

JIB RECONCILIATION CHECKLIST
Monthly Close Checklist for Oil & Gas Operators
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Use this checklist every month to ensure your Joint Interest Billing reconciliation is complete, accurate, and audit-ready before statements go out to partners.

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STEP 1: GATHER SOURCE DOCUMENTS

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- Joint Operating Agreement (JOA) and COPAS exhibit on file
- All vendor invoices posted to the joint account for the period
- Approved AFEs and any supplemental AFEs for the period
- Prior month JIB statement and any open disputes or adjustments
- Accounts payable detail by well / property
- Division of Interest (DOI) table — confirmed current and up to date
- Working interest decimals verified for any ownership changes this period

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STEP 2: VERIFY COST CODING AND AFE ALIGNMENT

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- Every invoice coded to the correct well and property
- Operating vs. capital expenses correctly classified on each line
- No capital charges exceed AFE approval threshold without supplemental AFE
- Overhead calculated per COPAS methodology in the JOA
- All charges confirmed as allowable under JOA terms
- Field tickets and third-party invoices matched to correct cost categories
- No invoices tied to expired or incorrect AFE numbers

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STEP 3: APPLY WORKING INTEREST DECIMALS

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- DOI table pulled for the correct effective date and billing period
- Each partner's working interest decimal confirmed
- All partner decimals sum to exactly 1.000000
- Each cost line allocated by multiplying total cost x partner decimal
- System output cross-referenced against manual calculation for top 5 items
- Rounding differences identified and resolved
- No ownership changes made mid-period without proper effective date documentation

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STEP 4: RECONCILE TO LEASE OPERATING STATEMENT (LOS)

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- Total expenses per LOS agree to total expenses per JIB
- Any variance between LOS and JIB documented and explained
- Prior period adjustments identified, labeled, and supported
- Revenue and production data on LOS reviewed for reasonableness
- LOE per BOE calculated and compared to prior month for anomalies

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STEP 5: RUN SIMULATION JIB

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- Simulation JIB run in accounting system before finalizing
- Each partner's balance reviewed for reasonableness vs. prior month
- No unexpected negative balances or missing partners
- Overhead amounts reviewed against COPAS calculation
- Capital vs. operating split reviewed for any unusual shifts
- All prior period adjustments clearly identified on simulation output
- Any flagged items corrected and simulation re-run before approval

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STEP 6: FINALIZE AND DISTRIBUTE STATEMENTS

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- Final JIB statements generated and reviewed by supervisor or controller
- Statements distributed to all non-operating partners on schedule
- Distribution method confirmed (email, portal, mail) per JOA terms
- Copy of final statements retained in records for each partner
- Supporting documentation retained and organized by billing period:
 - Vendor invoices
 - Field tickets
 - Payroll allocation records
 - AFE approval documentation
 - DOI table used for this period
 - Prior period adjustment explanations

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STEP 7: TRACK COLLECTIONS AND OPEN BALANCES

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- JIB receivables aging report updated for current period
 - Payments received matched to correct partner and period
 - Overdue balances flagged per JOA payment terms
 - Interest on overdue amounts calculated if applicable under JOA
 - Partners with chronic late payments escalated to management
 - JIB AR balance reconciled to general ledger
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RED FLAGS — STOP AND INVESTIGATE IF YOU SEE THESE

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- Any partner decimal that does not match the executed DOI on file
- Charges posted after the period close with no explanation
- Capital charges with no associated AFE number
- LOS to JIB variance that cannot be explained within 24 hours
- A partner balance that is significantly higher or lower than prior month with no clear reason
- Overhead amounts that do not reconcile to COPAS formula
- Any invoice from a related-party vendor not flagged for additional review

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NOTES / PERIOD-SPECIFIC ITEMS

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Billing Period: _____
 Prepared By: _____
 Reviewed By: _____
 Date Completed: _____

Notes:

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ABOUT PIVOTEN

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Pivoten is oil and gas accounting software built for operators who need accurate JIB billing, DOI management, revenue distribution, and reporting — without the spreadsheet chaos.

Contact us at pivoten.com to schedule a walkthrough.
 Phone: 877-748-6836

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