
- Difference between the dollar amounts reported by the bank, RFC, OPAC system and the agency.
- Transaction reported to the incorrect month.
- Transaction posted to the incorrect ALC.

B. Frequently Asked Questions/Answers

Federal agencies often contact the FMS to ask specific questions about reconciling the FBWT. This section addresses the most frequently asked questions.

<p>Question: How are FBWT differences resolved?</p> <p>Answer: There are two ways differences may be resolved. They are:</p> <ul style="list-style-type: none">(1) Additional reporting via the agency's SF 224, 1219/1220 or 1218/1221.(2) Adjustments to the agency's G/L.
<p>Question: What tools are needed to reconcile the FBWT?</p> <p>Answer: The basic tools that are used in the FBWT reconciliation process are:</p> <ul style="list-style-type: none">(1) Source documents.(2) SGL 1010 account balance.(3) FMS 6652, 6653, 6654 and 6655.(4) Reconciliation spreadsheet.(5) FACTS II.(6) CASHLINK.(7) GOALSC Agency Confirmation Report, OPAC.(8) SF 1218/1221, 1219/1220 and 224.
<p>Question: How are the FMS 6654 and 6655 used in the FBWT reconciliation process?</p> <p>Answer: These statements are the sources an agency uses to determine Treasury's control balance for each of its fund account symbols. It is essential that the balances contained on these statements be compared to the agency's G/L balances to determine if they agree.</p>
<p>Question: What actions are required to correct another agency's entry reported erroneously on your FMS 6653?</p> <p>Answer: To correct another agency's entry reported on the FMS 6653, identify the name of the agency that reported the error. The name of the agency will correspond with the ALC annotated on the FMS 6653. In addition, request the reporting agency reverse the entry. Finally, verify that the transaction was corrected within the next reporting period. If not, under certain circumstances, the entry may be reversed by the reconciling agency.</p>
<p>Question: How often should the FBWT be reconciled?</p> <p>Answer: The FBWT should be reconciled monthly. The more frequently the reconciliation is performed, the better the audit trail and the probability that transactions can be traced to the point of entry and source documents.</p>

Question:	How are corrections made to the FMS 6653?
Answer:	The FMS 6653 is adjusted via the SF 224, 1219/1220 and 1218/1221 reports as well as Treasury JVs. The corrections are processed by Treasury and reflected on the subsequent months FMS 6653.
Question:	What agency transactions are reported to the SGL that impact the FBWT SGL 1010 account?
Answer:	Agency transactions reported to SGL 1010 that impact the FBWT include: <ol style="list-style-type: none"> (1) Miscellaneous receipts. (2) Accounts payable and receivable. (3) Disbursements-in-transit. (4) Advances. (5) Accrued payroll and benefits. (6) Canceled authority.
Question:	What reporting documents are used to compile the FMS 6653, 6654 and 6655?
Answer:	The documents used to compile the FMS 6653, 6654 and 6655 are the SF 224, 1220/1221, 1151 and appropriation warrants.
Question:	Is it necessary to reconcile the FMS 6652 prior to the FMS 6653?
Answer:	No. However, an integrated reconciliation of both the FMS 6652 and the fund balance (FMS 6653, 6654 and 6655) are required.

C. Helpful Hints

Federal agencies should consider several points when reconciling FBWT accounts. These hints help make the reconciliation process easier. It is suggested that the hints listed below be disseminated to all persons responsible for reporting activity that affect the fund balance.

- Reconcile the FBWT SGL 1010 account monthly to FMS 6653, 6654 and 6655.
- Do not assume Treasury control totals are accurate. However, Federal agencies must provide documented proof to dispute the amounts reported or adjust their reports accordingly.
- SF 1179 (line 1) should equal SF 1219 (line 2.10).
- SF 1179 (line 2b) should equal SF 1219 (line 2.12).
- SF 1179 (line 2a) should equal SF 1219 (line 2.11).
- FMS 6652 for disbursements is issued when Treasury control totals do not equal SF 224 (section II, line 1) or 1219 (section I, part A, line 2.80).
- Post all transactions reported on the SF 224, 1218/1221 and 1219/1220 to the SGL.
- A supplemental SF 224 can be submitted to adjust the original report transmitted to Treasury. The supplemental is due by the 8th workday.
- A supplemental SF 1219/1220 can be submitted to adjust the original reports transmitted to Treasury. The supplemental is due by the 7th workday.

- Report prior month adjustments on the SF 224 (section II, line 1) or 1219 (section I, part A, line 2.80).
- Report prior month adjustments for deposits on the SF 224 (section III, line 3) or 1219 (section I, part A, line 4.20).
- The budget clearing account process has been discontinued per TFM Bulletin 98-07.
- Support adjustments to the G/L with valid documentation.
- Notify Federal agencies and other sources that report activity affecting the reconciling agencies=ALC to adjust discrepancies in their reporting by the next reporting period. If this is not accomplished, agencies should notify Treasury.
- Research differences.
- Properly document adjustments.
- Use the DT/DV generated from GOALS to reconcile deposit activity. The CASHLINK report can also be used to reconcile deposits. Note: Treasury transfers deposit differences of \$50 or less that have aged 6 months to a small difference account.
- Use the ACR and Monthly Register of Transactions, SIBAC/OPAC, to reconcile disbursement and OPAC transactions respectively. Both reports are available from GOALS.
- Reconcile the SOD and check issue audit report monthly.
- Federal agencies= financial systems should produce subsidiary reports that disclose monthly disbursement and receipt activity. If possible, the system should separate data by transaction type (*e.g.*, credit card, lockbox, FRB and SF 1166). If automated reports are not available, Federal agencies should maintain a control log of this information.
- FMS=FAB can assist agencies with SODs and check issue audit reconciliation. FAB can be reached on 202-874-7980.
- FAB, if necessary, can adjust CASHLINK for errors related to the voucher date/number or ALC.
- FMS=Center for Applied Financial Management can train Federal agencies to reconcile the FBWT or reconcile their fund balance on a reimbursable basis. Contact 202-874-9560.

Sample Reconciliation Worksheets

The sample reconciliation worksheets correspond with those worksheets discussed in the exhibits. The worksheets are developed in formats compatible with the FBWT reconciliation procedures. They assist with the reconciliation efforts specified below. Federal agencies may use their discretion to develop new worksheets or modify the sample worksheets to better accommodate their organization. In addition, agencies should save these worksheets and make them available to inspectors general (IGs) and GAO auditors during audits.

- **Worksheet 1A:** FMS 6653 and General Ledger Reconciliation
- **Worksheet 1B:**
 - Part 1: Proposed Adjustment to Resolve the Statement of Differences for Disbursements
 - Part 2: Statement of Differences for Disbursements Reconciliation
- **Worksheet 1C:**
 - Part 1: Proposed Adjustment to Resolve the Statement of Differences for Deposits
 - Part 2: Statement of Differences for Deposit Reconciliation

Each worksheet requires unique information. The data required to complete the worksheets is summarized following each reconciliation worksheet. The reconciliation procedures also specify what information should be reported in each field within the worksheets.

The sample worksheets also have recorded data. The sample data shows how to complete the worksheets. The corresponding exhibit and step number for which the data is applicable is shown on the worksheets as (Exhibit #C Step#).

**Worksheet 1A:
FMS 6653 and SGL Reconciliation**

Explanation:

- “Month reported” is the accounting month (mm/yy) the transaction is reported on the Statement of Transactions/Accountability and SGL. Each line item should compare data for the same accounting month.
- “Document no.” reports the source document numbers of reconciling items that increase or decrease the original balances reported.
- “Month cleared” represents the accounting month (mm/yy) that the discrepancy was adjusted.
- “FMS 6653” captures the monthly amount disclosed on the report.
- “SGL amount” should capture the amount reported.
- “Net difference” is the FMS 6653 (column D) amount less the amount reported in SGL (column E).
- “Cumulative difference” is the previous cumulative difference amount plus the current row’s net difference amount.

**Worksheet 1A:
Agency Name: FMS 6653 and General Ledger Reconciliation**

From 00/00 through 00/00

Fund Account Symbol

(A) Month Reported	(B) Document No.	(C) Month Cleared	(D) FMS 6653	(E) General Ledger	(F) Net Difference	(G) Cumulative Difference
	Bal. Forward 10/1/98					
10/98	326541	12/98	(E1A-2) \$8,000.00 (E1B-2) 30.00	(E1A -3)\$6,000.00	\$ 2,000.00 30.00	\$ 2,000.00 2,030.00
10/98	190008			(E1B-3) 470.19	(470.19)	1,559.81
11/98	432R92			(E1B-4) (33.00)	33.00	1,592.81
12/98	326541		(E1B-5) (30.00)		(30.00)	1,562.81
01/99	WARR			(E1C-1) 1,000.00	(1,000.00)	562.81
02/99	1151X2		(E1C-2) (200.00)		(200.00)	362.81
03/99	USERF			(E1C-3) \$360.00	(360.00)	2.81
04/99	TSP		(E1C-4) \$526.51		(\$526.51)	\$529.32

**Worksheet 1B, Part 1:
Proposed Adjustments to Resolve the
Statement of Differences for Disbursements**

Explanation:

- “Accounting month” is the month the activity is reported by Treasury or the reconciling agency.
- “Document” is the source document number of the reconciling item that will increase or decrease the total disbursements of the ALC for the audit month.
- “Increases” are transactions reported by Treasury, but not reported by the agency. Increases also may include an adjustment to a transaction initially recorded for the incorrect value.
- “Decreases” are transactions reported by the agency, but not reported by Treasury. Decreases may also include an adjustment to a transaction initially recorded for the incorrect value.
- “Explanation” is a brief narrative that discloses the cause of the discrepancy.

**Worksheet 1B, Part 1:
Proposed Adjustments to Resolve the Statement of Differences for Disbursements**

ALC Number

	Accounting Month	Document	Increases	Decreases	Explanation
1	7/98	11468 32142 11986 (E3B-2)	\$2,200 900 <u>1,500</u> \$4,600		Agency did not report on SF 224, 1219/1220 or 1218/1221.
2	7/98	118396 (E3B-3)		\$100	Treasury erroneously reported to another ALC.

Explanation

Worksheet 1B, Part 2: Statement of Differences for Disbursements Reconciliation

Explanation:

- “Treasury doc #” is the source document number specified by Treasury on the agency confirmation report or monthly register of transactions, OPAC transactions. The document numbers reported in this field consist of those indicated on the Proposed Adjustment to Resolve SOD for Disbursements (part 1). These are documents that were not reported by the agency, but reported by Treasury.
- “Treasury amount” is the dollar value of documents reported by Treasury, but not reported by the agency.
- “Date cleared” is the month and year the reconciling item is resolved.
- “Agency ref #” is the source document number specified by the reconciling agency in its support documents for the SF 224/1218/1219. In addition, this field consists of documents reported by the agency, but not reported by Treasury. These are usually items reported as decreases in the for Disbursements Reconciliation (part 1).
- “Agency amount” is the dollar value of documents reported by the reconciling agency, but not reported by Treasury. This is usually amounts associated with documents that are decreased in the SOD for Disbursements Reconciliation (part 1).
- “FMS 6652 difference” is the difference between what the agency reported on the SF 224, 1219 or 1218 and control totals maintained by Treasury.
- “Agency items” is the total of the agency “amount” column.
- “Treasury items” is the total of the “Treasury amount” column.
- “Worksheet difference” is the net of the “Treasury amount” column and the “agency amount” column.
- “Unreconciled amount” represents any difference that still needs to be identified and reconciled to Treasury's control total.

Worksheet 1B, Part 2: Statement of Differences for Disbursements Reconciliation					
Month, Year ALC Number					
TREASURY DOC #	TREASURY AMOUNT Agency Unreported	DATE CLEARED	AGENCY REF #	AGENCY AMOUNT Treasury Unreported	DATE CLEARED
(E3B-2) 11468	\$2,200	8/98			
(E3B-2) 32142	900	8/98			
(E3B-2) 11986	1,500	8/98			
			(E3B-3) 118396	\$100.00	8/98
TOTAL	\$4,600			\$100.00	

Agency reported on SF 224, SF 1219 or SF 1218	\$8,600	
LESS: Treasury unreported items	100	
ADD: Agency unreported items	4,600	
Treasury balance per SF 6652 (Agency control accounts maintained by Treasury)	\$13,100	

MONTH, YEAR SOD RECONCILIATION RECAP	
FMS 6652 difference	\$4,500
Agency items	(100)
Treasury items	4,600
Worksheet difference	4,500
Unreconciled amount	\$0

Prepared by: _____ Approved by: _____

Date: _____ Date: _____

**Worksheet 1C, Part 1:
Proposed Adjustments to Resolve the
Statement of Differences for Deposits**

Explanation:

- “Accounting month” is the month the activity is reported by Treasury or the reconciling agency.
- “Document” is the source document number of the reconciling item that will increase or decrease the total deposits of the ALC for the audit month.
- “Increases” are transactions reported by Treasury, but not reported by the agency. Increases also may be an adjustment to a transaction initially recorded for the incorrect value.
- “Decreases” are transactions reported by the agency, but not reported by Treasury. Decreases also may include an adjustment to a transaction initially recorded for the incorrect value.
- “Explanation” is a brief narrative that discloses the cause of the discrepancy.

**Worksheet 1C, Part 1:
Proposed Adjustments to Resolve the Statement of Differences for Deposits**

ALC Number

	Accounting Month	Document	Increases	Decreases	Explanation
1	7/98	635794 655410 656626 665134 (E3D-2)	\$1,000.00 223,118.14 221,115.22 <u>9,476.59</u> \$454,709.95		Agency did not report on the SF 224.
2	7/98	664888 (E3D-3)		\$6,938.91	Agency erroneously reported on SF 224.

Worksheet 1C, Part 2: Statement of Differences for Deposits Reconciliation

Explanation:

- **ATreasury doc #**@is the source document number specified by Treasury on the Deposit Ticket/Debit Voucher Support Listing or CASHLINK report. The document numbers reported in this field consist of those indicated on the Proposed Adjustment to Resolve SOD for Deposits (part 1). These are documents not reported by the agency, but reported by the banks to Treasury.
- **ATreasury amount**@is the dollar value of documents reported by the banks to Treasury, but not reported by the agency. These are usually amounts associated with documents that are increased in the SOD for Deposits Reconciliation (part 1).
- **ADate cleared**@is the month and year the reconciling item is resolved.
- **AAgency ref #**@is the source document number specified by the reconciling agency in its supporting documents for the SF 224/1218/1219. In addition, this field consists of documents reported by the agency, but not reported by the banks to Treasury. These are usually items reported as decreases in the SOD for Deposits Reconciliation (part 1).
- **AAgency amount**@is the dollar value of documents reported by the reconciling agency, but not reported by the banks to Treasury. These are usually amounts associated with documents that are decreased in the SOD for Deposits Reconciliation (part 1).
- **AFMS 6652 difference**@is the difference between what the agency reported on the SF 224, 1219 or 1218 and Treasury control totals maintained by Treasury.
- **AAgency items**@is the total of the **AAgency amount**@column.
- **ATreasury items**@is the total of the **ATreasury amount**@column.
- **AWorksheet difference**@is the net of the **ATreasury amount**@column and the **AAgency amount**@column.
- **AUnreconciled amount**@represents any difference that still needs to be identified and reconciled to Treasury's control total.

**Worksheet 1C, Part 2:
Statement of Differences for Deposits Reconciliation**

Month, Year ALC Number					
TREASURY DOC #	TREASURY AMOUNT Agency Unreported	DATE CLEARED	AGENCY REF #	AGENCY AMOUNT Treasury Unreported	DATE CLEARED
(E3D-2) 637847	\$1,000.00	8/98			
(E3D-2) 655496	223,118.14	8/98			
(E3D-2) 643999	221,115.22	8/98			
(E3D-2) 632338	9,476.59	8/98			
			(E3D-3) 664888	\$(6,938.91)	8/98
TOTAL	\$454,709.95			\$6,938.91	

Agency reported on SF 224, 1219, 1218 per FMS 6652	\$8,519.71	
LESS: Treasury unreported items	6,938.91	
ADD: Agency unreported items	454,709.95	
Treasury balance per FMS 6652 (agency control accounts maintained by Treasury)	\$456,290.75	

MONTH, YEAR RECONCILIATION RECAP	
FMS 6652 difference	\$447,771.04
Agency items	(6,938.91)
Treasury items	454,709.95
Worksheet difference	447,771.04
Unreconciled amount	\$0

Prepared by: _____ Approved by: _____

Date: _____ Date: _____

Transaction Codes

Below is a summary of transaction codes that may appear on the FMS 6653 and 6655. The transaction code is a 2-digit number that identifies a financial event. It is reported on the FMS 6653 and 6655 in the column labeled "tran code."

Transaction Code/Financial Event	
10	Appropriation warrant
13	Transfer between current year appropriation accounts
14	Reappropriation
16	Receipts for budget suspense accounts (F accounts)
17	Available receipts
18	Write-off of available receipts
20	Restoration warrant
30	Surplus warrant (available for restoration)
31	Surplus subsequently reappropriated
34	Transfer of unobligated balance from expired accounts
35	Repayment of capital investment or payment of dividend earnings
51	Unavailable receipts
55	Receipt of capital transfer
61	Disbursements
71	Repayments
83	Transfer from open account
93	Transfer to open account

Journal Voucher

A JV should be used to document an adjustment to the SGL. For audit purposes, the JV provides evidence that supports the transaction. In addition, it is an adequate reconciliation tool. The JV shown below indicates the minimum information that should be included on the JV.

JOURNAL VOUCHER (JV # _____)		
<u>SGL Account</u>	<u>Debit Entry \$</u>	<u>Credit Entry \$</u>
Total		
JV # _____ Continued		
Description: _____ _____ _____ _____		
Date: _____ Prepared by: _____ Approved by: _____		

Sample Reconciliation Correspondence

Provide completed reconciliation worksheets to an official authorized to review and approve the activity annotated on the worksheets. Attach a memorandum that summarizes the results of the reconciliation to the reconciliation. The reconciling agency should also submit letters to other Federal agencies when they have discrepancies with their reporting. In this section, sample correspondence is provided for the following:

Sample Memo

1. FMS 6653: Monthly Fund Balance Reconciliation Sample

Sample Letter

1. Discrepancy with Amount Reported
2. Request for Documentation

Agencies should make copies of these letters and save them as part of their reconciliation documentation. They may use these letters to demonstrate reconciliation efforts to internal IGs and GAO auditors.

Sample Memo 1

Memorandum

Date: Current date reconciliation is completed

To: Name of approving official
Position title

From: Name of reconciling official
Position title

Subject: FMS 6653: Monthly Fund Balance ReconciliationC(specify fund account symbol)

The Fund Balance with Treasury (FBWT) reconciliation for (indicate fund account symbol) is attached for your review and approval. The reconciliation is from (indicate month/year reconciliation began in current fiscal year) through (indicate the current month/year reconciliation is completed). The (indicate name of organization) is current in its efforts to reconcile to Treasury records, **if the organization is not reconciling the most recent accounting month write instead:** The organization is (indicate months behind) behind in its effort to reconcile to Treasury records.

In compliance with Treasury's FBWT reconciliation policy, the (indicate name of organization) G/L fund balance was compared with the Treasury control total disclosed on the FMS 6653: Undisbursed Appropriation Account Ledger. Based on the review, the G/L 1010 account agrees with Treasury's year-to-date closing balance. **If the account is not reconciled to date indicate instead the following:** Based on the review, the unreconciled difference totals (indicate amount of cumulative difference year-to-date). This difference is due to (indicate reason for difference(s)). The initiatives that have been taken to resolve this difference(s) include (indicate specific efforts taken). This matter should be resolved within (indicate days in terms of accounting month/yearCfor example the subsequent accounting month is 30 days).

When you have verified the data presented on the FMS 6653/General Ledger Reconciliation Worksheet, please initial and date the worksheet. Should you have any questions about this matter, please contact (indicate name of reconciling official) on (indicate reconciling official's telephone number).

Sample Letter 1**Discrepancy with Amount Reported to Treasury by other Federal Agency
on the Statement of Transactions****Current date**

Name of Federal agency to which letter will be sent

Address of Federal agency to which letter will be sent

Dear (name of person to whom letter is directed)

We have verified the balances reported on the Department of the Treasury's FMS 6653: Undisbursed Appropriation Account Ledger, for fund account symbol (indicate fund account symbol) for the month ended (enter the month and year). During this review, we determined that the (indicate name of agency) agency location code (indicate location code number reported on the FMS 6653) reported an incorrect amount of (indicate transaction amount) to our fund account symbol. This error has caused our fund balance records to disagree with Treasury's closing balance.

We do not want this difference to carry over into subsequent accounting months and would like this matter resolved quickly. We will contact the Department of the Treasury, Financial Management Service, to inform them of this error. However, it is extremely important that your organization reverse this entry on your next Statement of Transactions report.

Your prompt attention to this matter is greatly appreciated. Should you have any questions, please feel free to contact (name of reconciling agency's contact) on (reconciling agency's contact telephone number). You may also e-mail (name of reconciling agency's contact) at (enter complete Internet e-mail address).

Sincerely,

Name of approving official

Title of approving official

Sample Letter 2

Request for Documentation that Supports Transaction Reported to Treasury by Other Federal Agency on the Statement of Transactions

Current date

Name of Federal agency to which letter will be sent
Address of Federal agency to which letter will be sent

Dear (name of person to whom letter is directed)

We have verified the balances reported on the Department of the Treasury's FMS 6653: Undisbursed Appropriation Account Ledger, for fund account symbol (indicate fund account symbol) for the month ended (enter the month and year). During this review, we noticed that the (indicate name of agency) agency location code (indicate location code number reported on the FMS 6653) reported document number (indicate document number) in the amount of (indicate transaction amount) to our fund account symbol. We realize that this is a valid transaction but have not yet received any documentation to support this entry. The lack of support documentation has prevented us from recording this activity into our G/L and has caused our fund balance records to disagree with Treasury's closing balance.

We do not want this difference to carry over into subsequent accounting months and would like this matter resolved quickly. It is extremely important that our organization records this transaction by the end of the upcoming reporting period. Please send documentation that adequately supports this transaction indicating the name of department, organization, and also mailing address. (Also, if the document(s) can be faxed or sent via e-mail indicate the information necessary to receive the documents via these mechanisms.)

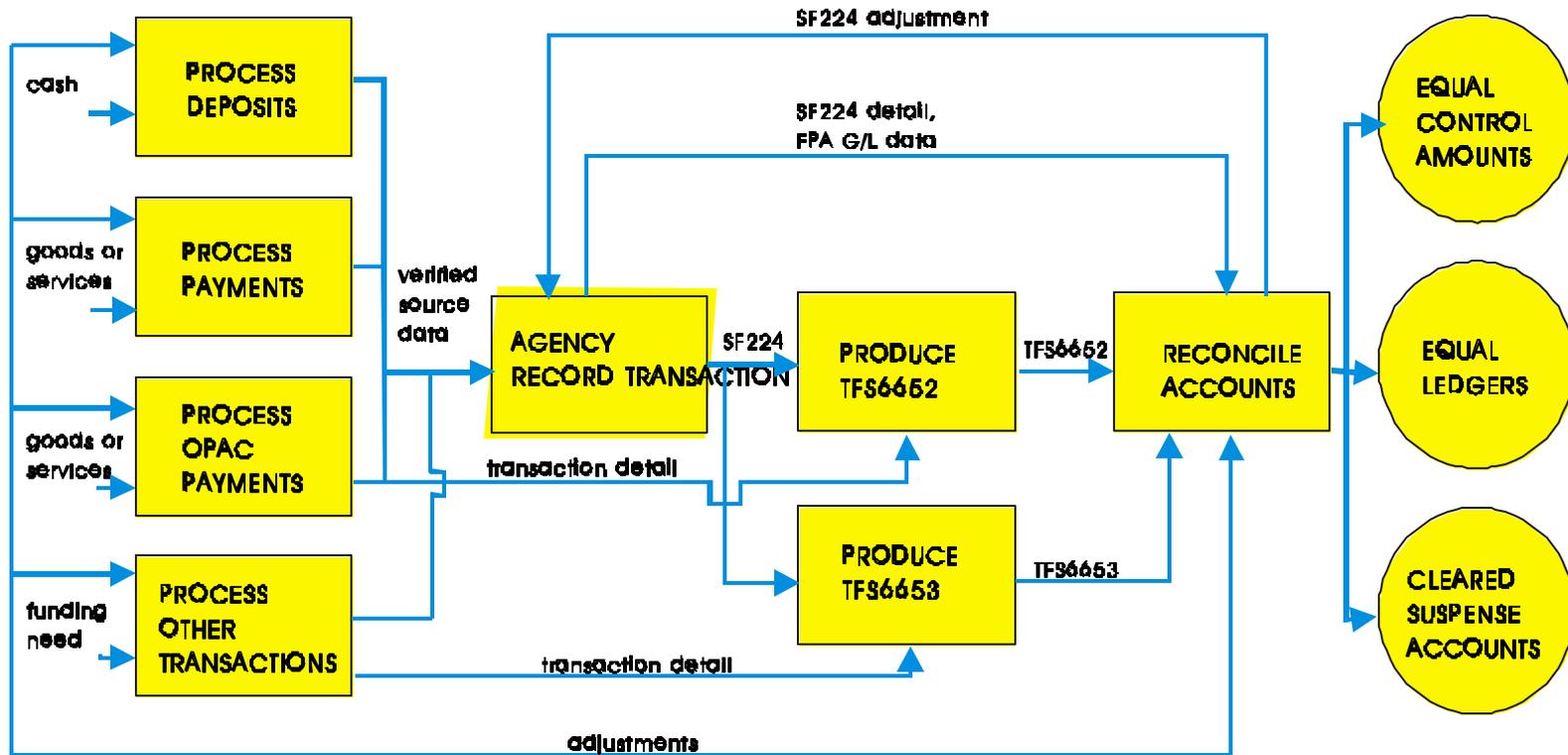
We will anticipate receipt of the support documentation within the next few days. Please notify us if you cannot provide this information before the close of the accounting month. Please direct comments or questions concerning this matter to (indicate contact at reconciling agency) at (indicate contact's telephone number). Documentation may also be sent as an e-mail attachment (contact's e-mail addresses) or by fax (contact's fax #).

Sincerely,

Name of approving official

Fund Balance Process and Reconciliation Flowchart

The flowchart below maps the fund balance reconciliation process. The mapping shows the following: (1) the receipt and disbursement of funds, (2) Federal agencies recording the receipt and disbursement activity on their Statement of Transactions/Accountability reports and into the G/L, (3) Treasury producing an FMS 6652 (if there is a difference) and 6653, and (4) Federal agencies reconciling their fund balance to Treasury's control totals and clearing suspense accounts. Refer to section IV of the procedures for a detailed narrative of the reconciliation process.



References

Agencies can use several other resources to obtain information on how to: (1) further strengthen management controls, (2) improve financial management, (3) enhance agency systems and (4) prepare reports that capture fund balance activity. Such information is covered in the publications below. The OMB, Treasury, GAO and other regulatory agencies disseminate these publications.

- CA\$HLINK Users Guide
- Chief Financial Officers Act of 1990
- Undisbursed/Receipt Account Reports GOALS Users Manual
- Federal Managers=Financial Integrity Act
- FMS Form 2108 Yearend Closing Statement GOALS Users Manual
- Government Management Reform Act of 1994
- Joint Financial Management Improvement Program, Core Financial System Requirements
- OMB Circular A-123, Management Accountability and Controls
- OMB Circular A-127, Financial Management Systems
- On-line Payment and Collection GOALS Users Guide
- Statement of Differences GOALS Users Manual
- I TFM 2-3100, Instructions for Disbursing Officers=Reports
- OMB Circular A-34, Instructions for Budget Execution
- I TFM 2-3300, Reports of Agencies for Which the Treasury Disburses (FMS 224)
- TFM Transmittal Letter No. S2-99-01, U.S. Government Standard General Ledger (FACTS II)

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Glossary of Terms

Accounting date: The date a transaction is recorded.

Adjustment: An accounting entry that corrects or modifies a previously entered deposit or disbursement transaction. An adjustment based on research by the agency.

CA\$HLINK: Worldwide deposit reporting and cash concentration system. User's can obtain deposit information daily using the CA\$HLINK report.

Collections: Amounts received by the Federal Government during the fiscal year. Collections are classified into Governmental receipts and offsetting collections.

Consolidated working capital fund: Advances received by one agency performing work for or furnishing supplies and materials to another agency in accordance with an agreement between the two agencies.

Debit voucher (SF 5515): Reduces a deposit ticket for the ALC when checks are lost, returned, unpaid or issued to reduce the original deposit ticket.

Deposit fund: Used to account for: (1) receipts temporarily held in suspense and later refunded, transferred or paid to some other fund of the Government, and/or (2) held by the Government as agent or banker for others and paid out as requested by the owners.

Statement of Differences (SOD) for Deposits: This reflects the amount of discrepancy between the monthly totals submitted through the banking system and the totals provided by the agency on the SF 224, (section III, line 3) or 1219 (section I, part A, line 4.20).

Disbursements: Amounts paid out by Federal agencies during the fiscal year. This term is used interchangeably with the term outlay.

Statement of Differences (SOD) for Disbursements: Represents differences between the total of disbursements reported by the RFCs or through the OPAC system and totals an agency reports on SF 224 (section II, line 1) or 1219 (line 2.80).

Disbursing officer (DO): The officer designated by an agency to disburse funds on behalf of Treasury. The DO is personally liable for agency funds as reported on the SF 1219.

Electronic Certification System: An automated system that allows agencies to transmit payment requests to an RFC.

Federal Reserve Bank (FRB): A federally designated bank for processing check issue information transmitted to Treasury. In certain cases, the agency may use the FRB to make cash and/or check deposits.

Financial Management Service (FMS): The Treasury bureau with the mission to promote sound financial management practices in the Federal Government.

Fiscal year: The annual accounting period used by the Federal Government. The fiscal year begins October 1 and ends September 30 of the subsequent year.

General funds: Represent revenues not earmarked by law for specific purposes. General funds are available for expenditure only upon congressional appropriation or other authorization to spend general revenues.

Government On-Line Accounting Link System (GOALS): The Governmentwide network that provides automated financial reporting directly to FMS and OMB and provides agencies with report on receipt and disbursement activity and FBWT transactions.

On-Line Payment and Collection System (OPAC): Represents interagency billings and payments for supplies and services.

Revolving Funds: Established to finance a continuing cycle of specific operations.

Special Funds: These funds consist of revenues earmarked by law for a specific purpose.

Standard General Ledger (SGL): The set of procedural rules and uniform chart of accounts used by agencies to record budgetary and proprietary accounting transactions.

SGL Account: An account, within the uniform chart of accounts used by Federal agencies to record budgetary and proprietary accounting transactions.

STAR: The FMS central accounting system that maintains data related to Federal collections and disbursements.

Transaction log: An internal tracking record that summarizes monthly disbursement and/or receipt transactions. Agencies use the log as a tool to research differences. Each Federal agency uses its discretion about what information is reported in the log. The log should capture pertinent data about disbursement and/or receipt activity. For example, detailed data includes payee name/amount, voucher or check number, transaction date and ALC.

Treasury control totals: Treasury maintains a balance for each agency. Deposit control totals are derived from the CA\$HLINK system. Disbursement control totals are derived from RFCs and OPAC transactions.

Treasury Financial Manual (TFM): The FMS publication of Treasury reporting policies and procedures.

Treasury General Account (TGA): Account balances kept by the U.S. Government in banks.

Treasury Regional Financial Centers: FMS Centers that issue payments and process cancellation documents on behalf of Federal civilian agencies.

Trust funds: Established to account for resources held in trust for specific programs or purposes.