

## RULE 2.2 – RECONCILIATIONS

Adopted Date: 10/13/2005

Revised Date: 10/27/2011

### PURPOSE

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City and County of Denver (city) management, citizens, and other stakeholders require reliable financial information to make informed decisions. Reconciliation of the city's general ledger accounts on a periodic and timely basis are instrumental in verifying that all transactions are posted correctly. If accounts are not reconciled and subsequently adjusted, as necessary, decision makers may be relying on inaccurate financial information which could negatively impact the city.

### DEFINITIONS

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**Reconcile** – The process of comparing information that exists in two systems or locations, analyzing differences, and making corrections so that the information is accurate, complete, and consistent.

**System of Record (SOR)** – The official accounting system used to record financial transactions and financial information.

### RULES

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1. Every department/agency shall analyze material and significant general ledger accounts of the city's SOR monthly. The analysis shall include:
  - A. Reconciling the department/agency's subsidiary ledgers and systems to the SOR general ledger.
  - B. Reviewing account activity for reasonableness and completeness.
  - C. Performing analytical comparison to prior periods or to similar or related accounts.
  - D. Other necessary procedures.
2. Journal entries for adjustments to the general ledger shall be prepared and submitted to the Controller's Office monthly.
3. Every department/agency shall complete and submit to the Controller's Office the [Reconciliation Certification Form](#) by November 30<sup>th</sup> of each year, certifying that the

accounting periods 1 through 10 (January through October) for the current year have been analyzed and that the SOR general ledger has been adjusted accordingly. November and December shall be analyzed in accordance with the Controller's Office year-end deadlines.

4. Documentation of the monthly reconciliation shall be available for review by the Controller's Office.
5. Every department/agency shall be responsible for ensuring that training and resources are available to ensure compliance with this rule.

## AUTHORITY AND ACCOUNTABILITY

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The **Controller's Office** is responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.