


Reconciling & Bank Accounts

2023 Recorders Conference
Indiana State Board of Accounts

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Reconciling


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Indiana Code 5-13-6-1(e) states:

“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.”



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Cashbook

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Indiana Code

5-13-5-1


“Every public 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.”



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Form 3: Fee & Cashbook


A written or computerized record of **all** transactions (Receipts and Disbursements) the office has completed. These transactions are recorded at the moment they occur. A running balance should be available after each transaction and totals for receipts and disbursements should be calculated at the end of the month.



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Receipts & Disbursements


- Reconcile Collections to Receipts Posted Daily
 - Count Cash Drawers
 - Reconcile to Deposit Report
 - Account for Cash Change
 - Document and Cash Over / Short
- Make Daily Deposits
- Account for electronic payments (Debit, Credit, ACH)
- Post all Disbursements



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Bank Statement



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A report issued by the bank to the depositor documenting all the activity that occurred during a specified period of time. This statement provides a balance at both the beginning and end of the specified period


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Reconcile the Difference

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Bank Reconciliation Process:

- Trace all Deposits
- Trace all Checks
- Outstanding Check List


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Common Variances

- Interest Earned
- Deposits in transit
- Outstanding Checks
- Bank Fees
- Posting Errors
- Bank Errors
- NSF Check
- Credit / Debit Card payments

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<p>Ending <u>Bank</u> Balance</p> <ul style="list-style-type: none"> + Deposits in Transit + Credit /Debit Payment +/- Bank Errors - Outstanding Checks <p>Adjusted <u>Bank</u> Balance</p>	<p>Ending <u>Record</u> Balance</p> <ul style="list-style-type: none"> + Credit /Debit Payment +/- Interest Earned +/- Posting Errors - Bank Fees - NSF Checks <p>Adjusted <u>Record</u> Balance</p>
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If all variances are
identified, you are
RECONCILED!!!!



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Post
Variances


Ending Record Balance

- + Credit /Debit Payment
- +/- Interest Earned
- +/- Posting Errors
- Bank Fees
- NSF Checks

Adjusted Record Balance




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Reconciling Items

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Credit/
Debit
Payments


Post any credit / debit payments by issuing a receipt when notified of an electronic payment. This is for online payments and may be done throughout the month.

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Bank Interest and Fees

Post any:


- Interest earned by the bank
- Bank fees taken by the bank
- Bank fees can be netted against interest when posting however if bank fees are higher than interest, need a claim from General fund to make account whole.




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Insufficient Funds Checks

- Void the receipt (Notification by bank)
- Follow up with payers to collect fees owed
- Does the County have a policy of NSF checks and any additional fees



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Posting Errors

Correct any Posting Errors such as:


- Transposition Errors
- Double postings
- Transaction not posted
- Wrong information

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Report of Collections

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Report of Collections


- Used to transfer your collection to the County Treasury
- Fees are remitted to the County Treasurer monthly (by the 10th)
- Aggregates collections by fund and totals for month
- Quietus should match Report of Collections
- Support for Report of Collections is the Fee and Cashbook (Form 3)

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Bank Accounts


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Allowable Depositories

- IC 5-13-8-1 designates allowable depositories of public funds
- A list of approved depositories is located on the Treasurer of State's website
- County Board of Finance can designate approved depositories for your County

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Closing A Bank Account

- Current accounts will need to be kept open until outstanding checks have cleared/returned/over two years have passed since issue date
- The final bank statement from your current account will need to be retained for audit

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Need help?
Have a
question?

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Contact Us


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Questions?