


Reconciliation

Newly Elected Officer Training
Clerk of the Circuit Court
January 2021

1

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.”

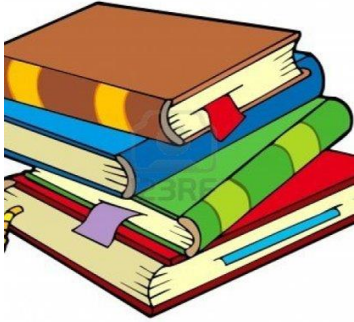


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2

Make one account consistent with another

Financial Records



Bank Statement



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3

Clerk's Cash Book of Receipts and Disbursements

CLERK'S CASH BOOK OF RECEIPTS AND DISBURSEMENTS

Form Prescribed by State Board of Accounts

Date 19	Clerk's Receipt or Check	Records	Cause	From Whom Received or To Whom Paid	On What Account	Total Cash Received	RECEIPTS	
							Kind	No.
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								



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4

Clerk's Cash Book of Receipts and Disbursements

Form No. 27A (Rev. 1993)

DISBURSEMENTS							
Total Disbursements	Fees Paid to State	Fees Paid to County	Fees Paid to City or Town	Support	Garnishments	Trust Funds	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13



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5

Clerk's Cash Book and Daily Balance Record

Form Prescribed by State Board of Accounts County Form 46 (Rev. 1993)

CLERK'S CASH BOOK AND DAILY BALANCE RECORD				
Date of Balance _____, 19__				
	BEGINNING BALANCE	RECEIPTS DURING THE DAY	DISBURSEMENTS FOR THE DAY	ENDING BALANCE
Payable to State:				
Court Costs				
State User Fees				
Family Violence Fees				
Highway Work Zone Fees				
Payable to County:				
Court Costs				
Fines and Forfeitures				
Infraction Judgments				
Support Fees				
Marriage Licenses - County Share				
Administrative Fees				
Document Fees				
Miscellaneous Fees				
Late Surrender Fees				
Interest on Investments				
Vehicle License (Add Ex. Judg.)				
Overweight Vehicle Fines				
County User Fees				
Supplemental Public Defender Services Fees				
Special Death Benefit Fees				
GAL/CASA Fees				
Clerk's Record Perpetuation Fund				
Payable to Cities or Towns:				
City Fines				
Town Fines				
Support				
Garnishments				
Trust Funds				
TOTALS				



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6

Clerk's Cash Book and Daily Balance Record

DAILY CASH RECONCILEMENT				
NAME OF DEPOSITORY	DEPOSITORY BALANCE AT BEGINNING OF DAY	DEPOSITS DURING THE DAY	CHECKS ISSUED DURING DAY	DEPOSITORY BALANCE AT CLOSE OF DAY
Bank				
Bank				
Bank				
Bank				
Bank				
Bank				
Investments				
Totals				
Add Cash on Hand at End of Day				
Plus Cash Short or Minus Cash Long				
Total Cash Balance				



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7

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 Book



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8

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 Clerk's financial records?
 - Bank error by bank?
 - Fraudulent activity in account?



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9

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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10

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 Clerk's Financial Records
- Bank Errors



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11

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 Clerk's Cash Book
- Any posting errors should be corrected.



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12

Record Balance

- Cash Book should show
 - All receipts
 - Collections by cash or
 - Credit card
 - All Disbursements
 - Remittance to State
 - Remittance to County Treasury
 - Payments from Trust
 - Balance remaining on the books.



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13

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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14

Insufficient Fund Checks

- Void the receipt as soon as the bank notifies you the check is not good and repost the charges
- Follow up with payers of NSF checks to collect fees owed
- Refer all dishonored checks to Prosecutor within 90 days. IC 36-1-8-13
- 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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15

Trust Ledger

- Control Ledger Cash Book
 - Total Balance of all prepayments received
- Subsidiary Ledger Trust Ledger
 - Individual accounts for each item of trust collected
- Reconcile
 - Control to Subsidiary Ledger
 - Control to bank



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16

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
- Monthly and Annual Uploads have been completed



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17

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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18

Questions, Problems, Issues

- Don't hesitate to call us. We can't reconcile for you, but we can help you work through any issues.
 - Lori Rogers or Ricci Hofherr at (317) 232-2512
- Or email us and send us a copy of what you are working on
 - Counties@sboa.in.gov



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19

Questions

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



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20

BANK RECONCILIATION AS OF MARCH 31, 2021

	Account Number	Balance As Of 31-Mar
Per Bank Statement:		
Designated Depository 1	XXXX-XXX-XX	\$ 6,049,471.00
Designated Depository 2	YYYY-YYY-YY	39,274.00
Investments	Portfolio 123	615,052.00
		6,703,797.00
Unposted Bank Interest		7,413.00
Deposits In Transit		92,882.00
Outstanding Checks		1,079,513.00
Bank Service Charge:		1,585.00
Other:		
NSF Check #18976		185.00
3/31 Credit card receipts		87.00
Adjusted Bank Balance		<u>5,711,436.00</u>

Cash Fund Balances Included In Account		
Fund		Amount
Clerk's Trust		
Trust Fund	5,674,103.00	
Child Support	37,333.00	
Total		<u>5,711,436.00</u>
Variance		<u>\$ -</u>

Outstanding Checks As Of March 31		Deposits In Transit
Check No.	Amount	Rec No/Dep Date
Per list	\$ 6,505.00	See list
Per list	1,073,008.00	
Total	<u>\$ 1,079,513.00</u>	Total

As Of March 31
Amount
\$ 92,882.00

\$ 92,882.00