Fiscal Policies

Bank Reconciliation Policy

POLICY #:	*F-2006, Rev. 2*
EFFECTIVE:	*December 20, 2024*
SUPERSEDES:	*Bank Reconciliation Policy, effective March 24, 2024*

PURPOSE:

This policy communicates WorkForce Central's bank reconciliation policy and procedures as a form of internal control over cash receipts and payments.

This policy was updated to reflect current job titles.

BACKGROUND:

Section 200.303 of the Office of Management and Budget (OMB) 2 CFR 200 Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires non-federal entities establish and maintain a system of internal control that provides for reasonable assurance that the entity is managing the award in compliance with federal statutes, regulations and the terms and conditions of the award. WorkForce Central considers bank reconciliations as a form of internal control over cash activities.

POLICY:

WorkForce Central's bank reconciliation includes the following internal controls:

1. Bank accounts should be reconciled by someone other than the check signers.
2. If no cancelled checks are received, view cancelled checks online and other medium from the bank.
3. Any resulting journal entries to cash accounts should be reviewed and approved by the Chief Financial Officer (CFO).
4. The CFO will review bank reconciliations.
5. The Chief Executive Officer (CEO) will overview bank reconciliations for at least two months a year.

PROCEDURES:

1. Bank statements are accessible to the Accounting Manager and CFO through permissions established in WorkForce Central's third party banking portal.
2. The CFO reviews the bank statements when reviewing the monthly bank reconciliations.

3. Accounting Manager reconciles WorkForce Central bank accounts no later than 30 days after receipt of the monthly bank statement.
4. Accounting Manager records interest and bank charges into the General Ledger (GL) prior to reconciliation.
5. The beginning balance of the GL report and bank statement should be compared to the ending balance from the prior period in the accounting system and documented as such.
6. Each bank statement should be reconciled to the transaction entries listed in the accounting system. The deposit and withdrawals/check entries on the bank statement are reviewed to ensure they match those recorded in the GL.
7. Differences are explained, researched, and corrected in a timely manner.
8. All correcting journal entries must be attached to the bank reconciliation during the month of corrections.
9. All bank reconciliations must have adequate support for the entries, such as bank statement, copies of the GL report, JV's voids or cross-reference each transaction.
10. Accounting Manager initials and dates the bank reconciliations as the preparer.
11. All bank reconciliations are reviewed, approved, and initialed and dated by the CFO.
12. CEO overviews the bank reconciliations for at least 2 months a year.

REFERENCES:

- 2 2CR 200.303