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## EX.020.202 - Reconciling Cash Advances

#### Trigger:

#### Concept

This topic demonstrates how to reconcile cash advances. When an employee uses a cash advance for business purposes and submits an expense report, the advance offsets some or all of the expenses the employee submits on the expense report. If you do not reconcile cash advances, your institution may incorrectly reimburse more than the expense that your employees incur.

When employees prepare expense reports, they designate the associated cash advance ID from a link on the **Expense Report Entry** page. The **Apply Cash Advance(s)** link opens a page where they select one or more cash advance IDs to apply the entire amount or a portion of a cash advance to their expense reports. The selected cash advance items become part of the expense report calculations that determine how much to reimburse the employees. To reconcile the cash advance to an expense report, the expense report must be already approved and paid (if applicable).

Expenses tracks the remaining balance due to the organization and identifies on the **Reconcile Cash Advance Report** page the expense report IDs that employees applied the cash advance amounts to. If an employee received a cash advance but did not take the planned business trip or did not use the entire portion of the cash advance, the employee can submit a personal check to offset the balance due to the organization. You enter payments received from employees on the **Reconcile Cash Advance Report** page.

To reconcile a cash advance, the cash advance must have a status of Paid, and the total due to the company is greater than zero. When you reconcile a cash advance, Expenses changes the status to **Reconciled**.

**Topic Objectives:**

Upon completion of this topic, you will be able to:

- Identify the purpose of reconciling cash advances.

- Identify how employees apply a cash advance to an expense report.

- Identify how an employee can return a cash advance that was not used.

- Identify which process updates expense tables to indicate that cash advances are reconciled against corresponding expense reports.

- Reconcile a cash advance.

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| Assumptions |
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| Dependencies/Constraints |
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#### Additional Information

#### Procedure

For this topic, reconcile Cash Advance 0000000009. The employee only used $560 of the $1000 advance. He has provided you with a check for $440 to make up the difference. Let’s see how to reconcile and then post the liabilities.

| Step | Action |
| --- | --- |
|  | Click the **Travel and Expenses**link. |
|  | Click the **Manage Accounting** link. |
|  | Click the **Reconcile Cash Advance** link. |
|  | Click the **Search** button. |
|  | Use the **Reconcile Cash Advance Report** page to reconcile a cash advance. Compare the cash advance against a submitted expense report to correctly reimburse the employee. |
|  | Click an entry in the **Advance ID** column for the cash advance you wish to reconcile. |
|  | The **Accounting Date** field is automatically populated with today's date.  The Accounting Date is the date the accounting entries associated with the Cash Advance will be generated in the Post Liabilities Application engine.  You can manually update this date if you need the liabilities to reflect a different date. |
|  | If the cash advance is associated with an expense report, the **Associated Expense Reports** section displays the Report ID, Creation Date, Report Status, and Amount Applied. In order to reconcile the cash advance, the expense report must be in the **Paid** status.  If the Cash Advance is *not* associated with an Expense Report, you can still reconcile the Cash Advance. This might occur if an employee received a Cash Advance but did not take the planned business trip or did not use all of the cash advance. In such a case, the Cash Advance can be reconciled by the employee writing a check to your organization for the total displayed in the **Due Company** field. |
|  | Enter check numbers and check amounts when the employee submit checks for unused Cash Advance funds. If there is more than one check payment, the additional check information can be added by adding additional rows.  Enter "**Check 2075**" in the **Number** field. |
|  | Enter "**440**" in the **Amount** field. |
|  | Click the **Update Totals**button. |
|  | The **Reconcile** button validates that the amounts in the **Applied to Expense Reports** and **Payments Received** fields equals the amount in the **Advance Amount** field. If these amounts are not equal, an error message is displayed. If the amounts are equal, the Cash Advance status is set to **Reconciled**.  Click the **Reconcile** button. |
|  | **Decision:**Please make a selection from the options listed below.   * Exit Reconcile Cash Advances   Go to step 14 on page 4   * Post Advance Reconciliation Entries   Go to step 17 on page 4 |
|  | Notice the **Status** has changed to **Reconciled**. |
|  | The **Payments Received** field is updated with the amount paid. |
|  | Congratulations. You have just completed the **Reconciling Cash Advances** topic. Below is a summary of the key concepts of this lesson:  - By reconciling cash advances, your institution should be correctly reimbursing your employees for the right amount.  - When employees prepare expense reports, they designate the associated cash advance ID from a link on the Expense Report Entry page.  - Employees can write personal checks to the institution if they do not use all or some of their cash advances.  - The Advance Reconciliation process should be run to update expense tables to indicate that cash advances are reconciled against corresponding expense reports.  **End of Procedure.** Remaining steps apply to other paths. |
|  | Click the **Travel and Expenses** link. |
|  | Click the **Process Expenses**link. |
|  | Click the **Expense Processing**link. |
|  | If you already have an existing Run Control, you can search for it in the **Find an Existing Value** tab.  For this example, we will add a new run control. |
|  | Click the **Add a New Value** tab. |
|  | Enter "**Post\_Reconciled\_Advances**" in the **Run Control ID** field. |
|  | Click the **Add** button. |
|  | Click the **Save** button because this is a new run control. |
|  | Click the **Refresh** button to populate this page with transactions that are waiting to be processed. |
|  | Notice that there is one cash advance in the **Post Liabilities** row. |
|  | The Post Liabilities process creates rows in the EX\_ACCTG\_LINE table for the journal generator to send to General Ledger to post liabilities. The Post Liabilities process generates accounting entries for expense reports, cash advances, and reconciled cash advances.  The system adds accounting entries for expenses and for cash advances that you reconciled on the Cash Advance Reconciliation page. |
|  | Click the **Post Liabilities**checkbox. |
|  | Click the **Advance Reconciliation** checkbox. |
|  | The **Advance Reconciliation** process should be run to update expense tables to indicate that cash advances are reconciled against corresponding expense reports. |
|  | Click the **Run** button. |
|  | Click the **Select** checkbox for **EX\_TRAN\_PRCS** if it was not already selected. |
|  | Click the **OK**button. |
|  | Click the **Report Manager**link. |
|  | Click the **Administration** tab. |
|  | Ensure that the process you just ran has a **Status** of **Posted**. You may need to click the **Refresh** button several times for the status to be updated. |
|  | Congratulations. You have just completed the **Reconciling Cash Advances** topic. Below is a summary of the key concepts of this lesson:  - By reconciling cash advances, your institution should be correctly reimbursing your employees for the right amount.  - When employees prepare expense reports, they designate the associated cash advance ID from a link on the Expense Report Entry page.  - Employees can write personal checks to the institution if they do not use all or some of their cash advances.  - The Advance Reconciliation process should be run to update expense tables to indicate that cash advances are reconciled against corresponding expense reports.  **End of Procedure.** |