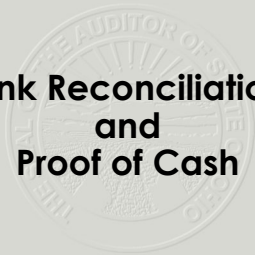


OHIO AUDITOR OF STATE
KEITH FABER



Bank Reconciliations and Proof of Cash

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Bank Reconciliations

A monthly report used to check and explain the differences between the cash balance in the accounting system and the bank statement balances

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Bank Reconciliations (cont'd)

Gather Documents

- Bank Account Statements
- Investment Account Statements
- Fund Balance Report
- Revenue Journal
- Deposit Slips
- Check Register
- Outstanding Check List

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Bank Reconciliations (cont'd)

Elements

Book Balance

Reconciling Items

Bank Balance(s)

Variance

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Bank Reconciliations (cont'd)

Additional Items to Review

Memo Receipts/Expenditures

Electronic Fund Transfers

Interest





Transfers/Advances

Bank Fees

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Bank Reconciliations (cont'd)

Generic Township Bank Reconciliation 12/31/2018		Generic Township Bank Reconciliation 12/31/2018																																																	
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Proof of Cash

A roll forward of each line item in a bank reconciliation from one period to the next

- Identify discrepancies in payments and receipts recorded in the system
- Identify errors that cause the book and bank balances not to reconcile on the monthly bank reconciliation
- Also used to assist in identifying fraud

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Proof of Cash (cont'd)

Identify the period that the proof of cash will cover

- Will depend on the length of time that errors or unidentified reconciling items have appeared on the bank reconciliation
- The period could cover one month or many years

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Proof of Cash (cont'd)

Gather Documents

- All Bank Statements
- Fund Balance Report
- Revenue Journal
- Check Register
- Cash Journal
- Transfer/Advance Report
- Outstanding Check List

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Proof of Cash (cont'd)

Prepare a spreadsheet

- ✓ One detailed tab for each month in the period
- ✓ Work one month at a time
- ✓ One summary tab with all identified adjustments from all months in period
- ✓ Do not make any adjustments until fully finished with the Proof of Cash (all months in the period are complete)

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Proof of Cash (cont'd)

Common Issues


- Deposits in transit clear in the next month
- Payments automatically withdrawn from the bank account
- Returned checks
- Auditor and Treasurer Fees
- Fund Transfers
- Bank Transfers
- Corrections posted for outstanding reconciling items
- Bank statement dates are mid-month

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Proof of Cash (cont'd)

Generic Township
Proof of Cash
December 31, 2018

	Balance 12/31/2018	December Receipts	December Payments	Balance 12/31/2018
Balance per Books - used cash journal	71,520.00	95,308.00	(93,502.00)	73,326.00
January 2018 - Payment not posted, OPERS	(1,359.16)			(1,359.16)
March 2018 - Deposit not posted, gas tax	2,006.00			2,006.00
November 2018 - CD Interest not posted	291.16			291.16
Adjusted Book Balances	72,458.00	95,308.00	(93,502.00)	74,264.00
Any National Bank # 4321	47,660.00	93,553.00	(93,102.00)	48,111.00
CD #1234	24,798.00			24,798.00
outstanding checks			(400.00)	(400.00)
Deposits in Transit		1,755.00		1,755.00
Adjusted Bank Balances	72,458.00	95,308.00	(93,502.00)	74,264.00
 Check Figures	0.00	0.00	0.00	0.00

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