

State Board of Accounts

Reconciling & CashBook

2025 Treasurers Conference



1



PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

2

IC 5-13-5-1 states in part:

“(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.”



3

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.”



4

Accounting and Uniform Compliance Guidelines – Chapter 1

Condition of Records

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.



5

SBOA

Segregation of Duties

IC 36-2-10-9 states:

“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 states in part:

“The auditor shall keep an accurate account current with the county treasurer.”



6

CashBook Charges and 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



9

Funds Ledgers

- ☐ Both Auditor and Treasurer maintain separate Ledgers per IC 36-2-10-15.
- ☐ Both Auditor and Treasurer prepare a monthly report
- ☐ Monthly Reports should be reconciled between the two offices (Form 61)



10

Funds Ledger to CashBook

- ☐ 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



11

CashBook – Charges to Credits

NOTE: Receipts and disbursements shown on line 69 include investments cashed and 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		Disbursed	Balance Close of Day
	0.00	0.00	0.00	0.00	0.00	0.00
FUNDS LEDGER - CASH						
	Balance Previous Day		Investments Purchased (cost)		Investments Cashed (Purchased Cost)	Balance Close of Day
FUNDS LEDGER - INVESTMENTS	0.00	XXXXXXXXXX	0.00		0.00	0.00
TOTAL CHARGES(Add Col 5, lines 43,65,69&72)		XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX	0.00

TOTAL CASH - CLOSING			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.00
ANALYSIS OF CASH LONG AND SHORT:	EXPLANATION:		XXXXXXXXXX	XXXXXXXXXX		0.00
Net Cash Short Prior (Add)				XXXXXXXXXX	XXXXXXXXXX	0.00
Cash Short today (Add)			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.00
Net Cash Long - Prior (Deduct)				XXXXXXXXXX	XXXXXXXXXX	0.00
Cash Long Today (Deduct)			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.00
Net Cash Short (Add) or Long (Deduct)			XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.00
TOTALS - CASH PROOF			0.00	0.00	0.00	0.00
TOTAL CREDITS (Add Col 12 lines 43 & 71)						0.00

Agree



12

CashBook to Bank

☐ 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.*



13

Formats

☐ 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



14

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



15

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



16

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.



17

Contact Us:

Government Technical Assistance and
Compliance Directors for Counties



Ricci Hoffherr, CPA
Staci Byrns, CFE

(317)232-2512

Counties@sboa.in.gov

18