

Monthly Financial Review: General Ledger and Budget

The purpose of this guide is to recommend to Agency Managers the critical verification and review steps that agencies should establish as a monthly practice, with suggestions for using reports and researching issues.

- This Guide provides a general overview of the verification and review objectives and where in AFIS you would conduct these activities.
- To understand how to run reports, reference the Run an Interactive InfoAdvantage Report Quick Reference Guide found on the GAO Web Site (gao.az.gov) under Training Resources / Quick Reference Guides.
- To understand specific reports, reference the AFIS Report Reference Guide found on the GAO Web Site under AFIS / Reports Reference Guide.
- In addition to the sited State of Arizona Accounting Manual (SAAM), SAAM 0510, Internal Controls by Process, may have additional relevant information to the monthly financial review process.

Objectives

Monthly review for General Ledger and Budget should meet the following objectives:

- Verify Balance Sheet Accounts
- Verify cash balance, outstanding payments and deposits
- Revenue and expenditures
- Trending of revenue, expenditures, and cash adjustments, and appropriation standing
- Outstanding transfers and disbursements

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Procedures

Verify Balance Sheet Accounts

- A. Reconcile trial balances to the detail for each Fund Class, Fund Group, Fund, or Sub Fund.
Agencies can reconcile one of two ways – By Month or Up to the Moment
 1. *FIN-AZ-GL-N188 Trial Balance by Department, Fund Class, Fund Group, Fund, and Sub Fund should be used for a monthly reconciliation or the ITD Balance Sheet Detail Query (BBALD) (run for each fund, e.g. AD*) for an up to the moment reconciliation.*
 2. Confirm balances are appropriate:
 - Validate the Credit Card Clearing Account.
 - Verify that the Use Tax account is cleared to zero (0).
 - Identify balances that are higher or lower than expected.
 - Research unknown BSAs; make corrections for errors and document unusual items.
- B. Research issues and drill-down to detail:
 1. Run *FIN-AZ-GL-N343 General Ledger Activity*
 2. Use the Accounting Journal (JACTG) to view specific postings.
 3. Use *FIN-AZ-GL-N188 Trial Balance by Department, Fund Class, Fund Group, Fund, and Sub-Fund.*

Verify Cash Balance, Outstanding Payments, and Outstanding Deposits

Reference SAAM for related policy:

- [SAAM 2010, Cash and Cash Receipts](#)
- [SAAM 20 11, Imprest Funds, Revolving Funds and Petty Cash](#)

- A. Review balances with *FIN-AZ-CM-N502 Monthly Cash Balance Report*
 1. If cash is not where you expect, look at revenue and expenditures

Review Revenue and Expenditures

Reference SAAM for related policy:

- [SAAM 2020, Accounts Receivable and Billing](#)

- A. Review, confirm balances:
 1. Use *FIN-AZ-GL-N333 Summarized Revenues and Expenditures Activity by Department, Fund, Appropriation, Unit, and Function.*
 2. Confirm balances are appropriate, and document unusual items.
- B. Research issues and drill-down to detail:
 1. Use *FIN-AZ-GL-N343 General Ledger Activity.* See beginning balances, debits, credits, ending balances (detail). Run by fund and specific BSA, RSRC or OBJ
 2. Use Accounting Journal (JACTG) to see what has posted.

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Validate Trending

- A. Review trending of revenues, expenditures and cash adjustments
 - 1. Use *FIN-AZ-GL-N339 Cash Flow Report*. This report is a month over month comparison to confirm that your agency is trending as expected for the year
- B. Review your agency trending of appropriation standing for the year
 - 1. Use *FIN-AZ-BG-N141 Status of Appropriations*.
 - 2. Use *FIN-AZ-BG-N144 Appropriation Budget Quarterly Allotment vs. Actual Expense*.
 - 3. Validate that trending is as expected.

Validate Outstanding Transfers and Disbursements

- A. Review outstanding disbursements
 - 1. Use *ADDocExcepRep AD/EF Document Exception Report* to find GAX/PRCPZ1s that have failed to generate payments.
 - 2. Or the DISRQ table.
- B. Review outstanding transfers
 - 1. Use the Document Catalog to find ITA* documents for your Department that have not been finalized.
 - 2. Use *FIN-AZ-GL-N457 Open Transfers by Initiating Department* to view transfers that have not completed.
- C. Research and resolve issues blocking completion

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Further Reference

Quick Reference Guides and Training (GAO Website)

For assistance with reporting,

- AFIS Interactive Reporting (Training Guide)
- Run an Interactive infoAdvantage Report (QRG)

InfoAdvantage Reports:

The following reports are available statewide in infoAdvantage to support agencies' General Ledger monthly financial review activities.

Report ID	Name	Run Frequency
FIN-AZ-BG-N141	Status of Appropriations	Monthly
FIN-AZ-BG-N144	Appropriation Budget Quarterly Allotment vs. Actual Expense	Monthly
FIN-AZ-GL-N188	Trial Balance by Department, Fund Class, Fund Group, Fund and Sub-Fund	On-Demand
FIN-AZ-GL-N333	Summarized Revenues and Expenditures by Department, Fund, Appropriation, Unit and Function	On-Demand
FIN-AZ-GL-N339	Cash Flow Report	Monthly
FIN-AZ-GL-N343	General Ledger Activity	Monthly
FIN-AZ-GL-N457	Open Transfers by Initiating Department	On-Demand
FIN-AZ-CM-N502	Monthly Cash Balance Report	Monthly
AdDocExcepRpt	AD/EF Document Exception Report	On-Demand