

POLICY: **Account Reconciliation**

#860

EFFECTIVE DATE: **08/05/21**

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POLICY

It is the policy of the District to maintain appropriate controls over bank depository and charge accounts and to complete monthly reconciliations of bank account statements in conformity with sound accounting and financial controls.

PURPOSE

This Policy is designed to ensure that bank depository and charge account transactions are bona fide in the District's financial statements. This Policy is also designed to ensure errors are identified in a timely manner.

SCOPE

This Policy applies to all bank depository accounts of the District, e.g., General Fund.

DEFINITIONS

Charge account—purchases made on credit to an account held by an issuing organization such as a bank, local merchant, or fleet fuel company, where the full balance must be paid each month.

Bank depository account—an account held by a financial institution such as a traditional bank or PayPal.

CONFLICTS OF INTEREST

For purposes of this Policy, if the District President and the Treasurer are the same individual, then the District Vice President shall fulfill the District President's responsibilities.

RESPONSIBILITY

It is the responsibility of the **District Treasurer** and **District President** (or Vice President) to comply with this Policy.

PRACTICES

The **Treasurer** shall cause monthly bank statements for each bank depository and charge account to be made available or mailed to the District's address every month.

The **Treasurer** shall immediately open mailed bank depository and charge account statements and begin reconciliation without delay.

The **Treasurer** shall reconcile each bank depository and charge account statement by the tenth (10th) day of each month (the accounting software automatically includes the reconciliation date on the reports). Items that appear on a bank depository and charge account statement, e.g. service charge, check printing, interest earned, discounts, etc., but have not yet been entered, must be entered prior to reconciliation. No additional source documentation is necessary beyond the bank depository and charge account statement.

During reconciliation, the **Treasurer** shall identify stale, outstanding checks, and transactions. The Treasurer shall follow the escheats law (RSMo §447) and regulations to ultimately transfer unresolved stale, outstanding checks to the Missouri State Treasurer as unclaimed property.

After reconciliation, the **Treasurer** shall distribute and post to the District's internet website, each bank depository and charge account statement and summary and detailed reconciliation report. Before distribution and posting of each bank depository and charge account statement, the **Treasurer** should redact the following information:

- Bank depository account and routing numbers
- Charge account numbers
- Personally identifiable information such as home addresses; telephone numbers; driver's license or social security numbers; and thumb prints
- Merchant account numbers
- Any other information that could be used to perpetrate theft, fraud, or forgery

The **Treasurer** shall file each original bank depository and charge account statement and summary and detailed reconciliation report for audit.

To ensure that all the checks are present in the accounting software, the **Treasurer** shall periodically prepare a missing check register report that will be filed for audit.

The **District President** shall verify bank depository and charge account reconciliations by reviewing the canceled checks and charges for the following:

- The presence of only authorized signatures on the checks, charges, or withdrawals
- The presence of checks, charges, or withdrawals within the spending and payment thresholds
- If canceled checks are returned to the District, the absence of fraudulent alterations to the check or withdrawal
- The presence of bank depository and charge account statements and the accounting software summary and detailed reconciliation reports and the absence of fraudulent alterations to the statements and reports

- The “cleared balance” or equivalent on the accounting software summary and detailed reconciliation reports matches the “Current Balance as of
- Statement Date” or equivalent on the bank depository and charge account statements.

If a discrepancy is found during verification, the **District President** shall immediately bring the discrepancy to the attention of the Treasurer for an explanation. If the Treasurer cannot satisfactorily explain the discrepancy, the **District President** shall seek the advice of the District’s Auditor and if necessary, the District’s Attorney.

To document verification of bank depository and charge account reconciliation, the **District President** shall complete ***Account Reconciliation Verification Form #860-1*** and file the form for audit.

Because the District President verifies bank depository and charge account reconciliations, the District President should not be involved in the disbursement process whenever possible.

RELATED POLICIES

Disbursements 836
Charge Accounts 842

STATUTORY REFERENCE

RSMo §447 Lost and Unclaimed Property

REVISION HISTORY

Revision Date	Author	Revision Details
August 5, 2021	Monte Olsen	Initial version