



RECONCILING

August 2019 – Treasurers Conference

How Often?

- Daily:
 - Cashbook charges to Cashbook credits

- At least Monthly:
 - Treasurer Funds Ledger to Auditor Funds Ledger
 - Bank Balance to Cashbook



Compliance

□ Cashbook:

■ IC 5-13-5-1

Sec. 1. (a) Every officer who receives or distributes public funds shall:

(1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and

(2) balance the cashbook daily to show funds on hand at the close of each day.

(b) The cashbook is a public record and is open to public inspection in accordance with IC 5-14-3.

(c) A person who violates this section is subject to IC 35-44.2-2-2

Compliance

□ Reconciling:

■ IC 5-13-6-1(e)

All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

■ **Accounting and Uniform Compliance Guidelines Manual for County Treasurers**

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee.

Internal Controls

- Control Environment
- Risk Assessment
- **Control Activities:**
 - ▣ Segregation of Duties
 - ▣ Reconciliation
- Information and Communication
- Monitoring



Segregation of Duties

- IC 36-2-10-9
 - The treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor.
- IC 36-2-9-12
 - The auditor shall keep an accurate account current with the county treasurer.
- Statutory segregation of duties by office.
 - ▣ Receipts, warrants, reconciliation
- Care should be taken to preserve this segregation of duties

Cashbook Charges to Cashbook Credits

- Prescribed Form 47
- Left side contains all of the charges
 - Tax collections – not quietused
 - Other sources – not quietused
 - Funds ledger
 - Investment ledger
- Right side contains all of the credits
 - Deposits
 - Investments
 - Cash on hand



Cashbook Charges to Cashbook Credits

- Investments for specific fund vs. from all funds
 - Specific fund should be on investment ledger
 - Investment of all funds (taxes) would be on funds ledger
- Right side should reconcile to left side.
 - All monies that should be accounted for
 - Left side-how all monies are deposited, invested or included in cash on hand

Treasurer Funds Ledger to Auditor Funds Ledger

- IC 36-2-10-15(a)
 - (a) The treasurer shall maintain:
 - (1) separate accounts of receipts for and expenditures from each specific county fund or appropriation; and
 - (2) a general account of all county receipts and expenditures.
- Both Auditor and Treasurer prepare a monthly report and funds ledgers need to be reconciled between the two offices.

Treasurer Funds Ledger to Auditor Funds Ledger

- Funds ledger is part of the Cash Book
 - ▣ Cash deposits
 - ▣ Investments from general funds
 - ▣ Investments from specific funds

TOTAL OTHER SOURCES		1,736,457.00	8,999.77	-	-	-	1,745,456.77
Balance	Transferred From	Today's Cash	Fund Ledger	Auditor	Disbursed	Balance	
Previous Day	Accounts Above	Received	Balance	Corrected		Close of Day	
	By Quietus	By Quietus	Correction	Entries			
		371,158.74					
		74,186.28			74,186.28		
		(177,334.35)					
Other than Funds Ledger							
FUNDS LEDGER - CASH	51,503,753.46	-	268,010.67	-	-	410,119.13	51,355,645.00
	Balance		Investments			Invest Cashed	Balance
	Previous Day		Purchased (cost)			(Purchased Cost)	Close of Day
FUNDS LEDGER - INVESTMENTS	-		-				-
TOTAL CHARGES(Add Col 5, lines 43,65,69&72)	51,503,753.46						54,225,665.08

Bank Balance to Cashbook

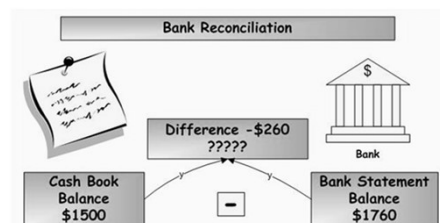
- Cash Book is your record balance.
- There will be timing differences
 - ▣ Deposits in transit
 - ▣ Outstanding checks
 - ▣ Credit cards
 - ▣ Interest/Bank charges
 - ▣ NSF checks



** You **must** be able support the amounts used in the reconciliation. All differences need to be identified or else you are not reconciled.

Bank Balance to Cashbook

- Different approaches to reconcile cash book to banks
 1. Reconcile each bank separately and summarize total adjusted bank balances, investments and cash agree to record balance
 2. Reconcile all deposits and investments from all banks on one reconciliation, add cash and compare total to record balance



Bank Balance to Cashbook

- Adjustments
 - Posting errors
 - Bank errors
 - Potential problems
 - Receipts don't match deposits
 - Disbursements don't match warrants
 - All unidentified variances need to be noted and investigated

Having Fun Yet?



Receipts and Deposits

- Cash Drawers should be counted and reconciled with applicable reports every day
- Daily Deposits REQUIRED for amounts over \$500

END GOAL

Collections = Receipts Posted = Deposit



Disbursements

- The Treasurer is the custodian of the county funds and should be reviewing each payment or series of payments to determine if there is sufficient money in the treasury to pay those claims.

YOUR NAME 123 YOUR STREET YOUR CITY, STATE, ZIP (123)456-7890	9-5678/1234	0301
PAY TO THE ORDER OF _____	\$ _____	_____ 20____
YOUR FINANCIAL INSTITUTION ANYTOWN, USA	_____ DOLLARS	<small>Security features included. Check on back.</small>
FOR _____	_____	MP
⑆ 23456780⑆ 030⑆ 234567⑆		

GATEWAY UPLOADS

□ Required to upload monthly

- Bank Reconciliation
- Cash Balance Report (Ledger)



□ Due Dates:

- January monthly files – March 15th
- February monthly files – April 15th
- March monthly files – May 15th
- April monthly files – June 15th
- May monthly files – July 15th
- June monthly files – August 15th
- July monthly files – September 15th
- August monthly files – October 15th
- September monthly files – November 15th
- October monthly files – December 15th
- November monthly files – January 15th
- December monthly files – February 15th

QUESTIONS?

