

Village of LGS				
Reconciliation of Cash Receipts and Cash Disbursements	Sample 1 - Completed Month			
For the Month of September 2019				
	B	C	D	= + B + C - D
	Balance 9/1/19	September Receipts	September Payments	Balance 9/30/19
Balance per Books - Cash Summary by Fund	616,412.18	175,209.83	274,809.00	516,813.01
Fund transfers	0.00	(10,000.00)	(10,000.00)	0.00
June 2019				
Interest not posted XYZ Bank savings	2.59			2.59
Deposit Overposted	(0.02)			(0.02)
Deposit not posted	2,318.45	(2,318.45)		0.00
Bank service charges not posted (main account)	(254.92)			(254.92)
Bank transfer recorded as expenditure	(5,000.00)			(5,000.00)
Credit card processing fees not posted	(569.15)			(569.15)
Check #91051 written for 192.45 cleared bank for \$195.45	(3.00)			(3.00)
Voided cleared check #89512 in system	1,137.29			1,137.29
July 2019				0.00
Interest not posted XYZ Bank savings	3.64			3.64
Deposit posted, not on bank (didn't clear in August)	(4,502.18)			(4,502.18)
Bank service charges not posted (main account)	(321.08)			(321.08)
Insuraco electronic withdrawal not posted (insurance premiums)	(15,713.08)			(15,713.08)
Credit card processing fees not posted	(652.84)			(652.84)
August 2019				
Interest not posted XYZ Bank savings	2.91			2.91
Bank service charges not posted (main account)	(213.64)			(213.64)
Insuraco electronic withdrawal more than posted	(900.00)			(900.00)
Fees not posted for RITA receipt posted at gross	(1,597.59)			(1,597.59)
Credit card processing fees not posted	(507.49)			(507.49)
September 2019				
Interest not posted XYZ Bank savings	0.00	3.62		3.62
Deposit not posted (quarterly business income tax)	0.00	1,549.86		1,549.86
Bank service charges not posted (main account)	0.00		192.55	(192.55)
Memo check 91238 is duplicate of 91221	0.00		(459.87)	459.87
Deposit item returned	0.00		197.34	(197.34)
Credit card processing fees not posted	0.00		878.31	(878.31)
Bank transfer posted as memo check 91240	0.00		(36,621.31)	36,621.31
"Auditor and Treasurer" fees on RITA deposits	0.00	(347.37)	(347.37)	0.00
Adjusted Book Balances	589,642.07	164,097.49	228,648.65	525,090.91
Balance per Bank				
First Bank of ABC (Main Checking)	500,356.54	199,152.87	228,605.75	470,903.66
First Bank of ABC (Payroll)	127.95	39,725.18	39,725.18	127.95
XYZ Bank (Savings)	95,018.84	3.62	36,621.31	58,401.15
Bank Transfers	0.00	(76,346.49)	(76,346.49)	0.00
Outstanding Checks:				
August 2019	(5,861.26)		(5,861.26)	0.00
September 2019	0.00		5,904.16	(5,904.16)
Deposits in Transit				
August 2019	0.00	0.00	0.00	0.00
September 2019	0.00	1,562.31	0.00	1,562.31
Adjusted Bank Balances	589,642.07	164,097.49	228,648.65	525,090.91
Check Figures	0.00	0.00	0.00	0.00
				0.00

Outstanding Checks List		
	Check #	Amount
May-18	89745	170.00
Dec-18	90817	130.80
Jan-19	90845	19.01
Mar-19	90997	269.40
Mar-19	90998	440.00
Apr-19	91015	240.00
May-19	91042	29.00
Jun-19	91068	48.67
Aug-19	92049	139.00
Aug-19	92050	59.94
Aug-19	92055	65.00
Aug-19	92056	400.00
Sep-19	92102	1,191.00
Sep-19	92104	103.68
Sep-19	92107	664.85
Sep-19	92111	257.00
Sep-19	92112	908.87
Sep-19	92114	10.40
Sep-19	92115	150.00
Sep-19	92116	356.00
Sep-19	92117	251.54
		5,904.16

Village of LGS				
Reconciliation of Cash Receipts and Cash Disbursements				
For the Month of September 2019				
	B	C	D	= + B + C - D
	Balance	September	September	Balance
	9/1/19	Receipts	Payments	9/30/19
Balance per Books - Cash Summary by Fund	616,412.18	175,209.83	274,809.00	516,813.01
Fund transfers	0.00	(10,000.00)	(10,000.00)	0.00
June 2019				
Interest not posted XYZ Bank savings	2.59			2.59
Deposit Overposted	(0.02)			(0.02)
Deposit not posted	2,318.45	(2,318.45)		0.00
Bank service charges not posted (main account)	(254.92)			(254.92)
Bank 1	(5,000.00)			(5,000.00)
Credit	(569.15)			(569.15)
Check	(3.00)			(3.00)
Voided	1,137.29			1,137.29
July 2019				
Interest	3.64			3.64
Deposits	(4,502.18)			(4,502.18)
Bank service charges not posted (main account)	(321.08)			(321.08)
Insuraco electronic withdrawal not posted (insurance premiums)	(15,713.08)			(15,713.08)
Credit card processing fees not posted	(652.84)			(652.84)
August 2019				
Interest not posted XYZ Bank savings	2.91			2.91
Bank service charges not posted (main account)	(213.64)			(213.64)
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Fees not posted for RITA receipt posted at gross	(1,597.59)			(1,597.59)
Credit card processing fees not posted	(507.49)			(507.49)
September 2019				
Interest not posted XYZ Bank savings	0.00	3.62		3.62
Deposit not posted (quarterly business income tax)	0.00	1,549.86		1,549.86
Bank service charges not posted (main account)	0.00		192.55	(192.55)
Memo check 91238 is duplicate of 91221	0.00		(459.87)	459.87
Deposit item returned	0.00		197.34	(197.34)
Credit card processing fees not posted	0.00		878.31	(878.31)
Bank transfer posted as memo check 91240	0.00		(36,621.31)	36,621.31
"Auditor and Treasurer" fees on RITA deposits	0.00	(347.37)	(347.37)	0.00
Adjusted Book Balances	589,642.07	164,097.49	228,648.65	525,090.91
Balance per Bank				
First Bank of ABC (Main Checking)	500,356.54	199,152.87	228,605.75	470,903.66
First Bank of ABC (Payroll)	127.95	39,725.18	39,725.18	127.95
XYZ Bank (Savings)	95,018.84	3.62	36,621.31	58,401.15
Bank Transfers	0.00	(76,346.49)	(76,346.49)	0.00
Outstanding Checks:				
August 2019	(5,861.26)		(5,861.26)	0.00
September 2019	0.00		5,904.16	(5,904.16)
Deposits in Transit				
August 2019	0.00	0.00	0.00	0.00
September 2019	0.00	1,562.31	0.00	1,562.31
Adjusted Book Balances	589,642.07	164,097.49	228,648.65	525,090.91
Check Figures	0.00	0.00	0.00	0.00

Sample 2 - Completed month (with notes)

Balance per books line matches cash summary by fund/cash position report

In June, this deposit was on the bank statement, but was not posted. In September, it was posted. The reconciling item in June "recorded" the deposit, so when the village posts it in September, the reconciling item from June is reversed.

Revenues and expenses include transfers between funds, since these aren't an actual revenue or expense, both must be reduced by the amount of the transfers.

All check figures being 0.00 indicates that all activity from the bank statements has been accounted for.

Village of LGS				
Reconciliation of Cash Receipts and Cash Disbursements				
For the Month of September 2019				
	B	C	D	= + B + C - D
	Balance	September	September	Balance
	9/1/19	Receipts	Payments	9/30/19
Balance per Books - Cash Summary by Fund	616,412.18	175,209.83	274,809.00	516,813.01
Fund transfers	0.00	(10,000.00)	(10,000.00)	0.00
June 2019				
Interest not posted XYZ Bank savings	2.59			2.59
Deposit Overposted	(0.02)			(0.02)
Deposit not posted	2,318.45	(2,318.45)		0.00
Bank service charges not posted (main account)	(254.92)			(254.92)
Bank transfer recorded as expenditure	(5,000.00)			(5,000.00)
Credit card processing fees not posted	(569.15)			(569.15)
Check #91051 written for 192.45 cleared bank for \$195.45	(3.00)			(3.00)
Voided cleared check #89512 in system	1,137.29			1,137.29
July 2019				0.00
Interest not posted XYZ Bank savings	3.64			3.64
Deposit posted, not on bank (didn't clear in August)	(4,502.18)			(4,502.18)
Bank service charges not posted (main account)	(321.08)			(321.08)
Insuraco electronic withdrawal not posted (insurance premiums)	(15,713.08)			(15,713.08)
Credit card processing fees not posted	(652.84)			(652.84)
August 2019				
Interest not posted XYZ Bank savings	2.91			2.91
Bank service charges not posted (main account)	(213.64)			(213.64)
Insuraco electronic withdrawal more than posted	(900.00)			(900.00)
Revenues and expenses are off by the same amount. This could be caused by a deposit which was correctly posted at gross with a memo expense for fees. (Common on property tax receipts, but can occur with any transaction when fees are deducted from the deposit.) In these cases, it is as though the entity received the gross amount and paid the County Treasurer or RITA the fees, which is why it is proper for the entity to post the gross amount as revenue and the fees as an expense. However, in reality, the County Treasurer or RITA will withhold the fees and give the entity the net amount. Therefore, the bank statement only shows the net amount which creates a variance in the amount of the fees in both columns of the proof of cash. Another common issue that can cause both columns to have the same variance is when the entity deposits a check that later bounces. When the entity originally makes the deposit, it shows on the bank statement as a deposit. However, when the check bounces, it shows on the bank statement as a withdrawal of some sort. On the books, the entity should post a bounced check as a negative revenue.	(1,597.59)			(1,597.59)
	(507.49)			(507.49)
	0.00	3.62		3.62
	0.00	1,549.86		1,549.86
	0.00		192.55	(192.55)
	0.00		(459.87)	459.87
	0.00		197.34	(197.34)
	0.00		878.31	(878.31)
	0.00		(36,621.31)	36,621.31
	589,642.07	164,444.86	228,996.02	525,090.91
	500,356.54	199,152.87	228,605.75	470,903.66
	127.95	39,725.18	39,725.18	127.95
	95,018.84	3.62	36,621.31	58,401.15
	0.00	(76,346.49)	(76,346.49)	0.00
	(5,861.26)		(5,861.26)	0.00
	0.00		5,904.16	(5,904.16)
	0.00	0.00	0.00	0.00
	0.00	1,562.31	0.00	1,562.31
	589,642.07	164,097.49	228,648.65	525,090.91
Check Figures	0.00	347.37	347.37	0.00
				(0.00)

Sample 3 - Receipts and payments off by the same amount

Revenues and expenses are off by the same amount. This could be caused by a deposit which was correctly posted at gross with a memo expense for fees. (Common on property tax receipts, but can occur with any transaction when fees are deducted from the deposit.) In these cases, it is as though the entity received the gross amount and paid the County Treasurer or RITA the fees, which is why it is proper for the entity to post the gross amount as revenue and the fees as an expense. However, in reality, the County Treasurer or RITA will withhold the fees and give the entity the net amount. Therefore, the bank statement only shows the net amount which creates a variance in the amount of the fees in both columns of the proof of cash. Another common issue that can cause both columns to have the same variance is when the entity deposits a check that later bounces. When the entity originally makes the deposit, it shows on the bank statement as a deposit. However, when the check bounces, it shows on the bank statement as a withdrawal of some sort. On the books, the entity should post a bounced check as a negative revenue.

Village of LGS				
Reconciliation of Cash Receipts and Cash Disbursements				
For the Month of September 2019				
	B	C	D	= + B + C - D
	Balance	September	September	Balance
	9/1/19	Receipts	Payments	9/30/19
Balance per Books - Cash Summary by Fund	616,412.18	175,209.83	274,809.00	516,813.01
Fund transfers	0.00	(10,000.00)	(10,000.00)	0.00
June 2019				
Interest not posted XYZ Bank savings	2.59			2.59
Deposit Overposted	(0.02)			(0.02)
Deposit not posted	2,318.45	(2,318.45)		0.00
Bank service charges not posted (main account)	(254.92)			(254.92)
Bank transfer recorded as expenditure	(5,000.00)			(5,000.00)
Credit card processing fees not posted	(569.15)			(569.15)
Check #91051 written for 192.45 cleared bank for \$195.45	(3.00)			(3.00)
Voided cleared check #89512 in system	1,137.29			1,137.29
July 2019				
Interest not posted XYZ Bank savings	3.64			3.64
Deposit posted, not on bank (didn't clear in August)	(4,502.18)			(4,502.18)
Bank service charges not posted (main account)	(321.08)			(321.08)
Insuraco electronic withdrawal not posted (insurance premiums)	(15,713.08)			(15,713.08)
Credit card processing fees not posted	(652.84)			(652.84)
August 2019				
Interest not posted XYZ Bank savings	2.91			2.91
Bank service charges not posted (main account)	(213.64)			(213.64)
Insuraco electronic withdrawal more than posted	(900.00)			(900.00)
Fees not posted for RITA receipt posted at gross	(1,597.59)			(1,597.59)
Credit card processing fees not posted	(507.49)			(507.49)
September 2019				
Interest not posted XYZ Bank savings	0.00	3.62		3.62
Bank service charges not posted (main account)	0.00		192.55	(192.55)
Memo check 91238 is duplicate of 91221	0.00		(459.87)	459.87
Deposit item returned	0.00		197.34	(197.34)
Credit card processing fees not posted	0.00		878.31	(878.31)
Bank transfer posted as memo check 91240	0.00		(36,621.31)	36,621.31
	0.00	(347.37)	(347.37)	0.00
	589,642.07	162,547.63	228,648.65	523,541.05
	500,356.54	199,152.87	228,605.75	470,903.66
	127.95	39,725.18	39,725.18	127.95
	95,018.84	3.62	36,621.31	58,401.15
	0.00	(76,346.49)	(76,346.49)	0.00
	(5,861.26)		(5,861.26)	0.00
	0.00		5,904.16	(5,904.16)
	0.00	0.00	0.00	0.00
	0.00	1,562.31	0.00	1,562.31
	589,642.07	164,097.49	228,648.65	525,090.91
	0.00	(1,549.86)	0.00	(1,549.86)
				(1,549.86)

Sample 4 - Receipts not working

If one column is not working (the check figure is not 0.00), use the information from the proof of cash to know where to look. In this case, the adjusted bank balance is higher than the adjusted book balance. This could be that something that was on the withdrawal side of the bank statement was posted as a negative receipt, however since the payments column is tied out, that cannot be the case. Another thing that could cause this is if we missed a bank to bank transfer on the the bank statements, however that would also affect both columns. Another thing that could cause this is if there was a deposit on the bank statement that was not posted, which is what we would find to be the problem in this case if we went back and looked at the documents carefully again.

Village of LGS				
Reconciliation of Cash Receipts and Cash Disbursements				
For the Month of September 2019				
	B	C	D	= + B + C - D
	Balance	September	September	Balance
	9/1/19	Receipts	Payments	9/30/19
Balance per Books - Cash Summary by Fund	616,412.18	175,209.83	274,809.00	516,813.01
Fund transfers	0.00	(10,000.00)	(10,000.00)	0.00
June 2019				
Interest not posted XYZ Bank savings	2.59			2.59
Deposit Overposted	(0.02)			(0.02)
Deposit not posted	2,318.45	(2,318.45)		0.00
Bank service charges not posted (main account)	(254.92)			(254.92)
Bank transfer recorded as expenditure	(5,000.00)			(5,000.00)
Credit card processing fees not posted	(569.15)			(569.15)
Check #91051 written for 192.45 cleared bank for \$195.45	(3.00)			(3.00)
Voided cleared check #89512 in system	1,137.29			1,137.29
July 2019				
Interest not posted XYZ Bank savings	3.64			3.64
Deposit posted, not on bank (didn't clear in August)	(4,502.18)			(4,502.18)
Bank service charges not posted (main account)	(321.08)			(321.08)
Insuraco electronic withdrawal not posted	(15,713.08)			(15,713.08)
Credit card processing fees not posted	(652.84)			(652.84)
August 2019				
Interest not posted XYZ Bank savings	2.91			2.91
Bank service charges not posted (main account)	(213.64)			(213.64)
Insuraco electronic withdrawal more than expected	(900.00)			(900.00)
Fees not posted for RITA receipt posted	(1,597.59)			(1,597.59)
Credit card processing fees not posted	(507.49)			(507.49)
September 2019				
Interest not posted XYZ Bank savings	0.00	3.62		3.62
Deposit not posted (quarterly business)	0.00	1,549.86		1,549.86
Bank service charges not posted (main account)	0.00		192.55	(192.55)
Memo check 91238 is duplicate of 91237	0.00		(459.87)	459.87
Deposit item returned	0.00		197.34	(197.34)
Credit card processing fees not posted	0.00		878.31	0.00
Bank transfer posted as memo check	0.00		(36,621.31)	36,621.31
"Auditor and Treasurer" fees on RITA	0.00	(347.37)	(347.37)	0.00
Adjusted Book Balances	589,642.07	164,097.49	228,648.65	525,969.22
Balance per Bank				
First Bank of ABC (Main Checking)	500,356.54	199,152.87	228,605.75	470,903.66
First Bank of ABC (Payroll)	127.95	39,725.18	39,725.18	127.95
XYZ Bank (Savings)	95,018.84	3.62	36,621.31	58,401.15
Bank Transfers	0.00	(76,346.49)	(76,346.49)	0.00
Outstanding Checks:				
August 2019	(5,861.26)		(5,861.26)	0.00
September 2019	0.00		5,904.16	(5,904.16)
Deposits in Transit				
August 2019	0.00	0.00	0.00	0.00
September 2019	0.00	1,562.31	0.00	1,562.31
Adjusted Bank Balances	589,642.07	164,097.49	228,648.65	525,090.91
Check Figures	0.00	0.00	0.00	878.31
				0.00

Sample 5 - Formula Error

If the check figures in the ending balance column do not match each other, there is a formula error above. The adjusted book balances line is a sum of the line above it through the balance per books line. The adjusted bank balances line is a sum of the cell above it through the first cell in the bank section. The formula in all of the other cells in the ending balance column is the beginning balance + receipts-payments.

When there is a formula error, instead of checking every row in column E, check the formula column E of the balance per books line and copy that formula all the way down to the line above the adjusted book balances line. Then do the same for the first bank statement and copy the formula all the way down to the line above the adjusted bank balances line.

Reconciling Items in the Book Section of the Proof of Cash

Receipts

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- Deposits on bank that are not posted
- Interest on the bank statement that is not posted
- Deposit is higher on bank statement than what is posted (deposit underposted)
- Returned check on bank statement (posted as a negative revenue)
- Fees posted correctly as expense on a deposit that is posted at net instead of gross

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- Deposits posted on the books that do not clear the bank in the current month or the next month
- Bank transfers posted as revenues
- Auditor/Treasurer/RITA fees (gross on books net on bank)
- Deposit is lower on bank statement than what is posted (deposit overposted)

Payments

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- Withdrawals or checks that clear the bank but are not posted
- Checks that clear the bank but are voided on the system
- Withdrawal or check is higher on bank statement than what is posted (expense underposted)
- Bank service charges on the bank statement that are not posted
- Returned check on bank statement (if it is not posted, or if it is posted as a negative revenue)
- Fees not posted for a deposit posted at gross

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- Checks that are posted, but do not clear the bank and are not an outstanding check for a certain reason
- Bank transfers posted as expenditures
- Auditor/Treasurer/RITA fees (gross on books net on bank)
- Withdrawal or check is lower on bank statement than what is posted (expense overposted)