

# Reconciling

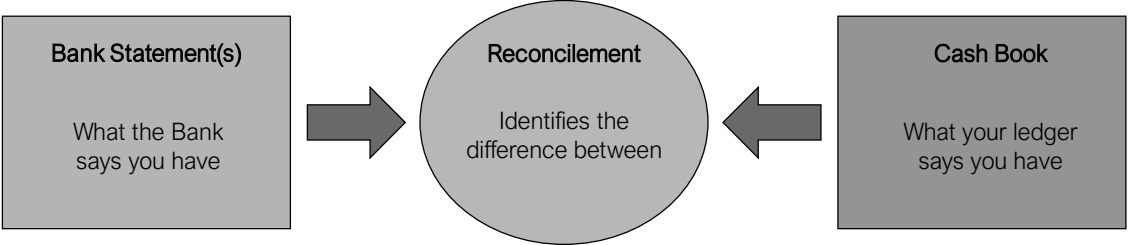
2024 Clerks Annual Conference




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## What is Reconciling?



```
graph LR; A[Bank Statement(s)  
What the Bank says you have] --> B((Reconciliation  
Identifies the difference between)); C[Cash Book  
What your ledger says you have] --> B
```

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## Bank Statements

- ✓ Trust Bank Account
- ✓ CD investment
- ✓ Money Market Account
- ✓ Any other account holding money



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## Cash Book

- ✓ Trust total = Subsidiary Detail
- ✓ Odyssey - Daily Cash Balance Report
- ✓ Report of investments not included in trust



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## Interest and Bank 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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## Interest

- ✓ Remit interest on the Report of Collections every month
- ✓ This would not include interest through court ordered investments
- ✓ Interest should be receipted into General Fund unless Board of Finance has approved alternative



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## Identify Variances

Interest  
Earned

Deposits  
in Transit

Outstanding  
Checks


Bank  
Fees

Posting  
Errors

Bank  
Errors

NSF  
Checks

Credit/  
Debit  
Payments



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- ✓ **Interest Earned** on checking, savings, investment accounts.
- ✓ **Deposits in Transit**, deposits that have not yet cleared the bank at the time of reconciling.
- ✓ **Outstanding Checks**, checks that have not yet cleared the bank at the time of reconciling.
- ✓ **Bank Fees**, fees from your bank for overdraft, NSF check processing, etc...
- ✓ **Posting Error**, transposition errors, double postings, transaction not posted, wrong information, etc.
- ✓ **Bank Errors**, such as the wrong amount posted to bank, posted to the incorrect fund, etc...
- ✓ **NSF Check**, a check written with insufficient funds you should void the receipt of the check, notify your bank. Follow up with the payers to collect fees owed. Consider if your County has a policy on NSF checks and any additional fees.
- ✓ **Credit/Debit Card 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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## Takeaways

- ✓ Reconcile Bank to Ledger
- ✓ Understand the process
- ✓ Reconcile each account separately first and then combine
- ✓ Reconcile before submitting Report of Collections



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## Contact Us



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