



Fiscal Systems and Consulting Unit



DEPARTMENT OF FINANCE
STATE OF CALIFORNIA

GENERAL LEDGER ACCOUNT BALANCE RECONCILIATION

Month-End Close Training – February 2024

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COURSE OBJECTIVE

Upon completion of this course, participants will have the prerequisite knowledge and tools to reconcile general ledger account balances to the balances maintained by the State Controller's Office (SCO).

OVERVIEW

Purpose

To reconcile departmental accounting records with general ledger accounts maintained by the SCO. These general ledger accounts include but are not limited to 1140 - Cash in State Treasury and 1210 - Deposits in Surplus Money Investment Fund.

Departments' Responsibilities

- Reconcile general ledger account balances within their accounting system to the corresponding balances maintained by the SCO for non-shared funds and shared funds, to provide accurate information for the preparation of financial reports; as required by the State Administrative Manual (SAM) Section 7921.
- Complete the reconciliation within 30 days of the preceding month. The reconciliation will show the preparer's and reviewer's names and signatures, date prepared, and date reviewed; and be retained for at least two years (SAM Section 7901).
- Disclose any differences; the information must include the reconciling amount, clear identification of each item that makes up that amount, the corrective actions (if applicable), and the resolution time of each reconciling item.
- Resolve reconciling items as soon as possible to ensure accuracy of year-end financial reports.

ACCOUNT DESCRIPTION

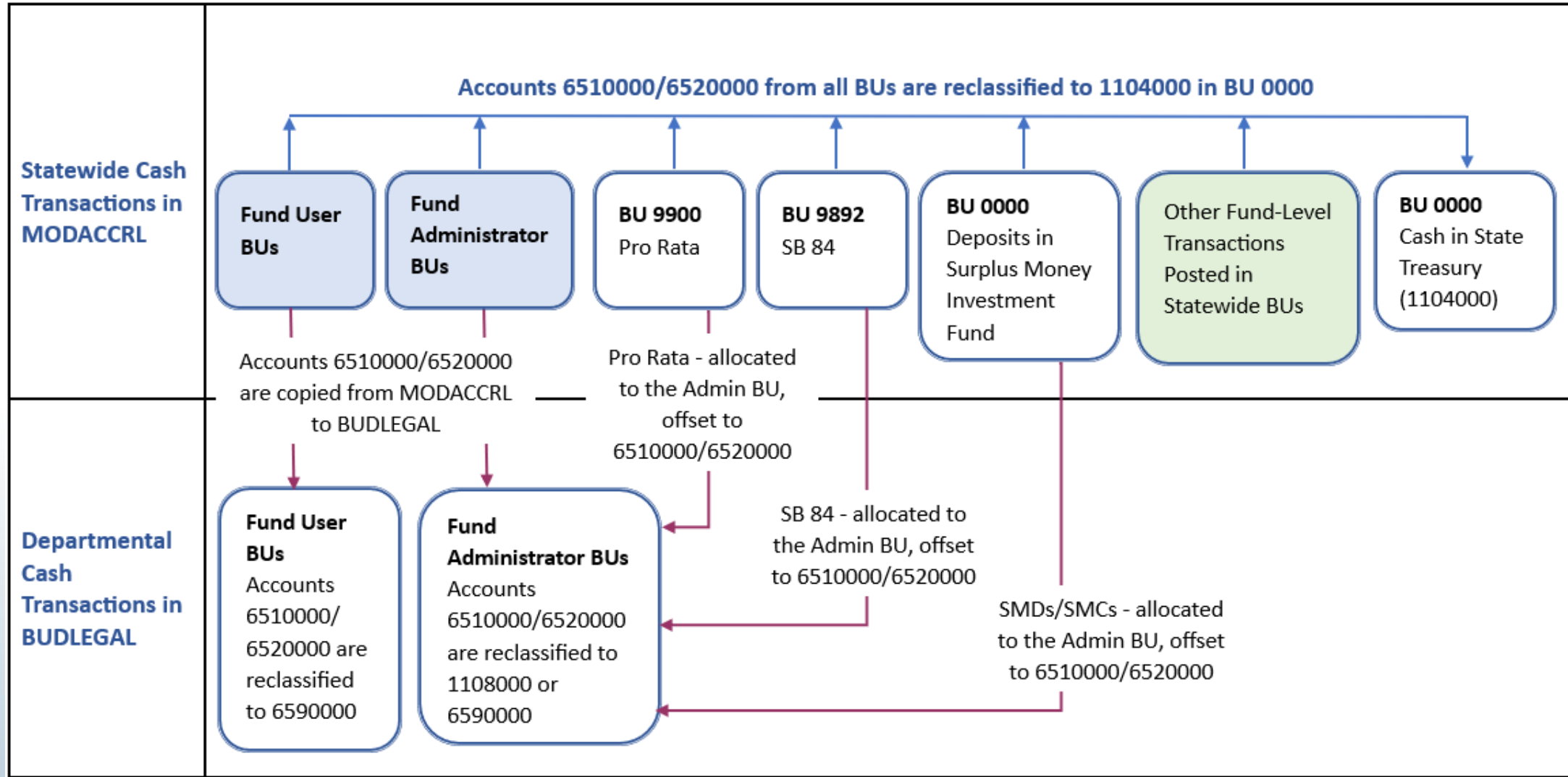
Legacy Accounts

| Account Number | Description |
|----------------|---|
| 1140 | Cash in State Treasury |
| 1210 | Deposits in Surplus Money Investment Fund |
| 1410 | Due from Other Funds |

Chart of Accounts

| Account Number | Description |
|----------------|---|
| 1104000 | Cash in State Treasury |
| 1108000 | BLL Cash in State Treasury |
| 1109XXX | Pending Cash Transfers |
| 1120000 | Deposits in Surplus Money Investment Fund |
| 1120100 | BLL – Deposits in Surplus Money Investment Fund |
| 6510000 | Unappropriated InterUnit Cash Transfer In |
| 6520000 | Unappropriated InterUnit Cash Transfer Out |
| 6590000 | Unappropriated InterUnit Cash Transfer - BLL |

CASH TRANSACTIONS IN FI\$CAL



CASH TRANSACTIONS IN FISCAL

- ❖ Transactions posted directly in the Department BUs MODACCRL ledger include:
 - Transactions related to departments' nominal accounts.
 - Fund-level transactions related to Advance Collections, Liabilities for Deposits, and fund-specific loans.
- ❖ Fund-level transactions posted in the Statewide BUs MODACCRL ledger other than Pro Rata, SB 84, and Deposits in Surplus Money Investment Fund include:
 - Short-term cash loans to the General Fund impacting GL 1410 - in BU 0000.
 - Journal entries related to the reserve (suffix CLR) and transfer (suffix JE) of state's retirement contribution - in BU 9990.

The above transactions will cause reconciling amounts in BUDLEGAL during the fiscal year and usually clear by June 30th.

- Fund-specific statutory transfers/disbursements posted to BU 9990 in MODACCRL - departments will research to determine the appropriate accounting treatment and reporting.
- ❖ Cash balance is reclassified monthly in the BUDLEGAL ledger to account 1108000 or 6590000 for non-shared or shared funds, respectively.

RECONCILING TO GL 1140 – CASH IN STATE TREASURY

Procedure: Cash in State Treasury Reconciliation Procedure
<https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>

CASH IN STATE TREASURY ACCOUNT RECONCILIATION_NON-SHARED FUND For Period Ending XX/XX/20XX (Period XX)

Fund Number: 2221

Fund Administrator BU: 4321

| | FY Beginning Balance | YTD Activity | Ending Balance |
|--|----------------------|--------------------|--------------------|
| SCO FUND RECONCILIATION REPORT (GL 1140): | | | |
| Balance per SCO | 478.50 | (177.94) | 300.56 |
| Reconciling Items: | | | |
| TOTAL SCO BALANCE | 478.50 | (177.94) | 300.56 |
| TRIAL BALANCE REPORT (BUDLEGAL): | | | |
| Account 1108000 | 260.03 | (38,987.34) | (38,727.31) |
| Account 6510000 | (8,037,734.35) | 0.00 | (8,037,734.35) |
| Account 6520000 | 8,037,952.82 | 0.00 | 8,037,952.82 |
| Balance per Department's Records | 478.50 | (38,987.34) | (38,508.84) |
| Reconciling Items: | | | |
| Balance in 1109300 - reclassified to 6510000/6520000 in period 4. | | (1,000.00) | (1,000.00) |
| Transactions related to state's retirement contribution (will clear by 6/30/20XX): | | | |
| CLR10055 - dated 7/28/20XX | | 13,139.75 | 13,139.75 |
| CLR10141 - dated 8/29/20XX | | 13,388.80 | 13,388.80 |
| CLR10212 - dated 9/27/20XX | | 13,388.80 | 13,388.80 |
| VID 00445553 - payment posted in FI\$Cal on 10/2/20XX | | (93.36) | (93.36) |
| VID 00445561 - payment posted in FI\$Cal on 10/2/20XX | | (14.59) | (14.59) |
| TOTAL ADJUSTED DEPARTMENT'S BALANCE | 478.50 | (177.94) | 300.56 |
| VARIANCE | | | (0.00) |

RECONCILING TO GL 1140 – CASH IN STATE TREASURY

Procedure: Cash in State Treasury Reconciliation Procedure
<https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>

CASH IN STATE TREASURY ACCOUNT RECONCILIATION_SHARED FUND

For Period Ending XX/XX/20XX (Period XX)

Fund Number: 2255

Fund Administrator BU: 4321

Fund User BU: 3456

Fund User BU: 5678

| | FY Beginning Balance | YTD Activity | Ending Balance |
|--|----------------------|--------------------|---------------------|
| SCO FUND RECONCILIATION REPORT (GL 1140): | | | |
| Balance per SCO | 3,160,020.42 | 24,307.65 | 3,184,328.07 |
| Reconciling Items: | | | |
| <i>Fund Administrator - BU 4321</i> | | 0.00 | 0.00 |
| <i>Fund User - BU 3456</i> | | 0.00 | 0.00 |
| <i>Fund User - BU 5678</i> | | 0.00 | 0.00 |
| TOTAL SCO BALANCE | 3,160,020.42 | 24,307.65 | 3,184,328.07 |
| TRIAL BALANCE REPORT (BUDLEGAL): | | | |
| <i>Fund Administrator - BU 4321</i> | | | |
| Account 6590000 | 0.00 | (95,892.05) | (95,892.05) |
| <i>Fund User - BU 3456</i> | | | |
| Account 6590000 | 0.00 | 25,500.00 | 25,500.00 |
| <i>Fund User - BU 5678</i> | | | |
| Account 6590000 | 0.00 | 36,509.51 | 36,509.51 |
| Total Year-to-Date Cash Transactions per Departments' Records | 0.00 | (33,882.54) | 3,126,137.88 |
| Reconciling Items: | | | |
| <i>Fund Administrator - BU 4321</i> | | | |
| JV #39334 and 39337 - recorded in SCO legacy on 10/3/20XX | | 553.25 | 553.25 |
| <i>Fund User - BU 3456</i> | | 0.00 | 0.00 |
| <i>Fund User - BU 5678</i> | | | |
| Balance in 1109200 - reclassified to 6510000/6520000 in period 4 | | 57,636.94 | 57,636.94 |
| TOTAL ADJUSTED DEPARTMENTS' CASH TRANSACTIONS | 0.00 | 24,307.65 | 3,184,328.07 |
| VARIANCE | | | 0.00 |

RECONCILING TO GL 1210 – DEPOSITS IN SURPLUS MONEY INVESTMENT FUND

Procedure: Deposits in Surplus Money Investment Fund Reconciliation Procedure
<https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>

| DEPOSITS IN SURPLUS MONEY INVESTMENT FUND ACCOUNT RECONCILIATION | | | |
|---|-------------------------|---------------------|---------------------|
| For Period Ending XX/XX/20XX (Period XX) | | | |
| Fund Number: <u>2525</u> | | | |
| Fund Administrator BU: <u>4321</u> | | | |
| | FY Beginning Balance | YTD Activity | Ending Balance |
| SCO FUND RECONCILIATION REPORT (GL 1210): | | | |
| Balance per SCO | 1,942,000.00 | (312,000.00) | 1,630,000.00 |
| Reconciling Items: | | | |
| TOTAL SCO BALANCE | 1,942,000.00 | (312,000.00) | 1,630,000.00 |
| TRIAL BALANCE REPORT (BUDLEGAL): | | | |
| Account 1120000 | 1,337,000.00 | 0.00 | 1,337,000.00 |
| Account 1120100 | 605,000.00 | (312,000.00) | 293,000.00 |
| Balance per Department's Records | 1,942,000.00 | (312,000.00) | 1,630,000.00 |
| Reconciling Items: | | | |
| | | | 0.00 |
| TOTAL ADJUSTED DEPARTMENT'S BALANCE | 1,942,000.00 | (312,000.00) | 1,630,000.00 |
| VARIANCE | | | 0.00 |

QUESTIONS

Contact the FSCU Hotline.

Email: FSCUHotline@dof.ca.gov

Phone: (916) 324-0385

MAILING LISTS

Subscribe to the Department of Finance's FI\$Cal Resources for Accounting and Training mailing lists at <https://dof.ca.gov/department-mailing-lists/>

