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Function No. 20900 —Reconciliation Procedures	TOPIC	CARS RECONCILIATION REQUIREMENTS
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Overview

Introduction This topic establishes the policies governing the preparation and reconciliation of financial records maintained by all State agencies and institutions.

To ensure accuracy and uniformity in the preparation and reconciliation of financial data input to the Commonwealth Accounting and Reporting System (CARS), all internally prepared accounting records, data submission logs, and other accounting data must be reconciled to reports produced by CARS. Such reconciliations shall be performed and certified to the Department of Accounts (DOA) monthly, as described in this CAPP Topic, and at fiscal year-end as prescribed by the Comptroller’s annual fiscal year-end closing procedures memorandum to agencies.

This topic specifically addresses requirements and recommended procedures that are applicable to all agencies for accomplishing this reconciliation. An agency may reconcile its records to CARS via other procedures it has devised if:

- The agency fully documents its alternate reconciliation procedures.
- DOA General Accounting provides advance written approval.
- The procedures provide equivalent results and audit trails as those outlined in this topic.

Even agencies that follow procedures in this CAPP topic must prepare and maintain procedural documentation for reconciliation that show how this topic’s requirements are specifically met in the agency and who holds responsibility for each aspect of reconciliation activities.

As with every topic in this manual, CAPP Manual procedures alone never eliminate the need and requirement for each agency to publish its own internal policies and procedures documents, approved in writing by agency management. The lack of complete and up-to-date internal policies and procedures (customized to reflect the agency’s staffing, organization, and operating procedures) reflects inadequate internal control.

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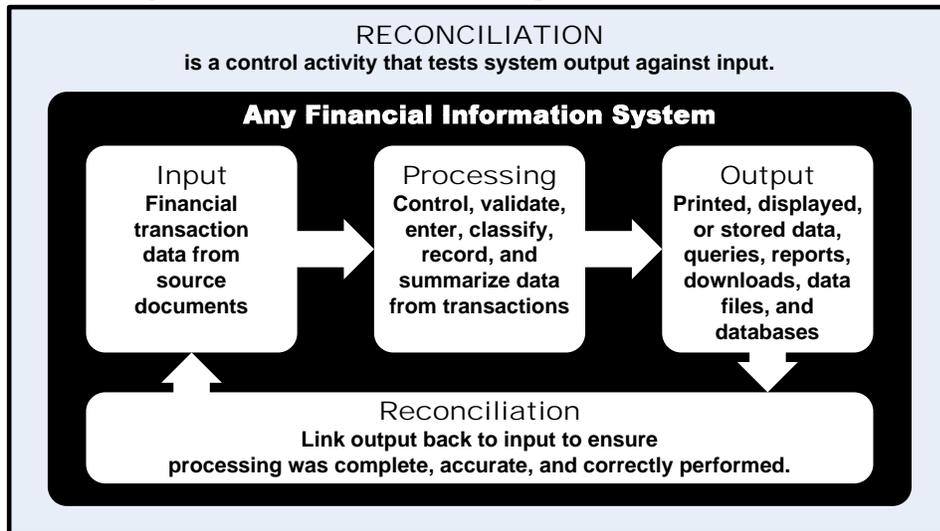
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Reconciliation Model

Financial management information systems utilize concepts drawn from accounting, information systems, and internal control.

- **Accounting** – drawn from a basic definition of accounting (classifying, recording, summarizing, and reporting of an entity’s financial transactions in compliance with generally accepted accounting principles).
- **Information systems** – drawn from a basic information systems model (input → process → output).
- **Internal control** – reconciliation is one of the eight basic types of “control activities” (review and approval; authorization; verification; reconciliation; physical security over assets; segregation of duties; education, training, and coaching; performance planning and evaluation).

The following model combines these concepts.



Reconciliation serves as a “quality control” measure – without high quality processing, as tested and corrected through the reconciliation process, accounting cannot produce useful reports. Reconciliation primarily affects classification, recording, and summarization. Traditionally called “bookkeeping,” these processes capture and prepare data for use in reports.

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Basic objectives of the classification, recording, and summarization processes are to ensure that:

- Each transaction reflects correct data, including monetary amounts.
- Each transaction is recorded once, and only once.
- Each transaction is properly classified to support summarization.
- Summarization processes accurately reflect the underlying dollar amounts and accounting classifications.
- Documentary evidence exists for every accounting process.
- Documents enable accountants to follow an “audit trail” through the accounting process from each transaction to appropriate reports and other output.
- If recorded in multiple accounting systems, transactions can be traced from one system to another, any variance between accounting data can be traced to specific transactions, and all variations are explained and justified.
- **In systems operated by the Department of Accounts (especially CARS), every transaction is correctly recorded, classified, and fully compliant with any applicable laws, regulations, policies, procedures, grants, and contracts.**
- **Monthly certification by the fiscal officer, that all CARS general ledger account balances for the agency will be correct after the agency processes any needed Agency Transaction Voucher and/or Interagency Transaction Voucher entries or DOA processes any corrections submitted via exception register. These corrections must be submitted within two weeks following the exception register due date. For May, this will be mid-July. The corrections must be posted to the fiscal year for which the certification is applicable.**
- **Annual certification by the agency head and fiscal officer, that all CARS general ledger account balances for the agency as of June 30 final close are correct or will be correct after the agency processes any needed Agency Transaction Voucher and/or Interagency Transaction Voucher entries or DOA processes any corrections submitted via exception register. These corrections must be submitted by the due date specified in the fiscal year end closing instructions.**

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More information on control activities will appear in:

- Comptroller’s Directive on Agency Risk Management and Internal Control Standards (ARMICS), *to be issued Fall 2006*.
 - CAPP Manual Topic 10305, *Internal Control*
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Policy

Introduction The essential components of CARS reconciliation are:

- Acknowledging the Agency Head’s responsibility
- Timing of reconciliation
- Management’s assertions
- Reconciliation document format
- Scope of reconciliation
- Reporting requirements

The following specific requirements appear in broad terms, giving considerable flexibility to each agency in achieving compliance with this policy.

Acknowledging the Agency Head’s Responsibility Ultimately, **the agency head holds personal responsibility for the integrity and objectivity of the financial transactions provided to the State Comptroller.**

The agency head must ensure that CARS data are accurate. The basis for this conclusion derives from agency management’s assessment of the internal controls operating within the agency. The establishment of internal controls requires estimates and judgments from management so that, in attaining reasonable assurance as to the adequacy of such controls, the cost of controls should not exceed the benefits obtained. The agency should take steps such that the agency head trusts that internal controls adequately safeguard the agency’s assets and provide reasonable assurance as to the proper recording of financial transactions.

At fiscal year end, the agency head must certify not only that the systems reconcile, but also that sufficient actions have been taken to ensure that the agency’s CARS final close data is complete, correct, and in accordance with all applicable state laws and regulations. For months other than June, the fiscal officer submits this certification on behalf of the agency head.

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Timing of Reconciliation

Reconciliations for the fiscal months of July through May must be performed, documented, and certified to the Comptroller via the **Confirmation of Agency Reconciliation to CARS Reports** web-based reporting system. The documentation format used for agency reconciliation should create an “audit trail” so that the reconciliation can be traced to both source documents and CARS reports.

Reconciliations for the fiscal month of June, which serves as the final reconciliation for the fiscal year, must be performed, documented, and certified to the Comptroller as required by the Comptroller’s annual fiscal year-end closing procedures memorandum to agencies.

Management’s Assertions

According to professional accounting and auditing standards, “management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, record, process, and report transactions (as well as events and conditions) consistent with management’s assertions embodied in the financial statements.”¹ Assertions are implied or expressed representations made by management about classes of transactions and the related accounts in the financial statements. In certifying that the CARS reconciliation has been performed, agency management is providing reasonable assurance that the entries made in CARS accurately reflect the financial operations of the agency on the cash basis of accounting. This assurance encompasses assertions about the financial records in all of the following areas:

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¹ AICPA Professional Standards, Section 110, *Responsibilities and Functions of the Independent Auditor*, pp. 61-62.

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1. Assertions about account balances at the period end:
 - a. **Existence.** Assets, liabilities and net assets/fund balances exist.
 - b. **Rights and obligations.** The agency holds or controls the rights to assets. Liabilities are obligations of the agency.
 - c. **Completeness.** All assets, liabilities, and net assets/fund balances that should have been recorded have been recorded.
 - d. **Valuation and allocation.** Assets, liabilities, and net assets/fund balances are included in the financial records at appropriate amounts and any required adjustments are appropriately recorded.

 2. Assertions about presentation and disclosure:
 - a. **Occurrence and rights and obligations.** Disclosed events and transactions have occurred and pertain to the agency.
 - b. **Completeness.** All disclosures that should have been included in the financial records have been included.
 - c. **Classification and understandability.** Financial information is appropriately presented and disclosures are clearly expressed.
 - d. **Accuracy and valuation.** Financial and other information are fairly disclosed at the appropriate amounts.

Reconciliation Document Format

Agencies must have detailed written procedures for meeting all CARS reconciliation requirements. These “desk procedures” must require documenting reconciliations in an agency-standardized format and making them available for inspection (with all supporting documentation) by outside parties such as the Auditor of Public Accounts (APA) and the Department of Accounts (DOA). Also, such documents are subject to public scrutiny under Code of Virginia § 2.2-3700 *et seq.*, the *Virginia Freedom of Information Act*.

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Minimum standard inclusions for reconciliation policies and procedures are:

- Balances copied directly from CARS reports (not merely from agency-based accounting systems or other secondary sources),
- Corresponding balances copied directly from agency records (*CARS Transaction and Batch Control Logs* or supplemental systems reports if the agency maintains supplemental systems), and
- Itemized listings, by source document number, of the differences between CARS reports and agency records that refer to correcting source document numbers, corresponding batch identification (Batch ID) numbers, and submission dates.

When documenting a detailed reconciliation process, an element of that detail is a list of any summary and transaction-level reports that are used, including those produced by DOA and those produced by the agency's systems. For example, agency procedures may include review of CARS Report ACTR1302 (*Checks To Be Written – Payment Status of 1*) to identify expenditures that include due dates too far into the future (for example, by keying the wrong calendar month or year). "Reports" may refer to electronic output (for example, data viewed on a screen) so long as that electronic output is documented sufficiently (for example, by a screen print) to support future audit needs.

Fiscal officers must update desk procedures whenever significant procedural changes occur. For agencies with internal auditors, fiscal officers should review desk procedures with their internal auditors and revise those procedures accordingly.

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Scope of Reconciliation

CARS is the official accounting system for the Commonwealth. All agency-based systems and records are considered to be subsidiary to CARS.

All agency records, accounts, and logs must be reconciled to CARS for all general ledger accounts at the level indicated below:

- Appropriations agency, fund detail, program
- Allotments agency, fund detail, program
- Expenditures..... agency, fund detail, program, object
- Capital project expenditures....agency, fund detail, project number, object
- Revenuesagency, fund detail, revenue source
- Cash, fixed assets, and all other GLAsagency, fund detail

Note that agencies must adhere to the reconciliation requirements outlined in CAPP Topic No. 30905, Reconciliation & Error Correction, for fixed asset GLA balances.

Perform the following:

- Reconcile all petty cash and other locally administered bank account transactions and balances from bank statements to agency control records,
- Reconcile all agency subsidiary ledger accounts to agency control accounts (agency subsidiary ledger to agency general ledger),
- Reconcile agency control accounts to corresponding CARS accounts, as applicable,
- Ensure that reconciliations meet all reconciliation-related requirements written in federal grant and other pass-through grant agreements.

Note that DOA reconciles CARS reports and the underlying CARS data files to each other. It is not necessary for agencies to compare balances from one CARS report to another.

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Reporting Requirements

Fiscal officers use the *Confirmation of Agency Reconciliation to CARS Reports (Exception Register)* to document their personal certification that agency records have been reconciled to those of the Comptroller, and to inform DOA of any necessary CARS adjustments that the agency cannot make without DOA assistance. DOA has developed a web-based system for electronically submitting certification to DOA each month (except for June). Agencies still submit June certification as paper originals.

Each fiscal officer must submit this confirmation to DOA’s General Accounting Unit on the last business day of the month in which the reports are received. For example, DOA delivers CARS reports for the month of January in early February; so, certification for CARS reconciliation as of January 31 is due on the last business day of February. The due date for the June confirmation is published annually in a memorandum issued by the Comptroller to the Heads of all State Agencies and Institutions setting forth the fiscal year-end closing procedures.

Remember that the fiscal officer is certifying that all CARS general ledger account balances for the agency will be correct, pending DOA processing of month-end correction entries that the fiscal officer has identified via the reconciliation process.

In certifying that all CARS general ledger account balances for the agency are correct, fiscal officers should keep in mind that they are making the following assertions as previously described in *Management’s Assertions*:

- All reported transactions actually occurred during the reporting period and all assets and liabilities exist as of the reporting date (existence and occurrence);
- All amounts and other data relating to recorded transactions have been recorded appropriately, properly classified and are in the correct accounting period (accuracy, classification and cutoff);
- All assets, liabilities, and transactions that should be reported have been included and no unauthorized transactions or balances are included (completeness);
- All assets are legally owned by the agency and all liabilities are legal obligations of the agency (rights and obligations);
- All assets and liabilities have been properly valued, and where applicable, all costs have been properly allocated (valuation and allocation).

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All necessary corrections identified as a result of the reconciliation should be included as an “exception” with the confirmation **OR** should be submitted on an Agency Transaction Voucher (ATV) or Inter-Agency Transaction (IAT). **Any correction that can be made on an ATV or IAT may not appear as an exception.** The agency should process any necessary ATVs or IATs and not submit those items with the confirmation. Agency reconciliation procedures should be sufficient so that, after the agency processes all correcting ATVs and IATs and after DOA processes exceptions submitted with the confirmation, the fiscal officer can certify that **CARS balances will be correct. These corrections must be submitted within two weeks following the exception register due date. For May, this will be mid-July. For the June reconciliation certification all corrections must be submitted by the final reconciliation due date as communicated in DOA’s annual fiscal year-end closing procedures memorandum to agencies. All corrections must be posted to the fiscal year for which the certification is applicable.**

Reconciliations that include unidentified balances or transactions (including but not limited to “plug numbers”) are incomplete and inadequate. Agencies may not certify reconciliations as complete until all reconciling items are specifically and completely identified and corrected at the transaction level.

Agencies are prohibited from submitting a month-end or fiscal-year-end certification until the related reconciliation is complete and fully documented.

An agency request for extension of a certification deadline should be:

- In writing,
- Received by DOA on or before the original certification due date,
- From the agency head, or from the fiscal officer with a copy to the agency head,
- As far in advance of the submission deadline as possible, and
- With a reasonably specific justification.

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Agencies must address extension requests as follows.

E-Mail..... gacct@doa.virginia.gov
Subject: Extension Request for CARS Certification

U. S. Mail Director, General Accounting
Virginia Department of Accounts
Box 1971
Richmond, VA 23218-1971

DOA does not grant exemptions from requirements for CARS reconciliation.

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Reconciliation Procedures

Source Documents

For CARS reconciliation purposes, a source document is defined as any document that represents a financial transaction that **should** be reflected in CARS, according to state law, regulation or generally accepted accounting principles (GAAP).

Examples of Source Documents

- Accounting Vouchers
- Agency Operating Expenditure Plans
- Agency Transaction Vouchers
- Appropriation/Allotment Status Reports
- Appropriation/Allotment/FTE Employment Adjustment Request Forms
- Combo Forms
- Deposit Certificates
- Deposit tickets
- Interagency Transfer Invoices
- Loan Agreements
- Petty Cash Reimbursement Vouchers
- Revenue Refund Vouchers
- Travel Expense Reimbursement Vouchers
- Other documents that support these forms (for example, original vendor receipts for purchases, contracts, hotel statements for travel reimbursements, and teller receipts for bank deposits)

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Model Reconciliation Procedures

DOA recommends these detailed procedures as one complete and effective means by which reconciliation requirements can be achieved. They provide adequate accounting control under normal circumstances and are designed to satisfy the following requirements:

- To enhance agency control over all transactions that affect general ledger accounts of the agency as recorded in CARS,
- To provide timely, accurate financial information through CARS reports for management decision making,
- To provide clear audit trails—from source document to internal accounting system (if the agency maintains an internal system) and to CARS reports—for all agency financial transactions, and
- To minimize time and effort required of agency personnel to satisfy their financial accounting and stewardship responsibilities.

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Meeting Reconciliation Requirements

Reconciliation requirements can be met by:

- Maintaining a *CARS Transaction and Batch Control Log* of all CARS transactions (see Exhibit 1),
- Maintaining a “pending file” with copies of all batched source documents, sorted by Batch ID,
- Reconciling source document detail to internal accounting system (if agency maintains an internal system) and to the CARS ACTR0401 report on a **weekly** basis,
- Reviewing agency transactions not posted to CARS. **See “Non-Posted CARS Transactions” in the next section.**
- Submitting corrections to CARS via Agency Transaction Vouchers (ATVs), Interagency Transaction Vouchers (IATs), or adjusting internal systems with journal entries on a timely basis (an agency **must** ensure that the original transaction has been posted to CARS prior to submitting a correcting ATV or IAT),
- Reconciling internal automated accounting systems reports with CARS reports on a weekly basis, and
- Assigning “blocks” of sequential Batch ID numbers and voucher numbers.

Non-Posted CARS Transactions

Agencies should clear the CARS Error File EACH DAY. Related procedures appear in CAPP Topic No. 70265, [CARS Error Correction](#).

An optional check on the past week’s error correction is CARS Report ACTR0107 (*Weekly Reconciliation Report of Transactions Not Posted in CARS*), which lists all transactions that have not posted in CARS due to a CARS-detected error condition as of the end of the past week. Agencies reconciling weekly may use this report in conjunction with:

- CARS Report ACTR0401, *Detail of Transactions Posted*,
- *CARS Transaction and Batch Control Logs*, and
- Source documents.

Note that CARS does **NOT** print Report ACTR0107 for agencies that have no CARS entries in the CARS error suspense file at the close of a week.

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Reconciliation Process

The recommended reconciliation process consists of these seven stages:

Stage	Description
1	Maintain a <i>CARS Transaction and Batch Control Log</i> .
2	Assign source document numbers and Batch ID Numbers sequentially within number ranges (blocks) specifically designated by type of transaction.
3	Make <i>CARS Transaction and Batch Control Logs</i> available for immediate reference by agency personnel during the fiscal year.
4	Retain all logs for three years.
5	Maintain a pending file of source document batches by batch ID number to facilitate retrieval during reconciliation, or otherwise file source documents for ready retrieval during the reconciliation and audit processes.
6	Reconcile source documents on a line-by-line basis with agency internal automated accounting system reports that list all transactions entered by batch ID number.
7	Reconcile CARS Report ACTR0401 (<i>Transaction Reconciliation Detail Listing</i>) on a weekly basis.

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**Stage 1:
CARS
Transaction
and Batch
Control Log**

Maintain a *CARS Transaction and Batch Control Log* for each type of transaction (See Exhibit 1).

This log is designed to provide

- an **audit trail** from source documents to internal accounting system (for agencies maintaining internal systems) and to CARS reports,
- **assistance** in document retrieval and reference,
- a **common reference point** for controlling each batch of transactions processed in CARS,
- a **record of DOA adjustments** to agency-submitted transactions, and
- an **initial worksheet** for the reconciliation.

If the transaction is a ...	Then enter it on the log by ...
Disbursement	<ul style="list-style-type: none"> • Voucher number • Vendor and/or description • Fund detail, program • Total voucher amount • Corresponding Batch ID • Date <p>Note that travel or salary advances should include the name of the person who holds responsibility for repaying the advance and the corresponding document number.</p>

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Reconciliation Procedures, Continued

Stage 1: CARS Transaction and Batch Control Log (continued)

If the transaction is a ...	Then enter it on the log by ...
Deposit	<ul style="list-style-type: none"> • Deposit Certificate or Deposit Ticket number • Revenue source and/or description • Fund detail, program • Batch ID • Total amount <p>Note that repayments of travel or salary advances should be recorded with the name of the person responsible for repayment and the corresponding document number. Also mark or annotate the original log on which the initial advance was recorded to show that the advance has been repaid.</p>
Budget entry or adjustment submitted through DPB	<ul style="list-style-type: none"> • Advice Number • CARS Batch ID • Fund detail, program • Description • Amount
<i>Interagency Transfer Vouchers and Agency Transaction Vouchers</i>	<p>Sequentially numbered by the originating agency and entered by</p> <ul style="list-style-type: none"> • Voucher Number • Fund detail, program • Description • Amount • Batch ID

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Reconciliation Procedures, Continued

Stage 1: CARS Transaction and Batch Control Log (continued)

If the transaction is a ...	Then enter it on the log by ...
Loan	<ul style="list-style-type: none"> • Authorization Number <p>Note that loan draws and repayments are recorded in CARS (and will appear on CARS Report ACTR0401) via a Department of Accounts journal entry. Record each DOA journal entry on the <i>CARS Transaction and Batch Control Log</i> as shown below.</p>
Operating Expenditure Plan entry	Enter by the sequentially assigned number on the Agency Operating Expenditure Plan or by <ul style="list-style-type: none"> • Batch ID if reported from DPB • Amount
DOA Journal Voucher adjusting entry	<ul style="list-style-type: none"> • Batch ID (per CARS ACTR0401) • Amount • Description of entry

Stage 2: Assign Batch Numbers and Voucher Numbers Sequentially

Assign the source document numbers and Batch ID Numbers sequentially within number ranges (blocks) specifically designated by type of transaction.

This “blocking” of batch numbers will facilitate control and reconciliation of different types of transactions. The following block assignment of numbers serves as an example:

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Stage 2: Assign Batch Numbers and Voucher Numbers Sequentially (continued)

Type of Transaction	Voucher Number– Range to be Used	Batch Identification Number– Range to be Used
Payments	50000001-59999999	100-199
Payrolls	60000001-69999999	N/A
ATVs (correcting)	70000001-79999999	200-299
ATVs (fringe benefits)	80000001-89999999	300-399
ATVs (all other)	90000001-99999999	400-499
Deposit Certificates	N/A	500-599

Stage 3: Log Availability

Make *CARS Transaction and Batch Control Logs* available for immediate reference by agency personnel and auditors during the fiscal year and through the subsequent audit period.

Assign Batch ID Numbers and other document control numbers (such as voucher numbers) sequentially throughout the fiscal year. Preparation of Batch Control Logs and similar control documents will form a vital part of agency internal control activities, as well as conform to the State's financial data control procedures. To clearly document this control activity, DOA developed and endorses the *CARS Transaction and Batch Control Log* for linking vouchers to specific CARS batches.

Stage 4: Log Retention

Retain all logs for three years.

The logs will contain a ready source of performance measurements. For example, the total number and value of the various types of document batches submitted and the number (percentage) of batches out of balance or adjusted can be determined.

Use the formats presented in Exhibit 1 and 2, if appropriate.

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**Stage 5:
Maintain
Pending File**

Maintain a pending file of source document batches by batch ID number to facilitate retrieval during reconciliation.

This temporary maintenance of batch integrity will facilitate the reconciliation process by many agencies. After the documents have been reconciled, they should be filed in order by Batch ID Number. This filing method will expedite document reference and retrieval. This file also provides an audit trail from the source document to CARS reports.

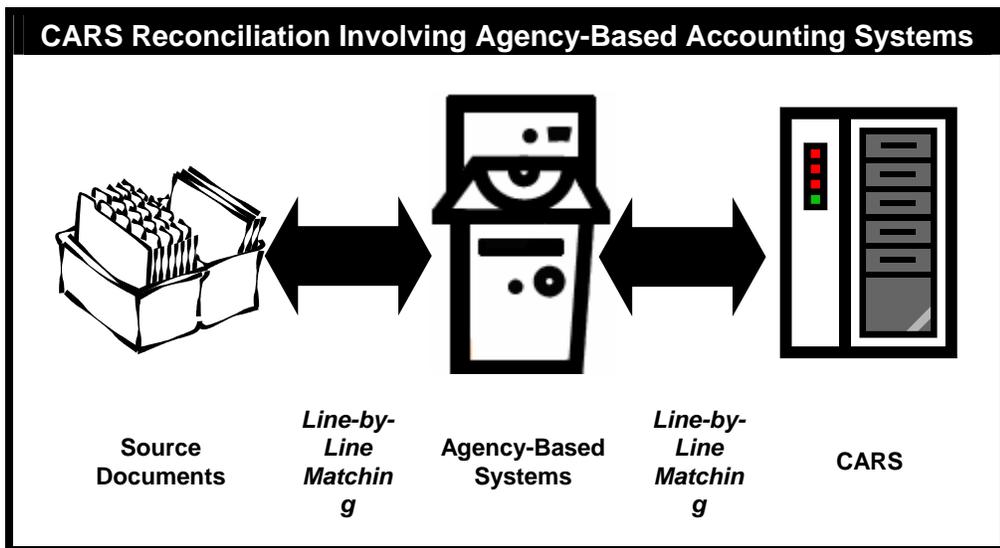
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Reconciliation Procedures, Continued

Stage 6: Reconcile Source Documents

Agencies with internal automated accounting systems should generate reports that list all transactions in those internal systems and Batch ID Numbers for each transaction. If an internal system processes transactions that **should not** appear in CARS (for example, full accrual entries), those transactions should be clearly differentiated from transactions that **should** appear in CARS. To ensure proper entry, agencies should reconcile source documents on a line-by-line basis with these internal system reports. Once this process has been completed, the agency should reconcile the internal report to the CARS ACTR0401 and ACTR0107 report on a line-by-line basis.



Note: DOA can provide CARS History File extracts to agencies that request these files for automated reconciliation purposes. See CAPP Topic No. 70210, *CARS Magnetic Media Interface Requirements*.

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Reconciliation Procedures, Continued

**Stage 7:
Reconcile
CARS
ACTR0401**

Reconcile the CARS ACTR0401 on a weekly basis (see Exhibits 2 and 3).

Each individual line item from the source document should be matched to the CARS ACTR0401 in complete detail (e.g., amount, fund/fund detail, program, object code, revenue source code, etc.). Agencies should also use the DPB *Appropriation/Allotment Status Report* (DPB714) and related Forms 27 as the source documents for budget entries. Agencies should enter necessary corrections on ATVs or IATs on a timely basis.

Agencies should perform weekly reconciliation to prevent the accumulation of work that may prevent timely completion of month-end closing procedures. Agencies with low transaction volume may learn from experience that semi-monthly or monthly reconciliation is feasible.

Note that items that cannot be corrected via ATVs or IATs should be listed on the exception register. Examples of some items that DOA must correct are petty cash adjustments, travel advance adjustments, and loan transactions.

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Web-Based Confirmation System

Introduction

Agencies are required to use this web based system to certify to DOA, on a monthly basis, that they have reconciled their internal accounting records to CARS, the official accounting record of the Commonwealth.

Along with the confirmation, agencies should also report any processing exceptions that require DOA correction through the Exception Register. Fiscal officers must use the Internet-based **Confirmation of Agency Reconciliation to CARS Reports (Exception Register)** system at <http://confirmation.doa.virginia.gov>.

Agencies must remember to adhere to the reconciliation requirements outlined in CAPP Topic No. 30905, Reconciliation & Error Correction, for fixed asset GLA balances.

Process

The following stages describe how to use the DOA web site to complete the *Confirmation of Agency Reconciliation to DOA Reports (Exception Register)*.

Stage	Description
1	Access the Web Site
2	Log On
3	Review Broadcast Messages
4	Access the Main Menu
5	Add a New Confirmation
6	View Confirmations
7	Review Personal Options
8	Reset Violation Counters
9	Use Help Screens
10	Contact DOA
11	Exit the Web Site – Log Off

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Web-Based Confirmation System, Continued

Stage 1: Access the Web Site Perform the following steps to access the web site.

Step	Action
1	Key the direct link (https://secure.doa.virginia.gov/agyconf/) in the Address bar of the Internet browser and press Enter .

– OR –

Step	Action
1	Link to the DOA web site at www.doa.virginia.gov .
2	Click on the Confirmation button from the choices in the right margin of DOA’s home page. This is the link to the web-based certification process.

Stage 2: Log On Complete the following steps to Log On to the web site application.

Step	Action
1	Enter the User ID assigned by DOA.
2	Enter the User Password.
3	Click on the Log On button or press Enter .

A *Personal Options* page will appear upon entering the **Confirmation of Agency Reconciliation** system for the first time. On this page, the user will establish a 5- to 8-character personalized password (entered twice for verification) and a “hint” to assist in remembering their password. Detailed information on this topic appears in the [Confirmation of Agency Reconciliation – Administrative Manual for Fiscal Officers](#), available on DOA’s Internet site.

If a user cannot remember the password, click the **Forgot Password** button. This will display the previously entered “hint” and the option to have the password e-mailed to the user.

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Web-Based Confirmation System, Continued

Stage 3: Review Broadcast Messages

After the Log On is complete, the Broadcast Messages page appears. This page provides various options to maneuver through the application as well as other pertinent information.

- DOA will place messages regarding the confirmation process or other important information on this page. The agency should review the *Broadcast Messages* periodically to be aware of updates or changes to the process.
- The user may choose from among four selections on the left margin: Main Menu, Help, Contact Us, and Log Off.

Stage 4: Access the Main Menu

The *Main Menu* is the central navigation page for the confirmation process and displays these selections: Add Confirmation, View Confirmations, Personal Options, Reset Violation Counters, and Broadcast Messages. Users also have the Help, Contact Us, and Log Off options from the previous page.

- **Add Confirmation** – allows user to certify that the agency has reconciled as well as to notify DOA of corrections that are needed.
- **View Confirmations** – displays previously entered confirmation information and accepts changes of the current month’s confirmation up to its due date.
- **Personal Options** – allows users to change their passwords, phone numbers, and e-mail addresses. Also allows users to record “hints” that help them to recall their passwords.
- **Reset Violation Counters** – allows users with update capability to reset violation counters for other users at their agency.
- **Broadcast Messages** – takes the user back to the Broadcast Messages page.

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Web-Based Confirmation System, Continued

Stage 5: Add a New Confirmation Details the steps for entering a confirmation via the web site application.

Step	Action	
1	Select Add Confirmation from the <i>Main Menu</i> .	
2	Select the agency being certified as reconciled from the drop-down menu (only if the user holds responsibility for more than one agency, otherwise this option is not available and the correct agency will automatically display on the confirmation).	
3	Read the <i>Agency Responsibility and Certification</i> statement. Select “I Understand and Agree.”	
4	Read the statement under <i>To the Comptroller</i> .	
5	Select “I do not have exceptions” or “I have exceptions” depending on whether or not your agency has corrections that require DOA Journal Entries.	
6	Select “Submit.”	
	If	Then
	The agency did not have exceptions	The next page will say <i>Record Successfully Added</i> and display a “View Confirmation” button. Skip to step 12.
	The agency did have exceptions	The next page will say <i>Record Successfully Added</i> and display these buttons: <ul style="list-style-type: none"> • “View Confirmation” • “Add Exceptions” Continue with step 7.
7	Select “Add Exceptions.”	
8	Select the <i>Exception Type</i> that applies to the agency’s situation by clicking on the appropriate button.	
9	Click on OK when the message appears to let the user know which fields are required.	
10	Enter <i>Exception Details</i> as required. Highlighted fields indicate which information is required.	
11	Click on Accept .	

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Web-Based Confirmation System, Continued

Stage 5: Add a New Confirmation (continued)

Step	Action	
12	At the <i>Record Successfully Added</i> page, click on “ View Confirmation. ”	
	Note: If the agency has more than one exception for the month, an option appears on the “ View Confirmation ” page that allows the user to add additional exceptions.	
13	At this point, the user has these four navigational options:	
	Option	Description
	Print Summary	Shows a confirmation summary that can be printed for agency records.
	Add Exception	Links to the <i>Add Exception(s)</i> page and allows the user to add exceptions to previously entered data up to the due date.
	Delete Confirmation	Allows the user to delete the entire confirmation and any related exceptions previously entered into the system up to the due date.
	View Confirmations	Displays a listing of confirmations previously entered into the system.
	Edit/Delete Exceptions	To the left of the exceptions listed on this page (if any). The user can update an existing exception or delete it up to the due date.

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Web-Based Confirmation System, Continued

Stage 5: Add a New Confirmation (continued)

Step	Action	
14	Once completed, agencies must print a copy of the confirmation for their records. The user should first select “ Print Summary, ” which links to the <i>Print Summary</i> page and then click on “ Print ” at the top left of the <i>Print Summary</i> page.	
15	If at some point it is determined that the confirmation should not be added and the user is in the process of adding the confirmation, selections throughout the process allow the user to exit:	
	Decline	Choose this selection from the first page for <i>Add New Confirmation</i> . This will display the <i>View Confirmations</i> page.
	Cancel	This selection is available on the page with the statement <i>To the Comptroller</i> . It will display the <i>View Confirmations</i> page.
	Delete Confirmation	Available when the user has added a confirmation and the <i>View Confirmations</i> page is displayed. Note that this option is available only if the user is adding a confirmation before the due date.

Stage 6: View Confirmations

This function allows the user to view current and prior months’ confirmations. Current month confirmations can be updated from the time that the confirmation is added to the confirmation’s due date. The following steps explain how to view a confirmation and the update options available.

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Web-Based Confirmation System, Continued

Stage 6: View Confirmations (continued)

Step	Action	
1	Select “ View Confirmations ” from the <i>Main Menu</i> .	
2	Select the period and agency of the confirmation to be viewed from the drop-down menus or choose directly from the list that appears automatically.	
3	Click the “ Detail ” button beside the selected confirmation.	
	If	Then
	The confirmation is from a prior month and the due date has passed	<p>The user can view:</p> <ul style="list-style-type: none"> • Submission date • Who submitted the confirmation, and • Exceptions, if any. <p>Also, the user can select “Print Summary” to print a copy of the confirmation.</p>
	The confirmation is for the month currently due and the due date has not passed	<p>Up to the due date, the user can select from these options:</p> <p>Print Summary Add Exceptions Delete Confirmation View Confirmations Edit/Delete</p> <p>These options are not available after the due date passes:</p> <p>Add Exceptions Delete Confirmation Edit/Delete</p>
4	Select “ View Confirmations ” to return and select a different confirmation to view.	

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Web-Based Confirmation System, Continued

Stage 7: Personal Options

Used to review and update account information. Users can change their password, phone number, or e-mail address in *Personal Options*. Each user may enter an optional “Hint” that would be available if that user forgets their password.

Step	Action
1	Select “ Personal Options ” from the <i>Main Menu</i> .
2	To make changes, select “ Edit .”
3	Enter desired changes. Required fields are highlighted.
4	Select “ Accept ” to submit changes. Select “ Cancel ” to exit and not save changes.

Stage 8: Reset Violation Counters

There will be one user at each agency with “Update” capability that will allow them to reset the log on of another user when they have suspended their account. The following steps detail the procedures for resetting violation counters.

Step	Action
1	Select “ Reset Violation Counters ” from the <i>Main Menu</i> .
2	Select the User ID to be reset from the drop-down menu.
3	Select “ Delete ” beside the violation.
4	When prompted “Delete the following record?”, select “ Accept .”
5	If more than one user ID has violations, the user may select “ Delete All ” from the options in the left margin. This will delete all violations for all users.
6	The user may select “ Cancel ” to end the process of deleting a violation record.

Note: A user with “Update” capability that suspends his or her ID must contact DOA through the “**Contact Us**” button.

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Web-Based Confirmation System, Continued

Stage 9: Help Screens Provide detailed information about the current page and the selections available on that page. Help Screens are accessible on every page of the web site. To access the Help Screens, select “**Help**” from the left margin.

Stage 10: Contact Us Enables the user to contact DOA for help with the web application and/or to comment on the site.

Step	Action
1	Select “ Contact Us ” from the list of selections in the left margin. Note that this selection is available on all pages of this web application.
2	Select the reason for contacting DOA under <i>Category</i> .
3	Insert any comments or help needed in the comment box.
4	Enter user e-mail address. Note that DOA cannot respond without an e-mail address.
5	Select “ Submit. ”

Stage 11: Exit the Web Site – Log Off Once all transactions have been completed on the web site application, select “**Log Off**” from the list of selections in the left margin. When “**Log Off**” has been selected the system displays the *Welcome* page.

Note that this selection is available on all pages of this web site application.

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Internal Control

Internal Control

The Commonwealth Accounting and Reporting System (CARS) is the official financial system of the Commonwealth. To maintain proper internal control and to ensure the integrity of the Commonwealth's financial records, the **reconciliation of all agency accounting records, data submission logs, and other accounting data to CARS reports is mandatory.**

Agency management is responsible for instituting internal control over the recording of financial transactions that is designed to provide reasonable assurance regarding the reliability of those records. Reliability of financial records means that management can reasonably make several assertions as to the completeness and accuracy of the financial records as described previously in *Management's Assertions*.

Reconciling to Other DOA Systems

Specific recommendations for Fixed Asset Accounting and Control System (FAACS) users appear in CAPP Topic No. 30905, *Reconciliation and Error Correction Requirements*.

Payroll reconciliation procedures appear in:
 CAPP Topic No. 50905, *Monthly Reconciliation*,
 CAPP Topic No. 50910, *Quarterly Reconciliation and Certification*, and
 CAPP Topic No. 50915, *Calendar Year-End Reconciliation and Certification*.

Records Retention

Time Period

The *Confirmation of Agency Reconciliation to CARS Reports* and supporting working papers must be retained for three years.

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Contacts

DOA Contact Assistant Director, General Accounting
Voice: 804-225-2376
E-Mail: gacct@doa.virginia.gov

Subject Cross References

References CAPP Topic No. 30905, *Fixed Assets—Reconciliation and Error Correction Requirements*

CAPP Topic No. 50905, *Payroll Accounting—Monthly Reconciliations*

CAPP Topic No. 50910, *Payroll Accounting—Quarterly Reconciliation and Certification*

CAPP Topic No. 50915, *Payroll Accounting—Calendar Year-End Reconciliation and Certification*

CAPP Topic No. 70210, *CARS Magnetic Media Interface Requirements*

CAPP Topic No. 70260, *CARS Reports*

CAPP Topic No. 70265, *CARS Error Correction*

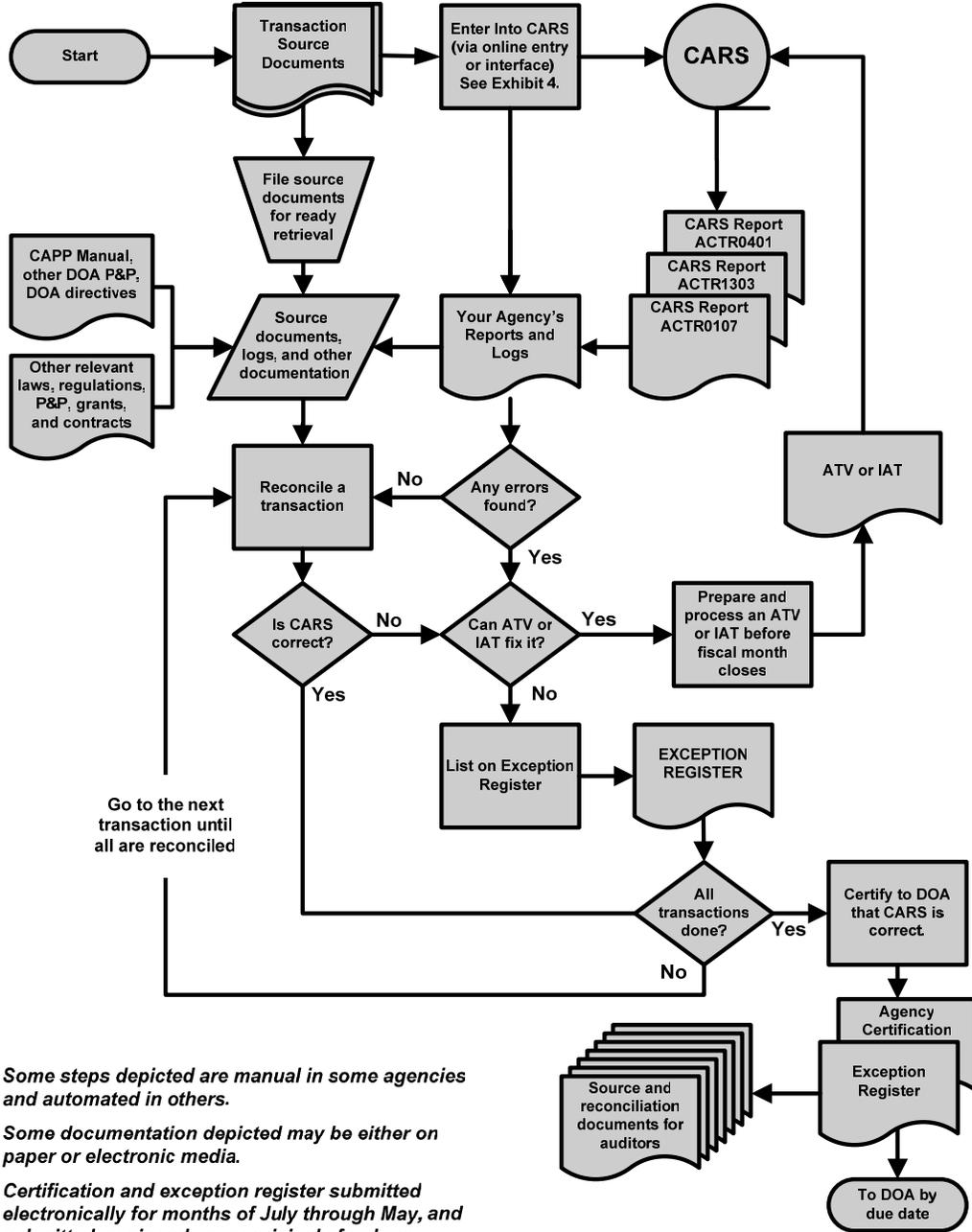
Operating Manual for Web-Based Confirmation System: *Confirmation of Agency Reconciliation—Administrative Manual for Fiscal Officers*

Comptroller’s Directives:

- *Financial Statement Preparation for State Agencies**
- *Financial Statement Template Preparation for Higher Education Institutions**

* DOA updates the financial statement directives annually. When available, the directives are posted at DOA’s web site at <http://www.doa.virginia.gov>.

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- Some steps depicted are manual in some agencies and automated in others.
- Some documentation depicted may be either on paper or electronic media.
- Certification and exception register submitted electronically for months of July through May, and submitted as signed paper originals for June.

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Exhibit 3: Reconciliation Process Flowchart, continued

Explanation of Flowchart	<p>Exhibit 3 illustrates the flow of the recommended reconciliation process whereby the following steps are performed.</p> <p>This flowchart assumes corrections made via exception register, ATV, or IAT are processed quickly enough so that the fiscal officer can observe updated balances and ensure that “CARS is correct” <u>before</u> the certification deadline. Actually, such corrections often are processed after the certification deadline. Specifically, certification means that “All CARS general ledger account balances are correct or will be correct when all appropriate exception register entries, agency adjusting entries, and interagency transfer adjustments are processed.” For July through May, these corrections must be submitted within two weeks following the exception register due date. For May, this will be mid-July. The corrections must be posted to the fiscal year for which the certification is applicable. For June, these adjustments must be identified and corrections submitted by the due date specified in the fiscal year end closing instructions.</p>
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- Source documents are compared, line-by-line and field-by-field, to the corresponding CARS ACTR0401 Report.
- If a source document is processed incorrectly in CARS, a correcting Agency Transaction Voucher (ATV) or Interagency Transaction Voucher (IAT) is prepared and processed as a new source document.
- If a source document is processed incorrectly in an agency’s internal accounting system, a correcting journal entry may be prepared and submitted to the internal system. (DOA does not monitor correcting entries recorded in internal agency systems.)
- The *Confirmation of Agency Reconciliation to DOA Reports (Exception Register)* is completed and sent to DOA. If a source document is processed incorrectly and the item cannot be corrected via ATV or IAT it should be listed on the exception register; and,
- A *Transaction Reconciliation Detail Listing (Exhibit 2)* explains reconciling differences and identifies correcting ATVs and IATs by CARS Batch ID Number. This document, source documents, and other documents (paper and electronic) comprise the audit trail for submission of financial data to CARS and the reconciliation of that data.

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Exhibit 4: Flow of Agency Transactions into CARS

