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WHEN?

- Daily:
 - Cashbook charges to Cashbook credits

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



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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

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RECONCILING COMPLIANCE

➤ 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.

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INTERNAL CONTROLS

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



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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

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CASHBOOK CHARGES & 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



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CASHBOOK CHARGES & 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

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FUNDS LEDGERS: TREASURER = AUDITOR

➤ 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.

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FUNDS LEDGERS: TREASURER = AUDITOR

➤ Funds ledger is part of the Cash Book

➤ Cash deposits

- Investments from general funds
- Investments from specific funds

NOTE: Receipts/disbursements shown on line 69 include investments cashed & investments purchased as shown on line 72. Entries on line 72 should include only those investments purchased from specific fund in the funds ledger	Balance Previous Day	Transferred From Accounts Above By Quietus	Today's Cash Receipted By Quietus	Fund Ledger Balance Correction	Auditor Corrected Entries	Disbursed	Balance Close of Day
			371,158.74				
Other than Funds Ledger							
FUNDS LEDGER - CASH	51,503,753.46	-	371,158.74	-	-	341,932.85	51,532,979.35
	Balance Previous Day		Investments Purchased (cost)			Invest Cash (Purchased Cost)	Balance Close of Day
FUNDS LEDGER - INVESTMENTS	-		-				-
TOTAL CHARGES(Add Col 5, lines 43,65,69&72)	51,503,753.46						54,402,999.43

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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.**

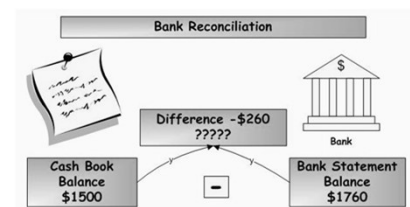
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BANK BALANCE TO CASHBOOK

- 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



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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



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OUTSTANDING CHECKS

➤ IC 5-11-10.5-2

- Outstanding unpaid warrants or checks are void after 2 years

➤ IC 5-11-10.5-3

- List in triplicate prepared for Board of Finance, Auditor, & Treasurer

➤ IC 5-11-10.5-4

- Content of list prepared in triplicate

➤ IC 5-11-10.5-5

- Procedure to use upon receipt of list

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GATEWAY

➤ Monthly:

- Bank Reconcilements
- Bank Statements
- Outstanding Check Lists
- Cash Balance Report (Form 47 – Treasurers Cashbook)
- Documentation of Reconciliation of Form 61's



➤ Annually:

- Year End Investment Statements

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MISCELLANEOUS

➤ Bank of New York (BNY)

- State Revolving Funds (SRF)
- Trust accounts for Debt Service and Construction
- Included on Treasurers Cash Book

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DEPARTMENTAL BANK ACCOUNTS

- Council would need to approve.
- Must work with Treasurer (approved depository).
- IC 5-13-6-1 daily deposits required
- Turning over **all** funds collected to the Treasury.
- No authority to purchase from these accounts.

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