

## Fort Hancock ISD – Finance End of Month Procedures

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The Finance End of Month (EOM) should be processed within 15 days after the end of each month, or earlier dependent upon work schedules or holidays.

### General Instructions:

The finance End-of-Month (EOM) process posts all current month transaction to the year-to-date transaction file. Only two (2) months may be open at one time, typically the current month and either the past month or the next month.

The EOM process shall start on the 1<sup>st</sup> business day of the next month and shall be completed by the 15<sup>th</sup> day of the following month, or earlier as appropriate.

The EOM process has been divided into four (4) major steps. Each step is listed below with the tasks that must be accomplished at each step.

### Step 1 – Reconciliation of Bank Accounts:

- On the 1<sup>st</sup> business day of the following month, the Business Manager shall retrieve all bank statements through the on-line banking system.
- The Business Manager shall utilize the finance system to reconcile all bank statements to the general ledger. All deposits and checks shall be cleared in the bank reconciliation system and the resulting report with cleared and outstanding checks used to reconcile all bank accounts with the general ledger.
- The Business Manager shall utilize the Bank Reconciliation Worksheet (Excel) to ensure that all debits, credits, and cleared checks on the bank statement and bank reconciliation system match.
- If the Business Manager is unable to readily reconcile the bank statements, a detailed general ledger [for the month being closed] for all cash accounts (1101) shall be printed and verified for accuracy.
- Within two (2) business days, the Business Manager shall reconcile all bank statements with the general ledger.
- The Business Manager and Finance Officer should approve all finalized bank reconciliations.
- The approved bank reconciliations, and supporting documents shall be filed for audit purposes by month/fiscal year.

### Step 2 – EOM Activities (After reconciling all bank statements):

- The Business Manager shall verify that all transactions for the prior month have been posted to the general ledger, to include: General Journals (Budget, Actual, Cash Receipts, etc.).
- The Business Manager shall ensure that all General Journals for the prior month have been filed in the appropriate notebook by month and JV number. Missing JVs, if any, shall be located and filed in the notebook.
- The Business Manager shall generate and print all Step 2 EOM Reports (reports may be printed to a PDF and filed by month/fiscal year). If changes/corrections are made to the reports, a corrected report shall be generated, printed and filed for audit purposes.
- The Business Manager shall review and distribute reports as noted below:
- Cash Receipt Journal – verify that all cash receipts are in balance and that all transaction dates are correct for the month being closed – File report

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- Encumbrance Journal – verify that all encumbrances are in balance and that all transaction dates are correct for the month being closed – File report
- Expenditure & Liquidation Journal – verify that all paid purchase orders have been fully liquidated, or if a partial payment was made, that the remaining liquidated is correct for the pending payment – File report
- Check Register – verify that the check numbers are in numeric sequence by bank account type, check dates are all correct for the month being closed, and that void checks if any are posted – File report
- Check Payments List – verify that all checks have an invoice number and reason for the check – File report and extract to Excel (NOTE: The Excel file shall include the check date, vendor name, account code, reason and amount only –Excel file to the Business Manager for School Board review and approval.)
- Batch Process Balance Error Listing – verify that no accounts are listed as out of balance – File report
- Outstanding Purchase Orders – verify that outstanding purchase orders are not aged (older than 60 days), the balance matches the original amount unless a partial payment has been made on the purchase order, and that the Accounts Payable pending purchase order files contain a copy of all outstanding purchase orders – File report
- Board Reports Combined – verify that the report is the month being closed and that all funds are included in the report – File report
- Board Reports Recap - verify that the report is the month being closed and that only funds 19X and 101 are included in the report – File report
- Summary General Ledger – print and forward to the Superintendent for review.

### Step 3 – Run EOM Reports:

- The Business Manager shall verify that all transactions for the prior month have been posted to the general ledger, to include: General Journals (Budget, Actual, Cash Receipts, etc.). **NOTE: No additional posting to the general ledger for the month being closed may be posted to that month.**
- The Business Manager shall generate and print all Step 3 EOM Reports Prior to Closing EOM (reports may be printed to a PDF and filed by month/fiscal year). All reports shall be filed for audit purposes.

### Step 4 – Process EOM Close:

- The Business Manager shall backup the finance files for the month being closed and save the backup to the appropriate EOM back-up folder.
- The Business Manager shall process the EOM after verifying that the Year and Month of Accounting Period Being Closed are correct as noted on the screen.
- The Business Manager shall update the Finance Tables on the 1<sup>st</sup> day of the following month – this includes the Next Month, Purchasing, and Accounts Receivable accounting periods.