

2014 TSTCI
ACCOUNTING &
CUSTOMER SERVICE
CONFERENCE

JULY 9 – 11, 2014

2014

Best Accounting Practices

2014 Best Accounting Practices

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□ Organization

▣ System of Notebook(s) by Month

- Consider Separate Binders by Parent and Subsidiaries
- Printed Index Tabs for Ease of Use and Organization
- Color Coding By Year, Company

▣ Directory Tree With Logical Access

- Ex: Parent Telco/2014/Bookkeeping/January/Recs

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□ Reconciliations

- Notebook System Allows a Central Filing Area
- Reconcile Each Balance Sheet Account, Even if a Roll Forward
- Helps to Ensure That Errors Are Found In a Timely Manner
- Enhances Internal Controls

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□ Reconciliations – Considerations (Excel)

□ Single Excel File Vs Multiple Files

■ Single Excel File

■ Advantages

- Only One User Can Access
- Requires User to Change the Date Only Once
- Formatting is Easier

■ Disadvantages

- Only One User Can Access
- File Size Can Be An Issue
- Harder To Provide Single Reconciliation to Others

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- Reconciliations – Considerations (Excel)
 - Single Excel File Vs Multiple Files
 - Multiple Excel Files
 - Advantages
 - Easier To Assign Reconciliations to Others
 - Easier to Provide Single Reconciliation to External Users
 - Size Issues
 - Disadvantages
 - Formatting and Date Issues

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□ Reconciliation Considerations (Format)

- Remove Cumulative History If No Longer Necessary
- Make Any Known Adjustments And Reflect On Reconciliation
- Consider Adding A Box For Preparer/Reviewer Initials
- Provide Copies Of Support Behind Reconciliation
- User Footer with Location, Date, Time
- “True” Reconciliation, Not “Balance Forward Prior Month”

Bal Fwd Vs Detail

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San Carlos Apache Telecommunications Utility, Inc.
 Account 1190.100.00 Other Accounts Receivable - NECA
 March 31, 2014

Computed Balance		Source
Balance Forward From Prior Month	400,000.00	[1]
NECA Settlement January 0, 1900	200,000.00	[2]
Computed Balance	<u>600,000.00</u>	
General Ledger Balance	<u>600,000.00</u>	
Difference	<u>0.00</u>	

San Carlos Apache Telecommunications Utility, Inc.
 Account 1190.100.00 Other Accounts Receivable - NECA
 March 31, 2014

Computed Balance		Source
NECA Settlement March 31, 2014	200,000.00	[1]
NECA True Up 2013 Based on CHR Estimate	400,000.00	[2]
Computed Balance	<u>600,000.00</u>	
General Ledger Balance	<u>600,000.00</u>	
Difference	<u>0.00</u>	

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□ Recurring Entries

- Many Accounting Systems Allow Recurring Entries (Fixed/Non-Fixed)
- We Use An Excel Spreadsheet as Well
- Aides in Organization (Example: Billing Entry is Same JE#)
- Use As A Checklist to Ensure Entries Are Posted
- You Must Review The Fixed Recurring Entries Monthly For Changes

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□ Journal Entries

- File Support Behind Each Entry Monthly
 - Enables User to Easily Find Support
 - Leaves a “Trail” For Others
- Consider Scanning in Support if GL Has “Drill Down” Capabilities
 - Ease in Finding Support
 - Ease in Providing Information to Others

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□ Checklists and Assignments

- Consider a Formal Checklist Assigning Responsibility for Accounts To Individuals
- Consider Monthly Checklists
 - Assignments
 - Entries
 - Closing Processes
 - Reconciliations

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□ Monitoring Monthly Activity

□ Review Work Order Activity

- Common Audit Finding – Labor Closed to Plant Account with No Materials

□ Receivables

- Delinquent Accounts
- Misplaced Invoices
- Incorrect Posting of Payments
- Unbilled Projects

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□ Monitoring Monthly Activity – Cont'

- Payables
 - Missed Payments
 - Duplicate Invoices (Include Balance Forward)
 - Duplicate Payments
 - System to Ensure That All Invoices Received Are Recorded
- Analytical Review Of Financial Statements
- Monthly Ratios (Example: TIER)
- Matching of COGS to Sales Revenue

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□ Common Errors

- Failure to Match CABs Receipts with Actual CAB
 - Short Payments
 - Credits
 - Disputes
- AFUDC Allocation to Work Orders
- CPRs Not Updated Timely
- Recording TPUC Activity Without Assigning WO Number
- Accounts Added To WTB Without Updating Spreads
- Failure to Claim Write-Offs On PARs
- Failure to Follow Up on Delinquent CABs

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□ Cross Training

- Critical That More Than One Person Knows How to Perform Certain Tasks
- Consider Cross Training Staff

Thank you for your attention!

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