

# University of Wisconsin System Administration (UWSA) Accounting Procedure

Category: Revenue		Effective Date: July 1, 2022
Task or Process: Clearing Accounts		Revision Date: April 14, 2023 Issued Date: July 1, 2022
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## Background

**Clearing Account Definition:** a temporary place (e.g., fund, department identification (DeptID), account code, etc.) to hold revenues or expenses until the appropriate place where the revenues or expenses should be distributed is determined, and the clearing account should be reconciled to zero at some point.

Clearing accounts are utilized to deposit funds or pay bills from when the correct funding string may be unknown, or an allocation of the costs will be made to various funding strings. The goal is to ensure timely deposit to the state treasury and prompt payment to a supplier.

## Purpose

The purpose of this document is to provide guidance on the accounting and reconciliation of clearing accounts.

## Procedures

Monthly clearing account reconciliations should be prepared or reviewed by an individual not involved with the processing of the transactions from the clearing account. Reconciliations should be signed and dated by preparer and reviewer. Any balances in clearing accounts must be substantiated with documentation to support the balance.

Items outstanding more than 30 days should be reviewed to determine where funds should be transferred to.

At least two attempts should be made to determine the correct funding string of any deposit. After two attempts and the item is outstanding greater than 30 days, the unidentified revenue can be transferred to a Financial Administration funding string for use at the discretion of the manager of that funding string.

For expenditures, the transfer should go to the funding string identified by the university. If the university fails to respond to the funding string request within 2 business days, Financial Administration can transfer the expenditure to the university's central clearing account. The university will be responsible for processing the transfer to clear their university clearing account.

Clearing accounts should be periodically reviewed to determine if the account is still needed. If the account is no longer needed, the account should be closed and removed from Appendix A.

The UW System Controller can grant an exception to the above stated procedures on a case-by-case basis.

## Appendix A: Clearing account listing

Last revision date: August 17, 2023

<b>Fund</b>	<b>Department ID</b>	<b>Department Description</b>	<b>Purpose</b>	<b>Department Manager</b>	<b>Reconciler</b>	<b>Reviewer</b>	<b>File Path of Reconciliation</b>
136	401002	Pcard Rebate Clearing	This deptid is where the pcard rebate from DOA is deposited and then an IUJ out to the universities is completed to clear out the account. Balance should be zero at the end of the fiscal year.	Senior Associate Vice President for Finance	Tax Accountant	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
136	406000	UWSA Clearing	Clearing account for various transactions that are distributed to UWSA departments or universities. Ex. Blood tests, capital projects, insurance, Funds for WI scholars, etc. Balance should be zero at the end of the fiscal year.	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\UWSA Clearing - 406000
136	406010	UWSA Clearing Multi Year Dist	Clearing account for various transactions that are distributed to UWSA departments or universities over multiple years. Ex. Pollution insurance, estimated tax payments. Balance will carryover into the next fiscal year.	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\UWSA Clearing Multi Yr - 406010

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902	406010	UWSA Clearing Multi Year Dist	This deptid is used for sales tax remittance to the state on a quarterly basis/annual (2022CY). Balance should be zero at the end of each month. Balance should be zero at the end of February.	Senior Associate Vice President for Finance	Financial Manager	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Clearing Multi Yr - 406010
136	406020	UWSA Clearing eApp	Clearing account to deposit eApp fees which are later distributed out to the respective university. Balance should be zero at the end of each month.	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\eApp-406020
136	406030	UWSA Clearing_AR	Clearing account to deposit AR payments that are later processed through the SFS AR module. Also includes Extended Campus deposits that are distributed to various UWSA departments. Balance should be zero at the end of the fiscal year.	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\UWSA Clearing_AR - 406030
136	406040	UWSA UI Clearing	UW System pays the Unemployment invoice to DWD and then allocates the charges to respective university via an IUJ. Balance should be zero at the end of each month.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSA UI Clearing-406040

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136	406050	Fed Treasury Offset Clearing	Treasury Offset Program (TOPS) Clearing account to process IUJ's between institutions for payments that are not paid in full due to a debt at another institution. Funds that are for an outside entity (ex. UW Medical Foundation) are deposited here and then a check is written out to clear the account. Unidentified funding is transferred to 136-401001-1	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\Treasury Offset - 406050
136	406060	Investment Earnings Clearing	This deptid and Fund 128 is where interest is posted from State and distributed out. The Fund 131 side is not a clearing account but an account that accumulates UWSYS' share of the interest. Balance should be zero at the end of each month.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
136	406090	ERA_HSA Admin Fee Clearing	FSA/HSA admin fee - IUJ posted by HRS team and HSAFSA journal posted by Financial Manager to UWSA departments. Balance should be zero at the end of each month.	Financial Specialist	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\ERA_HSA Admin Fee Clearing-406090

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136	951000	SW Clearing – Madison	Clearing account to record Building Trust Fund payments for respective campus and then expense/refund is distributed to university through an IUJ.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX \SW Clearing - 95xxxx
136	951100	SW Clearing - Milwaukee	“	“	“	“	“
136	951200	SW Clearing - Eau Claire	“	“	“	“	“
136	951300	SW Clearing - Green Bay	“	“	“	“	“
136	951400	SW Clearing - La Crosse	“	“	“	“	“
136	951500	SW Clearing - Oshkosh	“	“	“	“	“
136	951600	SW Clearing - Parkside	“	“	“	“	“
136	951700	SW Clearing - Platteville	“	“	“	“	“
136	951800	SW Clearing - River Falls	“	“	“	“	“
136	951900	SW Clearing - Stevens Point	“	“	“	“	“
136	952000	SW Clearing - Stout	“	“	“	“	“
136	952100	SW Clearing - Superior	“	“	“	“	“
136	952200	SW Clearing – Whitewater	“	“	“	“	“

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136	952900	SW Clearing-Pr Ser Retirement	Clearing account for bond payments for the prior service cost obligation. Balance will exist (positive or negative) until bond is paid off.	UW System Controller	Tax Accountant	UW System Controller	"
136	965500	ProCard Clearing	This is the deptid that the pcard is paid from and then transactions are distributed out to the correct funding string when the transaction is reconciled in the pcard module. Balance should be zero at the end of the fiscal year.	UW System Controller	Pcard Admin	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\UWSA Clearing PCARD - 965500
136	966700	Emergency Travel Services	Department to hold travel purchases made in emergency situations that will be transferred later to correct funding.	Director of Travel Management Services	Director of Travel Management Services	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
990	967000	Revenue Clearing	This is where the DDD entries are posted and then distributed from. Balance should be zero at the end of each month.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\Fund 990-967000
184	980130	WiSmart Clearing	Clearing account for license plate scholarship revenue & distribution of funds to universities. Balance should be zero the month after the quarter end.	Asst Controller	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\WisMart Clearing-980130

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136	980980	Fringe Clearing	Payroll clearing items	Service Center	Asst Controller	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
980	980980	Fringe Clearing	Payroll clearing items	Service Center	Asst Controller	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
128	982000	Fee Remission Clearing	Records fee remissions throughout the year and then an IUJ with Madison occurs at yearend.	UW System Controller	Asst Controller	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
106/ 133/ 144/ 150/ 233/ 402	982000	Fee Remission Clearing	Records fee remissions and distribution out to UWSA departments. Balance should be zero at the end of each month.	UW System Controller	Asst Controller	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
104/ 106/ 109/ 113/ 116/ 117/ 119/ 126/ 177	988100	Budget Clearing	Budget Clearing - no actuals transactions	Asst Vice President of Budget Development and Planning	Budget Accountant	Asst Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx
128	TRSUSP	Travel Default Funding	Expense reports are coded to this department if there is an issue with an employee's funding in HRS. Controller returns expense report so proper funding is used prior to payment.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\CRF\Month End\FYXX\UWSYS Monthly Checklist - FYXX.xlsx

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128	PRDEPT	Payroll Default Dept Level Fund	Salary expenses are posted to this department if there is an issue with an employee's funding in HRS (inactive, combination edit, etc.). Direct retros need to be processed to clear this department.	UW System Controller	Financial Manager	Associate Controller	G:\FinAdm\UWSYS Fin Mgr\Month End\FYXX\PRDFLT
128	PRDFLT	Payroll Default	“	UW System Controller	Financial Manager	Associate Controller	“
128	PRSUSP	HRS Default Funding	“	UW System Controller	Financial Manager	Associate Controller	“