

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services
Transmittal 125	Date: JUNE 29, 2007
	Change Request 5592

SUBJECT: Instructions for Completion of the Contractor's Monthly Bank Reconciliation Worksheet.

I. SUMMARY OF CHANGES: The Contractor's Monthly Bank Reconciliation Worksheet is designed to provide a monthly reconciliation of the HIGLAS Medicare Contractor's benefit and time account activity to the CMS Monthly Balance Sheet and Summary 2 Trial Balance. These are new instructions.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *July 30, 2007

IMPLEMENTATION DATE: July 30, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
R	5/Table of Contents
N	5/520/Instructions for Completion of the Contractor's Monthly Bank Reconciliation Worksheet

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-06	Transmittal: 125	Date: June 29, 2007	Change Request: 5592
-------------	------------------	---------------------	----------------------

SUBJECT: Instructions for Completion of the Contractor’s Monthly Bank Reconciliation Worksheet.

EFFECTIVE DATE: July 30, 2007

IMPLEMENTATION DATE: July 30, 2007

I. GENERAL INFORMATION

A. Background: Before conversion to the Healthcare Integrated General Ledger Accounting System (HIGLAS), Medicare contractors were required to file the Centers for Medicare & Medicaid Services (CMS) Form CMS 1521, Contractor Draws on Letter of Credit, and the Form CMS 1522, Monthly Contractor Financial Report each month via the Contractor Accounting and Financial Management System (CAFM). After conversion to HIGLAS, transactions are integrated into the general ledger and those reports are no longer needed. These instructions and reports are designed to provide a reconciliation of Medicare program cash benefit payments between CMS, the contractors on HIGLAS, and the banks of contractors on HIGLAS.

B. Policy:

II. BUSINESS REQUIREMENTS TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)												
		A / B M A C	D M M A C	F I I C	C A R E R	D M R R I C	R E H R I C	S h a r e d - S y s t e m M a i n t a i n e r s	F I S S	M C S	V M S	C W F	O T H E R	
5592.1	Section A. Bank Statement and Cash Balance. Contractors on HIGLAS shall determine the total end-of-the-month cash balance using the bank statement(s) from the Benefits Account and the Time Account.													Contractors on HIGLAS
5592.1.1	Line 1. Balance Beginning of the Month (Benefits Account). Contractors on HIGLAS shall enter the balance in the Benefits Account as of the beginning of the calendar month as shown on the bank statement.													Contractors on HIGLAS
5592.1.1.1	Line 1a. Add: Line of Credit Draws. Contractors on HIGLAS shall enter the total amount of funds drawn on payment													Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R I C	R E H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	vouchers during the month and credited to the Benefits Account as shown on the bank statement.											
5592.1.1.2	Line 1b. Cash Deposits. Contractors on HIGLAS shall enter all other deposits credited during the month to the Benefits Account as shown on the bank statement.											Contractors on HIGLAS
5592.1.1.3	Line 1c. Transfer In From Time Account. Contractors on HIGLAS shall include funds withdrawn from the Time Account and deposited in the Benefits Account.											Contractors on HIGLAS
5592.1.1.4	Line 1d. Miscellaneous Add Backs (Briefly explain in Section E—Remarks in the area labeled Section A, Line 1d) Contractors on HIGLAS shall enter any miscellaneous adjustments, i.e., credit memos, to the Benefits Account during the calendar month.											Contractors on HIGLAS
5592.1.1.5	Line 1e. Total Additions. This is the total of Lines 1a through 1d. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.1.1.6	Line 1f. Less: Checks Honored By Bank. Contractors on HIGLAS shall enter the total funds charged to the Benefits Account as a result of checks honored by the bank during the month. Transfers to the Time Account shall be excluded from this total.											Contractors on HIGLAS
5592.1.1.7	Line 1g. EFTs. Contractors on HIGLAS shall enter the electronic funds transferred by the bank during the month. Transfers to the Time Account shall be excluded from this total.											Contractors on HIGLAS
5592.1.1.8	Line 1h. Transfer Out To Time Account. Contractors on HIGLAS shall enter only amount of funds withdrawn from the Benefits Account and deposited in the Time Account during the month.											Contractors on HIGLAS
5592.1.1.9	Line 1i. Miscellaneous Deductions (Briefly explain in Section E—Remarks in											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B M A C	D M E M A C	F I I E R	C A R R I C E R	D M R R I C	R E H R I S	Shared-System Maintainers				OTHER	
							F I S S	M C S	V M S	C W F			
	the area labeled Section A, Line 1i). Contractors on HIGLAS shall enter any miscellaneous adjustments, i.e., debit memos, and charges made to the Benefits Account that are part of the bank statement.												
5592.1.1.10	Line 1j. Total Deductions. This is the total of Lines 1f through 1i. Contractors on HIGLAS shall make no entry on this line.												Contractors on HIGLAS
5592.1.2	Line 2. Balance End of Month Per Bank Statement(s) - This is the total of Lines 1 + 1e – 1j. Contractors on HIGLAS shall make no entry on this line. This total shall equal the balance of the bank statement(s) for the Benefit Account(s) at month-end.												Contractors on HIGLAS
5592.1.2.1	Line 2a. Add: Deposits-In-Transit - Contractors on HIGLAS shall enter deposits made and recorded in the General Ledger during the month that the bank has not yet credited to the Benefits Account according to the bank statement.												Contractors on HIGLAS
5592.1.3	Line 3. Adjusted Bank Balance (Benefits Account) - (Explain in Section E— Remarks, "Other," if not equal to Section B, Line 1a, Col D) This is the total of Lines 2 + 2a. Contractors on HIGLAS shall make no entry on this line.												Contractors on HIGLAS
5592.1.3.1	This total should equal the Benefits Account per the balance sheets as summarized in Section B, Line 1a, Column D. Contractors on HIGLAS shall explain any difference.												Contractors on HIGLAS
5592.1.4	Line 4. Beginning Balance (Time Account) - Contractors on HIGLAS shall enter the balance in the Time Account as of the beginning of the calendar month.												Contractors on HIGLAS
5592.1.4.1	Line 4a. Add: Transfer In From Benefits Account - Contractors on HIGLAS shall include funds withdrawn from the Benefits Account and deposited in the Time Account.												Contractors on HIGLAS
5592.1.4.2	Line 4b. Less: Transfer Out To Benefits Account - Contractors on HIGLAS shall												Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R I C	R H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	enter only amount of funds withdrawn from the Time Account and deposited in the Benefits Account during the month.											
5592.1.5	Line 5. Ending Balance (Time Account) - (Explain in Section E—Remarks, "Other," if not equal to Section B, Line 1b, Col D) This is the total of Lines 4 + 4a – 4b. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.1.5.1	This total should equal the Time Account per the balance sheets as summarized in Section B, Line 1b, Column D. Contractors on HIGLAS shall explain any difference.											Contractors on HIGLAS
5592.1.6	Line 6. Add: Un-deposited Collections - (Explain in Section E—Remarks, "Other," if not equal to Section B, Line 1c, Col D) Contractors on HIGLAS shall enter collections received during the month, but not yet recorded as unapplied receipts in HIGLAS and not yet deposited in the Benefits Account.											Contractors on HIGLAS
5592.1.6.1	This line should equal the Un-deposited Collections per the balance sheets as summarized in Section B, Line 1c, Column D. Contractors on HIGLAS shall explain any difference.											Contractors on HIGLAS
5592.1.7	Line 7. Adjusted Bank Statement Cash Balance - This is the total of Lines 3 + 5 + 6, the adjusted ending balance of the Benefits Account, the ending balance of the Time Account and the balance of the Un-deposited Collections. This balance should reconcile to the Total Cash per the balance sheets as summarized in Section B, Line 2, Column D. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.2	Section B. Balance Sheet & Summary 2 Trial Balance This section summarizes the cash balances for the General Fund (050720), the SMI Trust Fund (050960), and the HI Trust Fund (050961) using the corresponding end-of-											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I M A	C A R E R	D M R C	R E R I	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	
	the-month Balance Sheets and Summary 2 Trial Balances for each fund. Contractors on HIGLAS shall compare these cash balances to the Adjusted Bank Statement Cash Balance computed in Section A and verify that the total cash ending balance for the month reflected in the General Ledger is properly reported in the Balance Sheets for the three funds respectively. The Total amount for each line item is automatically computed after the required amounts are entered for each of the three funds.										
5592.2.1	Line 1a. Total Benefits Account - Using the three Balance Sheets, Contractors on HIGLAS shall enter the Total Benefits Account ending balance for each corresponding fund.										Contractors on HIGLAS
5592.2.1.1	Line 1b. Total Time Account - Using the three Balance Sheets, Contractors on HIGLAS shall enter the Total Time Account ending balance for each corresponding fund.										Contractors on HIGLAS
5592.2.1.2	Line 1c. Un-deposited Collections - Using the three Balance Sheets, Contractors on HIGLAS shall enter the Un-deposited Collections ending balance for each corresponding fund.										Contractors on HIGLAS
5592.2.2	Line 2. Total Cash (Per Balance Sheet) - This is the total of Lines 1a + 1b + 1c. Contractors on HIGLAS shall make no entry on this line.										Contractors on HIGLAS
5592.2.3	Line 3a. 119502 Other Mon Asset-Disb Contrl - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.										Contractors on HIGLAS
5592.2.3.1	Line 3b. 119503 Other Mon Asset-Contr Deposit - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL										Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R I C	R E H R I S	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	account for each corresponding fund.											
5592.2.3.2	Line 3c. 119504 Other Mon Asset-LOC - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.											Contractors on HIGLAS
5592.2.3.3	Line 3d. 119505 Other Mon Asset-Tsf Frm/To Time - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.											Contractors on HIGLAS
5592.2.3.4	Line 3e. 119520 Other Mon Asset-YE Rollover - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.											Contractors on HIGLAS
5592.2.4	Line 4. Total Benefits Account Cash Balance - This is the total of Lines 3a through 3e. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.2.4.1	Line 4a. 119002 Other Cash-Time Account - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.											Contractors on HIGLAS
5592.2.4.2	Line 4b. 111002 Un-deposited Collections - Using the three Summary 2 Trial Balances, Contractors on HIGLAS shall enter the ending balance from this GL account for each corresponding fund.											Contractors on HIGLAS
5592.2.5	Line 5. Total Cash (Per Summary 2 Trial Balance) - This is the total of Lines 4 + 4a + 4b. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.3	Section C. Cash Reconciliation - Bank Statement, Balance Sheet & Summary 2 Trial Balance Contractors on HIGLAS shall compare the cash balances of the Summary 2 Trial Balance, balance sheets and the adjusted bank statement cash balance as computed in Section A of the worksheet.											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A	D	F	C	D	R	Shared-System Maintainers				OTHER
		B	M	I	A	M	H	F	M	V	C	
M	M	I	E	R	I	S	S	S	W			
		C	C	R	R	C	S	S	S	F		
5592.3.1	Line 1. Cash Balance (per Summary 2 Trial Balance) – The amount for this line is equal to Section B, Line 5, Column D of the worksheet, Total Cash per the Summary 2 Trial Balance. The cell reference for this value has been placed on this line. Contractors on HIGLAS shall make no entry.										Contractors on HIGLAS	
5592.3.2	Line 2. Less: Adjusted Bank Statement Cash Balance – The amount for this line is equal to Section A, Line 7, Column B of the worksheet, Adjusted Bank Statement Cash Balance. The cell reference for this value has been placed on this line. Contractors on HIGLAS shall make no entry.										Contractors on HIGLAS	
5592.3.3	Line 3. Net Difference – The template computes the difference between Line 1 and Line 2 amounts. Contractors on HIGLAS shall make no entry on this line.										Contractors on HIGLAS	
5592.3.3.1	Ordinarily, there should be no difference between total cash as computed from the Summary 2 Trial Balance account balances and the adjusted bank statement cash balance as computed in Section A. If there is a difference, the Contractors on HIGLAS shall briefly explain the difference in Section E. Remarks in the area labeled Section C, Line 3.										Contractors on HIGLAS	
5592.3.4	Line 4. Cash Balance (Per Summary 2 Trial Balance) – The amount for this line is equal to Section B, Line 5, Column D of the worksheet, Total Cash (per Summary 2 Trial Balance). The cell reference for this value has been placed on this line. Contractors on HIGLAS shall make no entry.										Contractors on HIGLAS	
5592.3.5	Line 5. Less: Cash Balance (Per Balance Sheet) - The amount for this line is equal to Section B, Line 2, Column D of the worksheet, Total Cash (Per Balance Sheet). The cell reference for this value has been placed on this line. Contractors on										Contractors on HIGLAS	

Number	Requirement	Responsibility (place an "X" in each applicable column)												
		A	D	F	C	D	R	Shared-System Maintainers				OTHER		
		B	M	I	A	M	H	F	M	V	C			
M	M	I	E	C	R	I	S	S	M	S	S	W	F	
	HIGLAS shall make no entry.													
5592.3.6	Line 6. Net Difference – The template computes the difference between Line 4 and Line 5 amounts. Contractors on HIGLAS shall make no entry on this line.													Contractors on HIGLAS
5592.3.6.1	Ordinarily, there should be no difference between total cash as computed from the Summary 2 Trial Balance account balances and the Total Cash (Per Balance Sheet). If there is a difference, the Contractors on HIGLAS shall briefly explain the difference in Section E. Remarks in the area labeled Section C, Line 6.													Contractors on HIGLAS
5592.4	Section D. Disbursements in Transit Disbursements in Transit is the HIGLAS term for what is commonly referred to as outstanding checks and EFTs. Contractors on HIGLAS shall verify the general ledger account 212001-A/P Disbursement in Transit and the line item in the balance sheet liability section-Disbursements in Transit.													Contractors on HIGLAS
5592.4.1	The Contractors on HIGLAS shall enter all amounts in Lines 1a through 1f as positive numbers.													Contractors on HIGLAS
5592.4.1.1	The Contractors on HIGLAS shall enter a positive number in Line 1g if the amount is intended to be added to the total in Line 1h and shall enter a negative number in Line 1g if the amount is intended to be subtracted from the total in Line 1h.													Contractors on HIGLAS
5592.4.2	Line 1a. HIGLAS Cash in Transit Report – End of prior month – Contractors on HIGLAS shall enter the grand total from the prior month end CMS Cash in Transit Report. This is the beginning balance for the reconciliation.													Contractors on HIGLAS
5592.4.2.1	Line 1b. Less: Checks and EFTs honored by the bank in the previous month but reconciled in HIGLAS in the current month – Contractors on HIGLAS shall enter the total checks and EFTs that the													Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R I C	R E H R I C	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	by the bank – This is an amount computed by the template. It is the sum of the checks and EFTs entered on lines 1f and 1g of Section A. The checks and EFTs honored by the bank are subtractions to the disbursements in transit. Contractors on HIGLAS shall make no entry on this line.											on HIGLAS
5592.4.2.6	Line 1g. Add/(Less): Bank payment adjustments – This is an amount of checks and EFTs that have not been reconciled in HIGLAS because the bank charged a different amount or bank adjustments that the Contractors on HIGLAS has not had time to enter in HIGLAS before the month close. This can be a positive or negative amount. The Contractors on HIGLAS shall enter zero if there are no bank payment adjustments in this status.											Contractors on HIGLAS
5592.4.2.7	Line 1h. HIGLAS Cash in Transit – End of current month – This is an amount computed by the template. It is the net result of the additions and subtractions to the beginning balance of the HIGLAS Cash in Transit Report. This amount should reconcile to the balance of account 212001 A/P Disbursement in Transit (Section D, Line 2a, Column D), to the balance sheet line item amount, Disbursement in Transit (Section D, Line 4a, Column D) and should equal the CMS Cash in Transit Report total at the end of the current month. Contractors on HIGLAS shall make no entry on this line.											Contractors on HIGLAS
5592.4.2.8	Line 1i. Actual HIGLAS Cash in Transit – End of current Month - Contractors on HIGLAS shall enter the total checks and EFT's outstanding at the end of the current month per the total of the CMS Cash in Transit Report run in HIGLAS as of the last day of the current month after all transactions affecting the report for the month have been entered.											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I C E R	D M R I	R E H R I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
5592.4.3	Line 2a. 212001 A/P Disbursements in Transit - The template adds the ending balance of account 212001 in the Summary 2 Trial Balance for the three funds, General, SMI and HI to obtain the total Disbursements in Transit as of the end of the month per the Summary 2 Trial Balance. Contractors on HIGLAS shall enter the ending balance of account 212001 from the Summary 2 Trial Balance for each fund. Fund 050720, General Fund, is entered in Line 2a, Column A; Fund 050960, SMI Trust Fund, is entered in Line 2a, Column B; Fund 050961, HI Trust Fund is entered in Line 2a, Column C.										Contractors on HIGLAS	
5592.4.3.1	The formula for the sum of Line 2a, Columns A, B and C has been entered in Line 2a, Column D. Contractors on HIGLAS shall not make an entry in Line 2a, Column D.										Contractors on HIGLAS	
5592.4.4	Line 3a. Disbursements in Transit – The template adds the balance of the Disbursements in Transit line in the balance sheet for the three funds, General, SMI and HI to obtain the total Disbursements in Transit for the current month per the balance sheet. Contractors on HIGLAS shall enter the balance of the Disbursement in Transit line of the balance sheet for each fund for the current month. Fund 050720, General Fund, is entered in Line 3a, Column A; Fund 050960, SMI Trust Fund, is entered in Line 3a, Column B; Fund 050961, HI Trust Fund is entered in Line 3a, Column C.										Contractors on HIGLAS	
5592.4.4.1	The formula for the sum of Line 3a, Columns A, B and C has been entered in Line 3a, Column D. Contractors on HIGLAS shall not make an entry in Line 3a, Column D.										Contractors on HIGLAS	
5592.4.5	Line 4a. Difference – Trial Balance and HIGLAS Cash in Transit Report total –										Contractors on HIGLAS	

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R I C	R E H R I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
	Contractors on HIGLAS shall explain specific differences and miscellaneous line items as previously described in other sections as necessary.											on HIGLAS
5592.5.1	Section A, Line 1d – Contractors on HIGLAS shall enter a brief description of the miscellaneous add backs that the bank has reported in the current bank statement.											Contractors on HIGLAS
5592.5.1.1	Section A, Line 1i – Contractors on HIGLAS shall enter a brief description of the miscellaneous deductions that the bank has reported in the current bank statement.											Contractors on HIGLAS
5592.5.1.2	Section C, Line 3 – Contractors on HIGLAS shall enter a brief explanation for the difference between the cash balance per the Summary 2 Trial Balance and the adjusted bank statement cash balance.											Contractors on HIGLAS
5592.5.1.3	Section C, Line 6 – Contractors on HIGLAS shall enter a brief explanation for the difference between the cash balance per the Summary 2 Trial Balance and the cash balance per the balance sheet(s).											Contractors on HIGLAS
5592.5.1.4	Section D, Line 1g – Contractors on HIGLAS shall enter a brief description of the bank payment adjustments entered on this line.											Contractors on HIGLAS
5592.5.1.5	Section D, Line 4a - Contractors on HIGLAS shall enter a brief explanation for the difference between the Disbursements in Transit per the Summary 2 Trial Balance and the ending balance of the HIGLAS Cash in Transit Report.											Contractors on HIGLAS
5592.5.1.6	Section D, Line 4b - Contractors on HIGLAS shall enter a brief explanation for the difference between the Disbursements in Transit per the Summary 2 Trial Balance and the Disbursements in Transit per the balance sheet(s).											Contractors on HIGLAS
5592.5.1.7	Section D, Line 4c – Contractors on HIGLAS shall enter a brief explanation for the difference between the calculated HIGLAS Cash in Transit amount as											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R I E R	D M R I C	R E H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	calculated in Section D Line 1h and the total of the actual Cash in Transit Report run in HIGLAS as of the end of the month.											
5592.5.1.8	Request ID's – Contractors on HIGLAS shall enter the HIGLAS request ID's of the reports run by the Contractors on HIGLAS that are the source of the information in Sections B and D.											Contractors on HIGLAS
5592.5.1.9	False Confirms Excluded – Contractors on HIGLAS shall enter the amount of the false confirms subtracted from the CMS Payment Register Report total of the checks and EFTs issued to compute the entry in Section D Line 1d.											Contractors on HIGLAS
5592.5.1.9.1	Contractors on HIGLAS shall enter the amount of the false confirms subtracted from CMS AP Daily Voids Report(s) to compute the entry in Section D Line 1e.											Contractors on HIGLAS
5592.5.1.10	Other – Contractors on HIGLAS shall enter a brief explanation if any of the following conditions are met.											Contractors on HIGLAS
5592.5.1.10.1	Contractors on HIGLAS shall enter a brief comment if the adjusted bank balance (Section A, Line 3) does not equal the total benefits account per the balance sheet (Section B, Column D, Line 1a)											Contractors on HIGLAS
5592.5.1.10.2	Contractors on HIGLAS shall enter a brief comment if the ending balance of the Time Account (Section A, Line 5) does not equal the total Time Account per the balance sheet (Section B, Column D, Line 1b)											Contractors on HIGLAS
5592.5.1.10.3	Contractors on HIGLAS shall enter a brief comment if the Un-deposited Collections (Section A, Line 6) does not equal the Un-deposited Collections per the balance sheet (Section B, Column D, Line 1c)											Contractors on HIGLAS
5592.5.1.10.4	Contractors on HIGLAS shall enter any additional information relevant to this bank reconciliation worksheet in this section of the worksheet.											Contractors on HIGLAS
5592.6	Contractors on HIGLAS shall click on the following link to access the Contractors on											Contractors on HIGLAS

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R I C	R H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
	HIGLAS's Monthly Bank Reconciliation Worksheet.											
5592.7	Contractors on HIGLAS shall provide a copy of the Worksheet electronically to the appropriate CMS regional office Associate Regional Administrator (ARA) for the Division of Medicare Financial Management by the 15 th day of the following month.											Contractors on HIGLAS
5592.8	Contractors on HIGLAS shall submit the worksheet electronically to HIGLASbankrecon@cms.hhs.gov.											Contractors on HIGLAS
5592.9	Contractors on HIGLAS shall maintain all bank statements and other internal reports used to complete the Worksheet for three years and made available upon request for audit and review by CMS financial personnel and other external auditors. Internal reports may be saved as text files.											Contractors on HIGLAS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R I C	R H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
N/A												

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s): Aliza Kim 410-786-7576, Aliza.Kim@cms.hhs.gov

Post-Implementation Contact(s): Ron Dea 410-786-1375, Ronald.Dea@cms.hhs.gov

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC):
 No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. For Medicare Administrative Contractors (MAC):

The Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The Contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the Contracting Officer. If the Contractor considers anything provided, as described above, to be outside the current scope of work, the Contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachment

Medicare Financial Management Manual

Chapter 5 - Financial Reporting

Table of Contents *(Rev. 125, 06-29-07)*

520 - Instructions for Completion of the Contractor's Monthly Bank Reconciliation Worksheet

520 - Instructions for Completion of the Contractor's Monthly Bank Reconciliation Worksheet

(Rev. 125; Issued: 06-29-07; Effective/Implementation Dates: 07-30-07)

BACKGROUND

Before conversion to the Healthcare Integrated General Ledger Accounting System (HIGLAS), Medicare Contractors (MC) were required to file the Centers for Medicare & Medicaid Services (CMS) Form CMS 1521, Contractor Draws on Letter of Credit, and the Form CMS 1522, Monthly Contractor Financial Report each month via the Contractor Accounting and Financial Management System (CAFM). These reports are designed to provide a reconciliation of Medicare program cash benefit payments between CMS, the contractors, and the contractors' bank. After conversion to HIGLAS, transactions are integrated into the general ledger and those reports are no longer needed.

For non-HIGLAS MCs, the Form CMS 1521 reports the amount of "payment vouchers drawn during the month," which is an aggregate total of funds drawn down from the Federal Reserve by the contractor's bank each day during the month. The draw downs are used to fund Medicare benefit payments and are based on current benefit payment and overpayment activity. In HIGLAS, the draws are recorded directly into the general ledger in account 119504, OTR Mon Aset-Contr LOC Dep.

For non-HIGLAS MCs, the Form CMS 1522 reports all monthly paid claim (i.e. benefit payments) and non-claim transactions (i.e. periodic interim payments (PIP), accelerated payments, settlement payments, interest income, and expenses) which, when netted, account for "total funds expended" for the month. At the contractor level, "total funds expended" is the sum of all checks drawn and electronic fund transfer payments issued during the calendar month less voided checks, overpayment recoveries, and other adjustments as necessary. CMS uses certain information from this report to prepare its financial statements.

The Contractor's Monthly Bank Reconciliation Worksheet (Worksheet) is designed to provide a monthly reconciliation of the Medicare Contractor's benefit and time account activity to the CMS Monthly Balance Sheet and Summary 2 Trial Balance.

In HIGLAS, The Medicare Contractor bank reconciliation process is comprised of reconciling the bank cleared check payments, the bank settled EFT payments, Zero Dollar payments (Checks and EFTs) and creating and reconciling miscellaneous transactions. The claim payments are adjudicated in the shared system (FISS and MCS) and interfaced into HIGLAS. Payments are processed in HIGLAS and the relevant payment and remittance information is sent to the shared systems. The bank cleared check payments, bank settled EFT payments, Zero Dollar payments, and miscellaneous transactions are maintained for each bank account in a separate bank statement for each day.

DUE DATE

Contractor shall provide a copy of the Worksheet electronically to the appropriate CMS regional office Associate Regional Administrator (ARA) for the Division of Medicare Financial Management by the 15th day of the following month and shall be submitted electronically to Hlgasbankrecon@cms.hhs.gov. All bank statements and other internal reports used to complete the Worksheet shall be maintained for three years and made available upon request for audit and review by CMS financial personnel and other external auditors. Internal reports may be saved as text files.

Section A. Bank Statement and Cash Balance

This section is to determine the total end-of-the-month cash balance using the bank statement(s) from the Benefits Account and the Time Account.

Line 1. Balance Beginning of the Month (Benefits Account). Contractor shall enter the balance in the Benefits Account as of the beginning of the calendar month as shown on the bank statement.

Line 1a. Add: Line of Credit Draws. Contractor shall enter the total amount of funds drawn on payment vouchers during the month and credited to the Benefits Account as shown on the bank statement.

Line 1b. Cash Deposits. Contractor shall enter all other deposits credited during the month to the Benefits Account as shown on the bank statement.

Line 1c. Transfer In From Time Account. Contractor shall include funds withdrawn from the Time Account and deposited in the Benefits Account.

Line 1d. Miscellaneous Add Backs (Briefly explain in Section E—Remarks in the area labeled Section A, Line 1d) Contractor shall enter any miscellaneous adjustments, i.e., credit memos, to the Benefits Account during the calendar month.

Line 1e. Total Additions. This is the total of Lines 1a through 1d. Contractor shall make no entry on this line.

Line 1f. Less: Checks Honored By Bank. Contractor shall enter the total funds charged to the Benefits Account as a result of checks honored by the bank during the month. Transfers to the Time Account shall be excluded from this total.

Line 1g. EFTs. Contractor shall enter the electronic funds transferred by the bank during the month. Transfers to the Time Account shall be excluded from this total.

Line 1h. Transfer Out To Time Account. Contractor shall enter only amount of funds withdrawn from the Benefits Account and deposited in the Time Account during the month.

Line 1i. Miscellaneous Deductions (Briefly explain in Section E—Remarks in the area labeled Section A, Line 1i). Contractor shall enter any miscellaneous

adjustments, i.e., debit memos, and charges made to the Benefits Account that are part of the bank statement.

Line 1j. Total Deductions. *This is the total of Lines 1f through 1i. Contractor shall make no entry on this line.*

Line 2. Balance End of Month Per Bank Statement(s) - *This is the total of Lines 1 + 1e – 1j. Contractor shall make no entry on this line. This total shall equal the balance of the bank statement(s) for the Benefit Account(s) at month-end.*

Line 2a. Add: Deposits-In-Transit - *Contractor shall enter deposits made and recorded in the General Ledger during the month that the bank has not yet credited to the Benefits Account according to the bank statement.*

Line 3. Adjusted Bank Balance (Benefits Account) - *(Explain in Section E—Remarks, “Other,” if not equal to Section B, Line 1a, Col D) This is the total of Lines 2 + 2a. Contractor shall make no entry on this line. This total should equal the Benefits Account per the balance sheets as summarized in Section B, Line 1a, Column D. Contractor shall explain any difference.*

Line 4. Beginning Balance (Time Account) - *Contractor shall enter the balance in the Time Account as of the beginning of the calendar month.*

Line 4a. Add: Transfer In From Benefits Account - *Contractor shall include funds withdrawn from the Benefits Account and deposited in the Time Account.*

Line 4b. Less: Transfer Out To Benefits Account - *Contractor shall enter only amount of funds withdrawn from the Time Account and deposited in the Benefits Account during the month.*

Line 5. Ending Balance (Time Account) - *(Explain in Section E—Remarks, “Other,” if not equal to Section B, Line 1b, Col D) This is the total of Lines 4 + 4a – 4b. Contractor shall make no entry on this line. This total should equal the Time Account per the balance sheets as summarized in Section B, Line 1b, Column D. Contractor shall explain any difference.*

Line 6. Add: Un-deposited Collections - *(Explain in Section E—Remarks, “Other,” if not equal to Section B, Line 1c, Col D) Contractor shall enter collections received during the month, but not yet recorded as unapplied receipts in HIGLAS and not yet deposited in the Benefits Account. This line should equal the Un-deposited Collections per the balance sheets as summarized in Section B, Line 1c, Column D. Contractor shall explain any difference.*

Line 7. Adjusted Bank Statement Cash Balance - *This is the total of Lines 3 + 5 + 6, the adjusted ending balance of the Benefits Account, the ending balance of the Time Account and the balance of the Un-deposited Collections. This balance should*

reconcile to the Total Cash per the balance sheets as summarized in Section B, Line 2, Column D. Contractor shall make no entry on this line.

Section B. Balance Sheet & Summary 2 Trial Balance

This section summarizes the cash balances for the General Fund (050720), the SMI Trust Fund (050960), and the HI Trust Fund (050961) using the corresponding end-of-the-month Balance Sheets and Summary 2 Trial Balances for each fund. Contractor shall compare these cash balances to the Adjusted Bank Statement Cash Balance computed in Section A and verify that the total cash ending balance for the month reflected in the General Ledger is properly reported in the Balance Sheets for the three funds respectively. The Total amount for each line item is automatically computed after the required amounts are entered for each of the three funds.

Line 1. Balance Sheet (Title)

Line 1a. Total Benefits Account - Using the three Balance Sheets, contractor shall enter the Total Benefits Account ending balance for each corresponding fund.

Line 1b. Total Time Account - Using the three Balance Sheets, contractor shall enter the Total Time Account ending balance for each corresponding fund.

Line 1c. Un-deposited Collections - Using the three Balance Sheets, contractor shall enter the Un-deposited Collections ending balance for each corresponding fund.

Line 2. Total Cash (Per Balance Sheet) - This is the total of Lines 1a + 1b + 1c. Contractor shall make no entry on this line.

Line 3. Summary 2 Trial Balance (Title)

Line 3a. 119502 Other Mon Asset-Disb Contrl - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 3b. 119503 Other Mon Asset-Contr Deposit - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 3c. 119504 Other Mon Asset-LOC - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 3d. 119505 Other Mon Asset-Tsf Frm/To Time - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 3e. 119520 Other Mon Asset-YE Rollover - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 4. Total Benefits Account Cash Balance - This is the total of Lines 3a through 3e. Contractor shall make no entry on this line.

Line 4a. 119002 Other Cash-Time Account - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 4b. 111002 Un-deposited Collections - Using the three Summary 2 Trial Balances, contractor shall enter the ending balance from this GL account for each corresponding fund.

Line 5. Total Cash (Per Summary 2 Trial Balance) - This is the total of Lines 4 + 4a + 4b. Contractor shall make no entry on this line.

Section C. Cash Reconciliation - Bank Statement, Balance Sheet & Summary 2 Trial Balance

This section is a comparison of the cash balances of the Summary 2 Trial Balance, balance sheets and the adjusted bank statement cash balance as computed in Section A of the Worksheet.

Line 1. Cash Balance (per Summary 2 Trial Balance) – The amount for this line is equal to Section B, Line 5, Column D of the Worksheet, Total Cash per the Summary 2 Trial Balance. The cell reference for this value has been placed on this line. Contractor shall make no entry.

Line 2. Less: Adjusted Bank Statement Cash Balance – The amount for this line is equal to Section A, Line 7, Column B of the Worksheet, Adjusted Bank Statement Cash Balance. The cell reference for this value has been placed on this line. Contractor shall make no entry.

Line 3. Net Difference – The template computes the difference between Line 1 and Line 2 amounts. Contractor shall make no entry on this line. Ordinarily, there should be no difference between total cash as computed from the Summary 2 Trial Balance account balances and the adjusted bank statement cash balance as computed in Section A. If there is a difference, the contractor shall briefly explain the difference in Section E. Remarks in the area labeled Section C, Line 3.

Line 4. Cash Balance (Per Summary 2 Trial Balance) – The amount for this line is equal to Section B, Line 5, Column D of the Worksheet, Total Cash (per Summary 2 Trial Balance). The cell reference for this value has been placed on this line. Contractor shall make no entry.

Line 5. Less: Cash Balance (Per Balance Sheet) - The amount for this line is equal to Section B, Line 2, Column D of the Worksheet, Total Cash (Per Balance Sheet). The cell reference for this value has been placed on this line. Contractor shall make no entry.

Line 6. Net Difference – The template computes the difference between Line 4 and Line 5 amounts. Contractor shall make no entry on this line. Ordinarily, there should be no difference between total cash as computed from the Summary 2 Trial Balance account balances and the Total Cash (Per Balance Sheet). If there is a difference, the contractor shall briefly explain the difference in Section E. Remarks in the area labeled Section C, Line 6.

Section D. Disbursements in Transit

Disbursements in Transit is the HIGLAS term for what is commonly referred to as outstanding checks and EFTs. This section is a verification of general ledger account 212001-A/P Disbursement in Transit and the line item in the balance sheet liability section- Disbursements in Transit. The Disbursements in Transit Reconciliation is a proof of the balance of the Disbursements in Transit amount as of the end of the current month, starting from the month's beginning balance of the CMS Cash in Transit Report and computing the ending balance using HIGLAS summary reports and bank statement information. The total of the computed CMS Cash in Transit Report as of the end of the month is then compared to the ending balance of the Actual CMS Cash in Transit Report, the ending balance of the Disbursements in Transit in the trial balance and the month end balance of Disbursements in Transit line in the balance sheet. The contractor shall enter all amounts in Lines 1a through 1f as positive numbers. The contractor shall enter a positive number in Line 1g if the amount is intended to be added to the total in Line 1h and shall enter a negative number in Line 1g if the amount is intended to be subtracted from the total in Line 1h.

Line 1. HIGLAS Cash in Transit Report Reconciliation – (Title)

Line 1a. HIGLAS Cash in Transit Report – End of prior month – Contractor shall enter the grand total from the prior month end CMS Cash in Transit Report. This is the beginning balance for the reconciliation.

Line 1b. Less: Checks and EFTs honored by the bank in the previous month but reconciled in HIGLAS in the current month – Contractor shall enter the total checks and EFTs that the contractor reconciled in HIGLAS in the current month that the bank honored in the prior month based on the total of the CMS Cleared Transaction Report for the time period recorded. The contractor shall enter zero if there are no checks or EFTs in this category.

Line 1c. Add: Checks and EFTs honored by the bank in the current month but reconciled in HIGLAS in the next month – Contractor shall enter the total checks and EFTs that the contractor reconciled in HIGLAS in the next month that the bank honored in the current month based on the CMS Cleared Transaction Report for the

time period recorded. The contractor shall enter zero if there are no checks or EFTs in this category.

Line 1d. Add: Checks and EFTs issued per the CMS Payment Register for the month (excluding false confirms) – Contractor shall enter the total checks and EFTs issued during the current month, including manual checks, per the total of the CMS Payment Registers for each day of the current month less the amount of false confirms for the month. This net amount of the checks and EFTs issued during the month is an addition to the disbursements in transit.

Line 1e. Less: Checks and EFTs voided in HIGLAS (excluding false confirms) – Contractor shall enter the total checks and EFTs voided during the current month per the total of the CMS AP Daily Voids Report for the current month less the amount of false confirms. This net amount of checks voided during the month is a subtraction to the disbursements in transit.

Line 1f. Less: Checks and EFTs honored by the bank – This is an amount computed by the template. It is the sum of the checks and EFTs entered on lines 1f and 1g of Section A. The checks and EFTs honored by the bank are subtractions to the disbursements in transit. Contractor shall make no entry on this line.

Line 1g. Add/(Less): Bank payment adjustments (Briefly explain in Section E. Remarks in the section labeled Section D, Line 1g) – This is an amount of checks and EFTs that have not been reconciled in HIGLAS because the bank charged a different amount or bank adjustments that the contractor has not had time to enter in HIGLAS before the month close. This can be a positive or negative amount. The contractor shall enter zero if there are no bank payment adjustments in this status.

Line 1h. Calculated HIGLAS Cash in Transit – End of current month – This is an amount computed by the template. It is the net result of the additions and subtractions to the beginning balance of the HIGLAS Cash in Transit Report. This amount should reconcile to the balance of account 212001 A/P Disbursement in Transit (Section D, Line 2a, Column D), the balance sheet line item amount, Disbursement in Transit (Section D, Line 4a, Column D) and should equal the actual HIGLAS Cash in Transit Report as of the end of the current month. Contractor shall make no entry on this line.

Line 1i. Actual HIGLAS Cash in Transit – End of current Month – Contractor shall enter the total checks and EFT's outstanding at the end of the current month per the total of the CMS Cash in Transit Report run in HIGLAS as of the last day of the current month after all transactions affecting the report for the month have been entered.

Line 2. Summary 2 Trial Balance – (Title)

Line 2a. 212001 A/P Disbursements in Transit - The template adds the ending balance of account 212001 in the Summary 2 Trial Balance for the three funds,

General, SMI and HI to obtain the total Disbursements in Transit as of the end of the month per the Summary 2 Trial Balance. Contractor shall enter the ending balance of account 212001 from the Summary 2 Trial Balance for each fund. The contractor shall enter credit balances as negative numbers and debit balances as positive numbers. Fund 050720, General Fund, is entered in Line 2a, Column A; Fund 050960, SMI Trust Fund, is entered in Line 2a, Column B; Fund 050961, HI Trust Fund is entered in Line 2a, Column C. The formula for the sum of Line 2a, Columns A, B and C has been entered in Line 2a, Column D. Contractor shall not make an entry in Line 2a, Column D.

Line 3. Balance Sheet – (Title)

Line 3a. Disbursements in Transit – *The template adds the balance of the Disbursements in Transit line in the balance sheet for the three funds, General, SMI and HI to obtain the total Disbursements in Transit for the current month per the balance sheet. Contractor shall enter the balance of the Disbursement in Transit line of the balance sheet for each fund for the current month. Fund 050720, General Fund, is entered in Line 3a, Column A; Fund 050960, SMI Trust Fund, is entered in Line 3a, Column B; Fund 050961, HI Trust Fund is entered in Line 3a, Column C. The formula for the sum of Line 3a, Columns A, B and C has been entered in Line 3a, Column D. Contractor shall not make an entry in Line 3a, Column D.*

Line 4. Differences – (Title)

Line 4a. Difference – Trial Balance and Actual HIGLAS Cash in Transit Report total – *The template computes the difference between Section D Line 2a Column D and Section D Line 1i. If there is a difference between the ending balance of the HIGLAS Cash in Transit Report as produced in HIGLAS and the Disbursements in Transit per the Summary 2 Trial Balance, the contractor shall briefly explain the difference in Section E Remarks in the area labeled Section D, Line 4a. Contractor shall make no entry on this line.*

Line 4b. Difference – Trial Balance and Balance Sheet – *The template computes the difference between Section D, Line 2a, Column D and Section D, Line 3a, Column D. If there is a difference between the ending balance of Disbursements in Transit per the month end balance sheet(s) and the Disbursements in Transit per the Summary 2 Trial Balance, the contractor shall briefly explain the difference in Section E Remarks in the area labeled Section D, Line 4b. Contractor shall make no entry on this line.*

Line 4c. Difference – Calculated and Actual Cash in Transit Reports – End of current month – *The template computes the difference between Section D, Line 1h and Section D, Line 1i. If there is a difference between the end of month totals of the Cash in Transit Reports as calculated in the template and as produced by HIGLAS, the contractor shall briefly explain the difference in Section E Remarks in the area labeled Section D, Line 4c. Contractor shall make no entry on this line.*

Section E. Remarks

This section of the Worksheet is for explanations of specific differences and miscellaneous line items as previously described in other sections.

Section A, Line 1d – Contractor shall enter a brief description of the miscellaneous add backs that the bank has reported in the current bank statement.

Section A, Line 1i – Contractor shall enter a brief description of the miscellaneous deductions that the bank has reported in the current bank statement.

Section C, Line 3 – Contractor shall enter a brief explanation for the difference between the cash balance per the Summary 2 Trial Balance and the adjusted bank statement cash balance.

Section C, Line 6 – Contractor shall enter a brief explanation for the difference between the cash balance per the Summary 2 Trial Balance and the cash balance per the balance sheet(s).

Section D, Line 1g – Contractor shall enter a brief description of the bank payment adjustments entered on this line.

Section D, Line 4a - Contractor shall enter a brief explanation for the difference between the Disbursements in Transit per the Summary 2 Trial Balance and the ending balance of the HIGLAS Cash in Transit Report.

Section D, Line 4b - Contractor shall enter a brief explanation for the difference between the Disbursements in Transit per the Summary 2 Trial Balance and the Disbursements in Transit per the balance sheet(s).

Section D, Line 4c – Contractor shall enter a brief explanation for the difference between the calculated HIGLAS Cash in Transit amount as calculated in Section D Line 1h and the total of the actual Cash in Transit Report run in HIGLAS as of the end of the month.

Request ID's – Contractor shall enter the HIGLAS request ID's of the reports run by the contractor that are the source of the information in Sections B and D.

False Confirms Excluded – Contractor shall enter the amount of the false confirms subtracted from the CMS Payment Register Report total of the checks and EFTs issued to compute the entry in Section D Line 1d. Contractor enters the amount of the false confirms subtracted from CMS AP Daily Voids Report(s) to compute the entry in Section D Line 1e.

Other – Contractor shall enter a brief explanation if any of the following conditions are met:

The adjusted bank balance (Section A, Line 3) does not equal the total benefits account per the balance sheet (Section B, Column D, Line 1a)

The ending balance of the Time Account (Section A, Line 5) does not equal the total Time Account per the balance sheet (Section B, Column D, Line 1b)

The Un-deposited Collections (Section A, Line 6) does not equal the Un-deposited Collections per the balance sheet (Section B, Column D, Line 1c)

Contractor may enter any additional information relevant to this bank reconciliation worksheet in this section of the worksheet.

HIGLAS contractor shall click on the following link to access the Contractor's Monthly Bank Reconciliation Worksheet: [HIGLAS~BankRecon-Worksheet 05-03-07 \(2\).xls](#)