



Cash Awards: Reconciling and Applying Cash Receipts

Effective Date: October 28, 2016
Function: Treasury
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Basis for Procedure

This document describes the procedure for reconciling and applying cash receipts to Accounts Receivable (AR) invoices on awards that are cash based (i.e., Billing Cycle = cash- driven). It outlines the steps involved in the process, and identifies the roles and responsibilities of responsible parties.

Procedure Summary

A cash-driven award is a type of award in which the terms and conditions state that the budget is based on cash received.

Cash-driven awards are established in the Oracle applications with a billing distribution rule of "event," and events are entered to equal the amount of each cash receipt received. This reduces the risk of inaccurate data, and promotes accuracy in accounting practices by ensuring that invoicing and cash remain in balance. When invoicing and cash receipts are not in balance, data reflected in the General Ledger (GL) of the Oracle applications is inaccurate, as well as, the data produced on Accounts Receivable monitoring reports; therefore, creating a risk to the integrity of the data. This practice further reduces risk by ensuring a receipt can easily be identified if award cash reconciliation is necessary.

Roles and Responsibilities

Central Office Treasury

Central Office (CO) Treasury is responsible for identifying, and posting cash receipts in a timely manner for all centralized operating locations and some decentralized operating locations. Cash receipts not able to be identified will remain unapplied in the Oracle applications. A comment will be entered on the unapplied cash receipt, and a scanned copy of the original cash receipt will be attached in the Oracle applications.

Decentralized Operating Locations

Decentralized operating locations are responsible for monitoring unapplied cash receipts, entering events equal to the exact amount of the cash receipt, and monitoring and reconciling budgets on cash-driven awards. In addition, decentralized operating locations that post their own cash are responsible for identifying, and posting cash receipts in a timely manner.

Centralized Operating Locations

On behalf of the centralized operating locations, CO Accounts Receivable is responsible for monitoring unapplied cash receipts, entering events equal to the exact amount of the cash receipt, and monitoring and reconciling budgets on cash-driven awards.

Process

The following table outlines the process for identifying and applying cash receipts to cash-driven awards.

Step	Role or Responsibility	References or Tips
Cash receipts unable to be identified remain unapplied in the Oracle. To assist in the	Central Office Treasury and Operating Locations	

identification process, enter any comments and attach a scanned image of the original documentation to the cash receipt in Oracle.		
Run the AR Oracle report RF Unapplied Receipts Register for Export daily.	Central Office Treasury/Accounts Receivable and Operating Locations	Refer to the AR report document RF Unapplied Receipts Register for Export for details on how to run the report. If there is any question on the identification of the cash receipt, when applicable view a copy of the scanned cash receipt.
If the cash receipt can still not be identified, the sponsor should be contacted by the office of record (e.g., CO Treasury, if the cash was posted at CO, or by the decentralized operating location, if posted by them).	Central Office Treasury and Operating Locations	For more information on monitoring and reconciling cash receipts, refer to the procedure Monitoring and Reconciling Unapplied Cash Receipts
Enter an event on the award in Oracle Grants Management module for the exact amount of the cash receipt.	Central Office Accounts Receivable and Operating Locations	Refer to the work instruction Add or Delete an Event for information on entering events
An invoice can then be created by running the request "GMS: Generate Draft Invoices for a Single Award"	Central Office Accounts Receivable and Operating Locations	Note: These awards may be coded as "Auto" in the Terms section of the Award Management form to eliminate the need to Approve and Release the invoice .
Approve and release draft invoice for transfer to AR module.		Refer to the work instruction Approve and Release an Invoice for more information.
Once released, the invoice will be transferred to the AR module during nightly processing or, it will be transferred to the A/R Module within two hours on the odd hours (9am, 11am; 1pm; 3pm and 5pm).		An invoice will not transfer to the A/R module until it has been Approved and Released
Once the invoice is transferred to AR, apply the cash receipt to the award.		Notify RFDeposits@rfsuny.org of invoice number and cash receipt to apply.
Increase budget on the award in the Grants Management module to reflect the total cash received for that award.		

Monitoring

Unapplied cash receipts should be monitored on a daily basis using the [RF Unapplied Receipts Register for Export](#). Refer to the AR report document RF Unapplied Receipts Register for Export for details on how to run the report.

Budgets on cash-driven awards should be monitored on a weekly basis. The Report Center query in "000 Public by CO Reporting>Grants Updated Daily **Grants Cash in Excess of Budget Report** should be run to identify awards where budget and cash are not equal. Also, in Report Center

'000 Public by CO Reporting, the query **Grants Cash Driven Awards with Budget Greater than Cash** should be run no less than monthly and these awards should be researched and reconciled timely to

prevent award deficits.

Monitoring actions should be performed by the appropriate designee at the decentralized operating locations, and CO Accounts Receivable on behalf of the centralized operating locations. In addition, CO Treasury will review the [RF Unapplied Receipts Register for Export](#) on a regular basis to determine if the award associated with a cash receipt can be identified, but an invoice does not exist to apply the cash receipt too. For awards owned by centralized operating locations, a comment will be entered on the cash receipt stating an "invoice needs to be entered"; CO Accounts Receivable staff will review the [RF Unapplied Receipts Register for Export](#), and take appropriate action. For awards owned by decentralized operating locations in which CO Treasury posts cash receipts on their behalf, the operating location will be notified via e-mail requesting an event to be entered.

Definitions

All documentation related to the identification of the cash receipts may be viewed via the receipt attachment. Associated budget adjustments should be recorded as an award abstract note. This includes but is not limited to the following: correspondence and/or copies of reports documenting the identification of the cash receipt and correspondence and/or copies of reports requesting and authorizing budget increases to awards.

Related Information

None

Forms

None

Change History

Date	Summary of Change
October 28, 2016	Revised for clarity and updated to comply with the current procedure format.
August 2, 2005	Remove imbedded menu path references to documents that have been moved from AR to new Cash Receipts area and
July 1, 2005	New document

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.