

HOONAH CITY SCHOOL DISTRICT

SOP No. 12

BANK RECONCILIATIONS

1. PURPOSE: To establish procedures for performing and reviewing monthly bank reconciliations on a timely basis.
2. AUTHORITY: Superintendent
3. RESPONSIBILITY: Business Manager
4. PROCEDURES: The following are control activities that should be followed in the bank reconciliation process:
 - a. The Superintendent should receive all bank statements and reconciliations for careful review. The bank statements should be reviewed prior to giving them to the Business Manager.
 - b. Once the Superintendent has reviewed the statement, the Business Manager should compare the activity on the statement with the activity in the general ledger using the software system bank reconciliation module for the bank account. The general ledger detail should be compared with the bank statement and any unrecorded activity should be identified and manually entered onto the journal entry form and entered into the software system.
 - c. The following information is typically included in the month-end cash reconciliation journal entry: interbank transfers, interest revenue, bank service charges and fees, etc. An adjusting journal entry should be prepared to reflect this information and the entry should be reviewed and approved by a superintendent. See SOP 13 for the journal entry process.
 - d. Once the month end journal entry is posted and the reconciliation is completed in software system, the reconciliation should be closed.
 - e. The reconciled balance should be compared with the general ledger to ensure that they agree and any differences should be investigated and

corrected immediately.

- f. Bank reconciliations shall be completed by the 10th of monthly following the bank statement date.
- g. The reconciliations and bank statements should be attached together and filed chronologically. Periodically all bank statements and reconciliations should be scanned for ease in transmitting to auditors during the annual audit.
- h. The stale-dated outstanding checks should be reviewed annually and voided if appropriate.
- i. All deposits should be collateralized in accordance with the board policy.