

# UNIVERSITY OF WASHINGTON, BOTHELL

## POLICIES AND PROCEDURES MANUAL

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FISCAL CONTROLS  
5.2  
REV 05/05  
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### OVERVIEW

Washington state operates on a two year budget cycle, known as the biennium. The biennium always starts and ends in odd numbered years. UW operates on a July 1 to June 30 fiscal year. There are two fiscal years in each biennium. To comply with State accounting procedures there is a closing process for each biennium. The University's books of account will be held open for a limited time during the month of July to record transactions processed after June 30 relating to business of the expiring fiscal period.

### POLICY

It is the responsibility of each department to insure that transactions posted to their budgets are appropriate and in accordance with UW and state rules and regulations.

### DEFINITIONS

*Reconcile the BAR* - The term "reconciling the BAR" is a misnomer. To reconcile means there is a difference that needs to be discovered and resolved. We are not looking for a difference to resolve, but instead a matching of source documents against a report that contains a listing of selected data from source documents. Nonetheless, because the term is so commonly used around the University, we will continue to refer to the process as "reconciling the BAR."

*Budget Number* - Budget numbers consist of six digits (in the format XX-XXXX). Budget numbers are assigned to a state allocation, self-sustaining activity, grant, contract, scholarship, fellowship, endowment, gift or other UW account entity to track revenue and expenditures.

*BAR* – BAR is an acronym for Budget Activity Report. The BAR shows the monthly expenditure activity for a given budget number including payments against purchase orders, petty cash transactions, payroll transactions, UW Stores purchases, etc.

*BSR* – BSR is an acronym for Budget Status Report. The BSR shows the cumulative biennium-to-date activity for each object code for a given budget number. Unlike the BAR, cumulative totals are displayed rather than each detailed transaction.

*Source document* – Source documents for fiscal control purposes include a purchase order, petty cash voucher, Stores order print-out and packing slip, timesheets for payroll, and a Travel Expense Voucher for travel to name a few. Source documents are those items that should be included in a folder or binder used by the department to reconcile transactions on the BAR to the supporting documentation.

## **PROCEDURES**

A new budget number may be requested from the [Budget Fiscal Analyst Lead](#) in the Finance & Administration Office. If approved by the Vice Chancellor of Administrative Services and the UWS Budget Office, a new budget number will be assigned within approximately two weeks.

BAR and BSR reports are mailed to campus departments from Finance & Administration. They are sent to the individual indicated by the department's Director, Manager or their designee. They are usually sent to the departments by the 15th of each month.

Source documents arrive in many ways, each depending on the type of source document and its origin. Departmental employees should be alerted to forward source documents to the person who is responsible for reconciling the BAR.

There are several steps that need to be taken in order to reconcile a BAR. A recommended procedure is outlined below. It is important that departments follow the steps below, or something similar, on a regular basis and in an organized manner.

1. As each source document arrives, use a highlighter or circle the following items:
  - Document Number
  - Document Date
  - Budget Number
  - Object Code(s)
  - Amount
2. Place source documents in a folder or binder by budget number with the other documents that have been partially paid or remain encumbered from a previous BAR. These files are your unpaid or “outstanding documents files.”
  - Retain source documents first by budget number, and second in either

document number order or document type order.

3. When the BAR arrives, use your “outstanding documents file” to begin the reconciliation by placing a check mark on the BAR next to the transaction amount for each document in your folder or binder. The check mark indicates you have the source document on file. Verify that the data elements (see #1 above) are the same on the BAR.
  - On each source document that has "cleared the BAR" (appeared as a transaction), post the BAR date (e.g., "BAR 05/2005") in a consistent location on the document itself (e.g., lower right corner).
4. Salaries transactions should be reviewed each month verifying that the employees being paid from your budget are accurate.
  - Each month you should verify that hourly staff has been paid the correct number of hours at the correct rate of pay. The number of hours can be obtained from their timesheets (a copy should be kept before being sent to Finance & Administration for processing).
  - At the beginning of each quarter you should verify that all adjunct faculty who are to be paid against your budget is accurate with the correct salary. This can be verified with their appointment letters.
  - Tenure-track faculty, professional exempt staff and classified staff should have their salary rates reviewed quarterly.
5. Departments should be aware of purchase requisitions that remain encumbered, or are not fully paid, that there will be additional expenditures against the requisition. However, if the purchase situation has changed and the requisition needs to be liquidated, send an email to [purchasing@uwb.edu](mailto:purchasing@uwb.edu). Include in the e-mail the requisition number, object code and budget number it is encumbered under.
6. Go back through the BAR and indicate via a “flag” or post-it note each transaction that is not checked off., for which you do not have a source document for the expenditure.
  - The next month you reconcile the BAR check to see if you have transaction documents for outstanding items from the last month’s BAR reconciliation.
  - If you do have the source document, remove the flag and follow the procedures under #3 above.
7. When all documents are checked off for an object code, check off the 'T' and '\*' amount lines.
8. Move the documents that have cleared the BAR from the “outstanding documents file” into a different file marked “paid documents file” or something similar. Again, the items in the paid documents file should be retained by budget number, then by document type and by document

number. These documents are now considered inactive and should only be needed in case of an audit or if questioned internally.

- Retain inactive documents according to the University's records retention schedule.
9. Before documents are filed away in the "paid documents file" be sure the expenditure is an authorized one. Just because it appears on your BAR doesn't necessarily mean that the person responsible for the budget authorized it.
  10. You should have the department's budget manager, or PI for grants, indicate that he/she agrees with the expenditures on the BAR. This can be done by the budget manager or PI signing or initialing the BAR and dating the signature or initials.

If you have questions regarding the reconciliation of your BAR contact the Finance and Administration office or [budget@uwb.edu](mailto:budget@uwb.edu).

#### **CONTACT INFORMATION**

[Finance and Administration Director](#) – 425.352.3330

[Budget Fiscal Analyst Lead](#) – 425.352.5460