



Policy: Bank Reconciliation

ChildNet Number: CN 010.002

Original Approved Date: June 18, 2003

**Policy Revised Date(s): August 1, 2007; November 20, 2007; November 22, 2009;
March 15, 2010; May 20, 2010**

Policy Sunset Date:

COA Standard(s): FIN 2, 7.05

Statement of Policy:

It is the policy of ChildNet to maintain appropriate controls over cash accounts and to complete monthly reconciliations of Bank Statements to the General Ledger Cash Account in conformity with sound accounting and financial controls. Bank Accounts are authorized by the Board of Directors

Scope:

To establish and maintain bank accounts conforming with Generally Accepted Accounting Principles (GAAP) and applicable federal and state guidelines.

Board Chair Signature:  **Date:** 11/15/10



Procedure: Bank Reconciliation

ChildNet Number: CN 010.002

Original Approved Date: June 18, 2003

**Procedure Revised Date(s): November 20, 2007; August 1, 2007,
November 22, 2009, March 15, 2010, May 20, 2010, November 17, 2010,
June 10, 2014, March 20, 2018**

Procedure Sunset Date:

COA Standard(s): FIN2, 7.05

Definitions: None

Statement of Procedure:

Receipt of Bank Statements

- a. The Deputy CFO performs a cursory review of the bank statements to identify any unusual items or irregularities.
- b. Any unusual items identified must be resolved before the bank reconciliation process can begin. If an identified item cannot be successfully resolved, the Deputy Chief Financial Officer (CFO) or designee, contacts the Director of Finance/Regional Controller/Senior Accountant for resolution.
- c. Upon satisfactory completion of the review, the Deputy CFO or designee initials the statements and forwards them to the Director of Finance/Regional Controller/Senior Accountant who then initiates the bank reconciliation process. Additionally, the Director of Finance/Regional Controller/Senior Accountant do not have the responsibility for recording cash receipt and disbursement transactions, nor do they have the authority to sign checks..

Reconciliation and Reporting

- a. Reconciliations should be completed within one week of the month-end close.
- b. Each local account authorized by ChildNet should have a separate reconciliation.
- c. As part of the reconciliation process a list of all outstanding checks and a list of all outstanding deposits are prepared.
- d. The check registers for the month being reconciled are reviewed to ensure that all the checks are accounted for. The cash receipts are analyzed to ensure that



they are recorded to the proper General Ledger accounts. Corrections, if any, are posted to the proper accounts by the Accounting Supervisor

- e. Bank adjustments such as service charges and interest earned that appear on the monthly bank statement but do not appear on the company's records are entered in their respective General Ledger accounts by a journal entry.
- f. General Ledger adjustments such as outstanding checks that appear in the accounting records but do not appear on the bank statement are entered on the reconciliation face-sheet for reconciliation purposes.
- g. The completed reconciliation and all supporting documentation (the outstanding checklist, cleared transactions journal, checks register and bank advice) are forwarded to the Deputy CFO, or Director of Finance or Regional Controller for review of accuracy and completeness and final approval.
- h. The reconciler retains all bank records until the bank reconciliation is complete.

Client Trust Funds Escheatment Process

On at least a quarterly basis the Accounting Department issues letters to each payee whose check date is greater than 90 days old requesting they process their check. If the check has been lost, a return notification should be sent to ChildNet to have the check re-issued. All letters are sent certified mail, return receipt requested. If a payee does not provide written notice within ten working days of the certified receipt date of the Outstanding Check letter, a due diligence search is done to locate the payee. When the account reaches the required dormancy period (1 year for all property types held by a government/public entity), it becomes unclaimed property and should be reported and remitted to the State of Florida in the holders' next annual report in accordance with Chapter 717, Florida Statutes, The Florida Disposition of Unclaimed Property Act. At that time, the check is voided, the check amount is removed from the Outstanding Check list and a journal entry is recorded to move this transaction from Accounts Payable to Unclaimed Property Payable.

Types of Accounts:

Operating Accounts

- Only checks are issued
- Transfers between accounts allowed
- No internet disbursement allowed
- Deposits allowed
- Wire transfers allowed

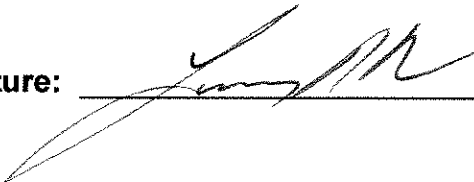


Client Trust Accounts

- Only checks are issued
- Deposits are allowed
- Wire transfers allowed
- No internet disbursement allowed

Petty Cash Accounts

- Only checks are issued
- Deposits allowed
- No wire transfers allowed
- No internet disbursement allowed
- Transfers between accounts allowed

President Signature: _____


Date: 4/17/18