

Cashbook & Reconciling

2024 Annual Treasurers Conference

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Treasurers Cash Book


IC 5-13-5-1 states:

“(a) Every public officer who receives or distributes public funds shall:

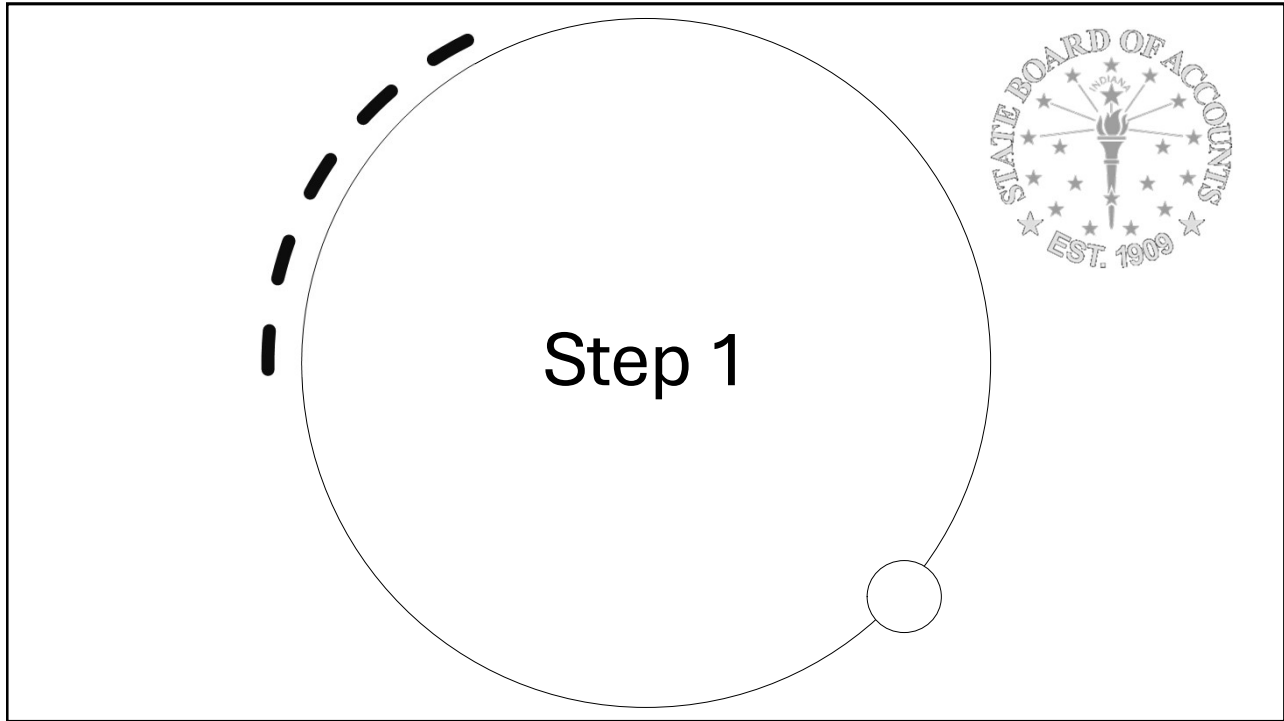
- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day.

(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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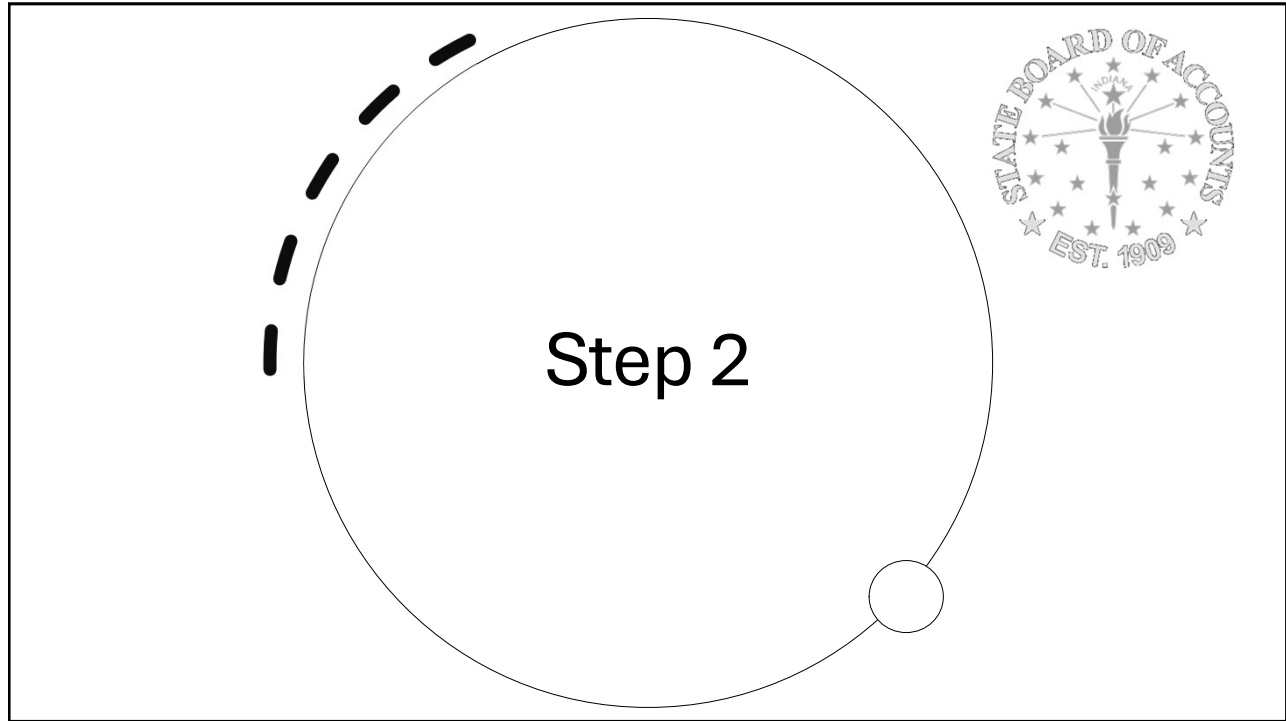
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Step 1: Form 61 Auditor & Treasurer

- Both Auditor and Treasurer prepare a monthly report and funds ledgers need to be reconciled between the two offices.
 - Form 61
- If the Treasurer's cash book and funds ledger don't reconcile to the Auditor's this could result not only in a finding in the audit report but a modified opinion on the financial statements.

A circular logo for the State Board of Accounts, featuring a torch and the text "STATE BOARD OF ACCOUNTANTS" and "EST. 1909".

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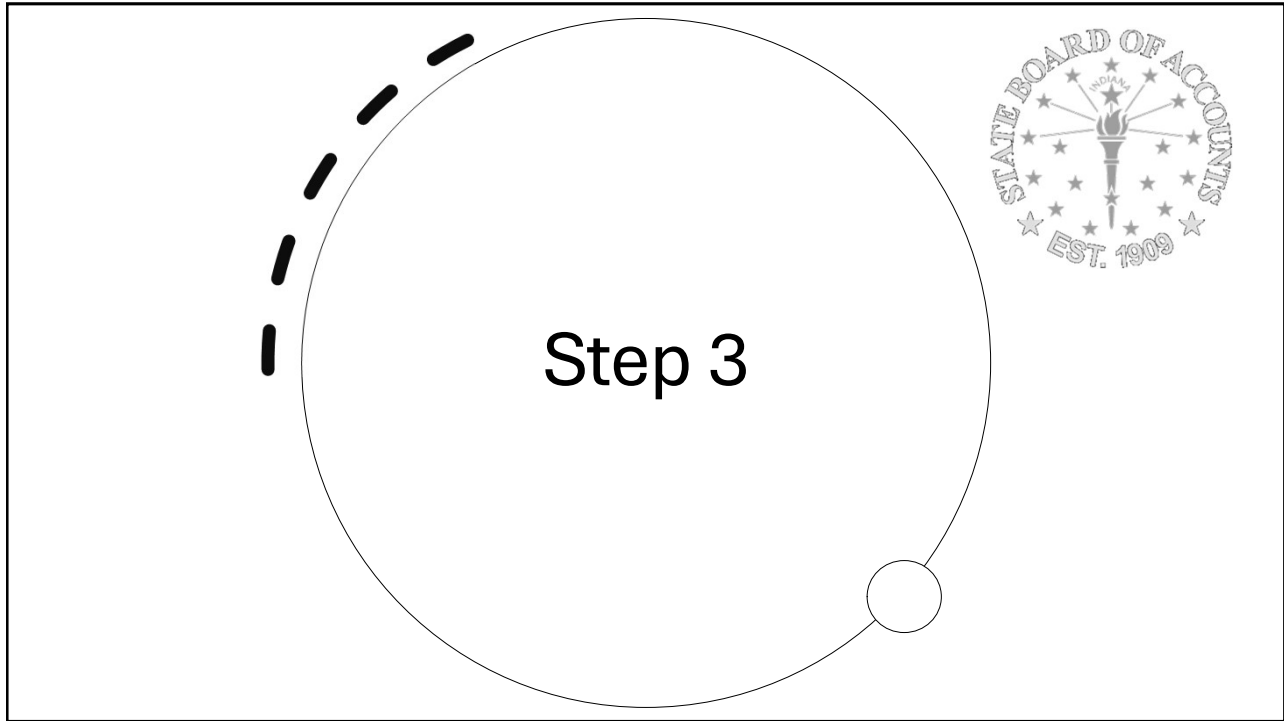


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Step 2: Reconciled Form 61 to Funds Ledger Line (on Cashbook)

- The Treasurer reconciles the bank balances to the fund ledger for the county.
- Funds ledger is part of the Cash Book
 - Cash deposits
 - Investments from general funds
 - Investments from specific funds

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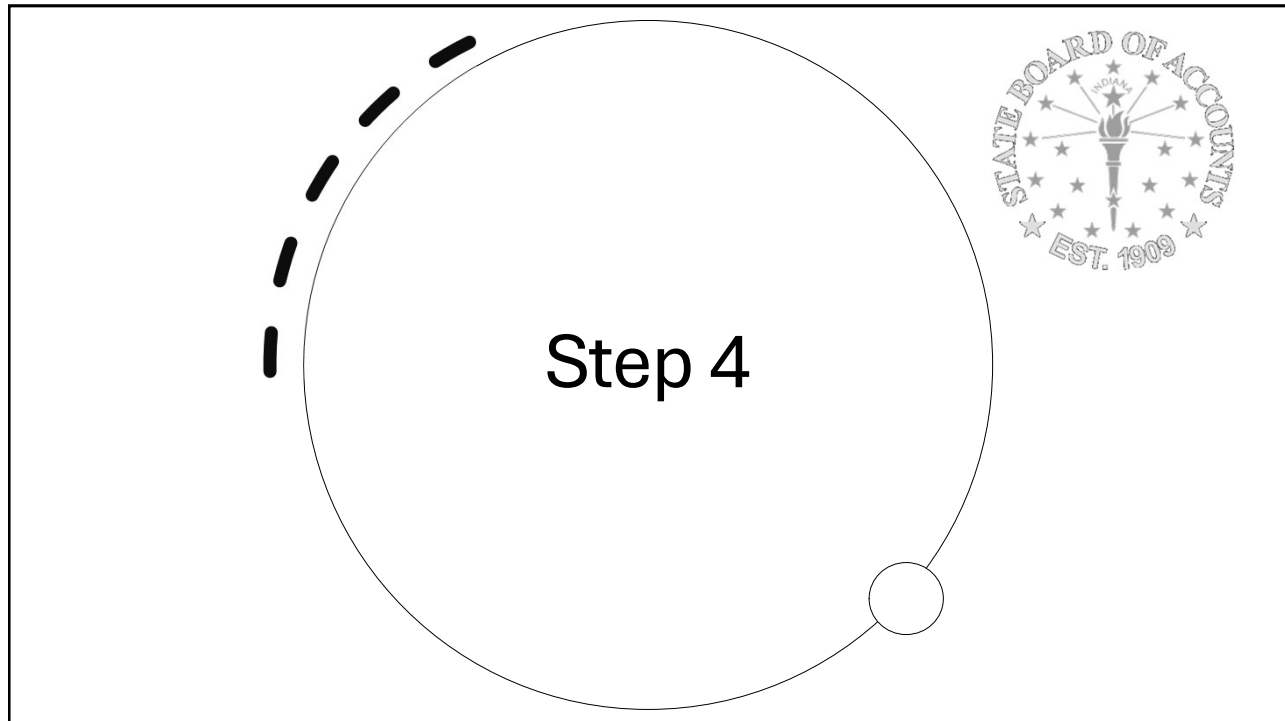


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Step 3: Cashbook Reconciliation (Left to Right)

<ul style="list-style-type: none">• Left side contains all of the charges<ul style="list-style-type: none">• Tax collections – not quietused	<ul style="list-style-type: none">• Right side contains all of the credits<ul style="list-style-type: none">• Deposits• Investments<ul style="list-style-type: none">• Specific fund should be on investment ledger• Investment of all funds (taxes) would be on funds ledger
<ul style="list-style-type: none">• Other sources – not quietused	
<ul style="list-style-type: none">• Funds ledger	
	<ul style="list-style-type: none">• Cash on hand

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Step 4: Reconcile Bank Statements to Records

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

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Bank Balance to Cashbook


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



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Things to Remember




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Common Variances

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




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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
- Note: if all variances have been identified you are reconciled



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Questions?

State Board of Accounts

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