<table>
<thead>
<tr>
<th>Verification</th>
<th>Reconciliation</th>
<th>Validation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What</strong></td>
<td>Reconciliation is the process of comparing information that exists in two systems or locations, analyzing the differences, and making corrections so that the information is accurate, complete, and consistent in both locations.</td>
<td>Validation is the process that ensures entered data falls within acceptable boundaries. Various methods may be employed to determine the accuracy of financial information. Units should designate at least one individual to be responsible for validation.</td>
</tr>
<tr>
<td><strong>Who</strong></td>
<td>Varies by department</td>
<td>Fiscal Monitor (e.g., department manager, RRC manager, cluster director, account string manager)</td>
</tr>
<tr>
<td><strong>When</strong></td>
<td>After month-end</td>
<td>After month-end</td>
</tr>
<tr>
<td><strong>Why</strong></td>
<td>All transactions need to be entered accurately and to completion (posted) because they all affect the University's financial outlook. If entered incorrectly, reports will be inaccurate, which will negatively impact the ability of fiscal monitors to make sound financial decisions.</td>
<td>Financial reports need to be monitored to ensure that financial activity within a unit is valid. If inaccuracies exist, they need to be researched and addressed to reduce the risk to the University.</td>
</tr>
<tr>
<td><strong>Example</strong></td>
<td>Greater Risk of Error&lt;br&gt;• AP internal sales&lt;br&gt;No Internal Review&lt;br&gt;• Bank card payments&lt;br&gt;• Departmental deposits&lt;br&gt;Other Requirements&lt;br&gt;• Payroll&lt;br&gt;• Student financials&lt;br&gt;• Balance-sheet accounts</td>
<td>• Assets&lt;br&gt;• Expenses&lt;br&gt;• Revenue&lt;br&gt;• Liabilities&lt;br&gt;• Equity</td>
</tr>
<tr>
<td><strong>Risk Level</strong></td>
<td>Higher risk</td>
<td>Low risk as verification and reconciliation have occurred</td>
</tr>
</tbody>
</table>

- Example transactions:
  - Journal entry transactions
  - Travel authorizations
  - Cash advances
  - Requisitions over $100

- Greater Risk of Error:
  - AP internal sales

- No Internal Review:
  - Bank card payments
  - Departmental deposits

- Other Requirements:
  - Payroll
  - Student financials
  - Balance-sheet accounts

- Risk Level:
  - Low risk due to system and internal controls
  - Higher risk
  - Low risk as verification and reconciliation have occurred
Reconciliation, Validation, and Verification (cont.)

**Validation**
*Fiscal Monitor*

**Reconciliation**

**Verification**
*Preparer, Approver*