



## *Adrian College*

### **FINANCIAL TRANSACTION ADJUSTMENT POLICY**

It is the policy of Adrian College to record all financial transactions to the proper department, funding source, and account in a timely manner. The purpose of this policy is to improve the timeliness and accuracy of the College's financial reporting.

#### **Policy/Procedures**

In an effort to meet the internal and external financial reporting requirements of the College, this policy is being implemented to establish an acceptable time frame within which an adjustment, can be made to the financial records.

It is recognized that errors do occur and that adjusting entries will be needed. However, it is imperative that adjustments to financial transactions in areas such as payroll, accounts payable and cost transfers be identified in a timely manner and noted on the **Transaction Adjustment Form**. Adjustments processed 60 days or more after the date of the original transaction will require additional approval from the Business Office. In determining whether the adjustment will be approved for processing, the Business Office will look at the materiality of the adjustment, the reasons for the delay, the length of the delay, and the impact of the adjustment. After reviewing all relevant information and documentation, the following guidelines will be used for processing or rejecting any financial transaction adjustment:

1. In general, adjustments *will not* be processed for transactions that cross the College's fiscal year end. The fiscal year is from July 1 through June 30.
2. If the adjustment is to a project, and the project is still open and accepting costs, the cost may be charged to the project providing the costs are reasonable, allowable and appropriate for that project.
3. If the adjustment represents increased cost to a project and the project has been closed/completed, then the cost will be charged to the department supporting the project, unless a compelling case for an exception can be made.

Once the **Transaction Adjustment Form** is completed, send to the Business Office for review and processing.

***Contact***

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