



Reconciliation

Newly Elected Officer Training

Recorders

January 2021

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Why Do We Reconcile?

- 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 local officers, with the balance statements provided by the respective depositories.”

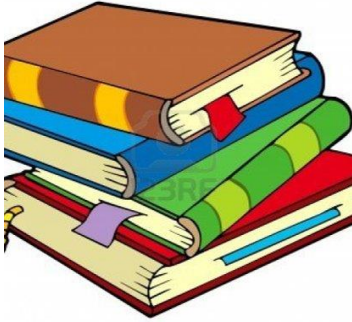


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Make one account consistent with another

Financial Records



Bank Statement



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Fee and Cash Book

Form Prescribed by State Board of Accounts

County (Book) Form No. 3
(Revised 1985)

RECORDER'S FEE AND CASH BOOK

Date Mo Day	Instrument Number	NAME	RECEIPTS						RECEIPTS		DISBURSEMENTS			
			Deeds and Other Conveyances	Surveyor's Corner Perpetuation	Mortgages and Other Lians	Releases And Assignments	Uniform Commercial Code	Copies of Instruments	Other Fees	Total	Date Mo Day	Check No.	Amount	
1		Brought Forward	279.00	30.00	315.00	92.00	113.50	31.50		158.00	1,028.00			
2	11 30 1234	John Doe	5.50	1.00							6.50			
3	11 30 1235	1st National Bank			7.00						7.00			
4	11 30	Mary Smith						9.00		1.00	10.00			
5	11 30 1236	1st National Bank				5.00					5.00			
6	11 30	John Jones						1.50		1.00	2.50			
7														
8	11 30	UCC						21.50			21.50			
9														
10		Total Today	5.50	1.00	7.00	5.00	21.50	10.50		2.00	52.50			
11														
12												11 30	152	1,080.50
13														



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Receipts and Disbursements

- Reconcile Collections to Receipt Posted daily
 - Count Cash drawers
 - Reconcile to Deposit report
 - Account for cash change
 - Document any cash over/short
- Make daily deposits
- Account for electronic payments (Debit, Credit, ACH)
- Post all Disbursements to Cash and Fee Book



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Compare Bank Statement to Records

- Trace all deposits shown on bank statement to deposit slips
- Trace all checks from the check register to the checks that have cleared the bank
- Keep a list of all checks that have not cleared the bank
- Look for any deposits or checks on the bank statement that don't tie to your records
 - Posting error on Recorder's records?
 - Bank error by bank?
 - Fraudulent activity in account?



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Common Variances

- Interest is added to bank account, but not posted on records
- Deposits made at the end of the month have not been credited by bank yet
- Checks that have been issued but not cleared the account
- Bank fees debited from bank account but not posted to records
 - 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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Other Variances

- NSF Check – receipt posted to record but not credited to bank account
- Credit Card/Debit card payments for fees that are receipted but not credited to the bank account
- Posting errors on the Recorder's Financial Records
- Bank Errors



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Comparison of Bank to Records

Adjusted Bank Balance

- Balance per bank statement adjusted for all of the variances determined during the reconciliation.
- Note: If all variances are identified you are reconciled.

Record Balance

- Balance per Recorders Cash and Fee Book
- Any posting errors should be corrected.



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Record Balance

- Cash and Fee Book should show
 - All receipts
 - Collections by cash or
 - Credit card
 - All Disbursements
 - Remittance to County Treasury
 - Refunds
 - Balance remaining on the books.



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Debit and Credit Charges

- Issue a receipt when you run the debit or credit card
- Issue a receipt when you are notified of an electronic payment
- No deposit will be made for these funds so the days deposit slip will not agree with the receipts issued (reconciling item-credit/debit charges)
- All receipts are included on the Report of Collections, however, until the electronic payments are credited to the bank, do not include them on the report of collections



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Insufficient Fund Checks

- Void the receipt as soon as the bank notifies you the check is not good
- Follow up with payers of NSF checks to collect fees owed
- Find out if your County has a policy of NSF checks and any additional fees
- This remains a reconciling item until the receipt is voided or the replacement payment is received.
- Do not post the payment twice.



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Prepays

- Control Ledger
 - Total Balance of all prepayments received
- Subsidiary Ledger
 - Individual accounts for each individual/entity that has prepaid
- Reconcile
 - Control to Subsidiary Ledger
 - Control to bank



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Audit Expectations

- Collections are remitted properly and timely
- Bank Reconcilements are current and complete (monthly)
- Receipts are posted properly
- Fees are charged properly
- Record Retention for Audit



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Remote Audits

- Communication through phone, email and video chats
- Use of Gateway
 - Monthly Uploads
 - Direct Requests
- Please acknowledge any requests that you receive from audit team
- Provide a time frame for when you will be able to provide the additional information
- May receive questionnaires to complete on Internal Controls



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Questions, Problems, Issues

- Call us
 - Lori Rogers or Ricci Hofherr at (317) 232-2512
- Email us
 - Counties@sboa.in.gov



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Questions

If you ever have a reconciling question, call us!!



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BANK RECONCILIATION AS OF MARCH 31, 2021

	<u>Account Number</u>	<u>Balance As Of 31-Mar</u>
Per Bank Statement:		
Designated Depository	XXXX-XXX-XX	\$ 68,030.00
Unposted Bank Interest		10.00
Deposits In Transit		166.00
Outstanding Checks		100.00
Bank Service Charge:		25.00
Other:		
NSF Check #18976		100.00
3/31 Credit card receipts		50.00
Adjusted Bank Balance		<u>68,161.00</u>

<u>Cash Fund Balances Included In Account</u>		
<u>Fund</u>		<u>Amount</u>
Recorder's Trust		68,161.00
Fees Collected	61,261.00	
Prepaid Accounts	6,900.00	
Total		<u>68,161.00</u>
Variance		<u>\$ -</u>

<u>Outstanding Checks As Of March 31</u>	
<u>Check No.</u>	<u>Amount</u>
123	\$ 100.00
Total	<u>\$ 100.00</u>

<u>Deposits In Transit As Of March 31</u>	
<u>Rec No/Dep Date</u>	<u>Amount</u>
31-Mar	\$ 166.00
Total	<u>\$ 166.00</u>