



CSI: Corroborate, Substantiate, Investigate
Reconciling Cash with the County

Presented by

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Why?

- It is required by USFR.
- The business office is responsible for ensuring the district financial records are accurate and that its assets are adequately safeguarded.
- Cash reconciliations are a check on the accounting system that help ensure all revenues and expenditures have been properly recorded in the correct fund.
- It is a critical step to assist in the detection of fraud and other such problems.

When?

- The most critical step is to perform the reconciliation each month.
- Reconciliations are not difficult to do, but they quickly can become real challenges if they are not done for several months.

How?

- Reconciling cash with the treasurer is conceptually the same as reconciling your checkbook at home, but there are a few differences – a lot more transactions, more checkbooks and you are much more familiar with what is going in and out of your checkbook.
- What does the general ledger have that the treasurer doesn't and what does the treasurer have that the general ledger does not? Those are the two questions to be answered.

Components

- Treasurer cash balance less outstanding warrants plus deposits in transit equals general ledger cash balance.
- Simple right? Nothing to it.
- If only there was just one fund.

It Does Not Reconcile – Now What?

- Does the general ledger have all of the revenues the treasurer has?
- Have the revenues been posted to the correct fund in the general ledger?
- Has the treasurer posted revenues to the correct fund?
- Have all vouchers posted to the general ledger been recorded in the treasurer's records? i.e., is the outstanding warrants list complete?

Journal Entries

- Have all district journal entries been posted by the treasurer? Journal entries “in-transit” will be reconciling items.
- Did the county school office post journal entries make entries to treasurer records without telling the district?
- Did the treasurer/district post the journal entry to the correct fund?

Documentation

- Reconciliations should be clearly documented so they may be tested and understood by auditors.
- All adjustments determined from the reconciliation should be made promptly.

Helpful Hints Checking Expenditures

- Vouchers can be posted twice.
- Interest on registered warrants posted by the county not on vouchers.
- Returned checks.
- Settlements. i.e. Qwest, cash sweeps by the state.

Helpful Hints Checking Revenues

- Remember state aid accruals will be a source of differences if district accrued late state aid to the proper fiscal year on the general ledger.
- Interest revenues.
- Try to time deposits so you know they will be booked by the treasurer in the same month they are booked in the GL.

Tools

- If the financial package has a reconciling tool that works for you, use it.

Set up a spreadsheet

- Tab for each month.
- Descriptors down the side and funds going across – descriptors tend to be the same from month to month.
- A column for each fund in each tab.

Cash hasn't been reconciled for months – what do I do?

- Do the reconciliation for the current month - if it reconciles all is well – highly unlikely it will reconcile - all accounting systems have errors.
- The steps are the same, except you need to know when the last time cash was reconciled.
- Use treasurer reports with year-to-date totals if possible.
- Get treasurer data in an electronic format that can be manipulated to easily obtain year-to-date totals by category.

Cash hasn't been reconciled for months – what do I do?

- If year-to-date state aid totals do not agree check which one ties to the APOR 64-1 and adjust – it is unlikely the Treasurer missed it and more than likely the district missed it – watch our for late state aid accruals.
- Property tax collections should tie to treasurer totals.

Cash hasn't been reconciled for months – what do I do?

- Journal entries is often time where differences can be found.
- If it wasn't in this century...pick a starting point.

Top Ten Reconciling Items That Will Get You

1. Reversed the payroll check, but forgot that check for child support has already gone out the door.
2. District prepared journal entries at month end.
3. Prior month's treasurer transfers not yet posted. Don't duplicate!
4. Warehouse inventory posting.
5. Stale/void warrants.
6. Differences in Treasurer deposits made by district.
7. Apportionments/ADE disbursements not in district g/l.
8. Payroll/Accounts payable vouchers posted twice!
9. TANS principle/interest.
10. Interest earnings/registered warrants.

In Conclusion

- Perform reconciliations MONTHLY!
- Clean up reconciling items MONTHLY!
- Don't take the County's reconciliation and consider yourself reconciled.
- Ask for help!
 - Colleagues
 - County School Office

QUESTIONS??

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