

### **C. BANK RECONCILIATIONS**

Timely reconciliation of all bank accounts is done in a timely manner for appropriate controls over cash.

Reconciling the bank balance with the general ledger is done to ensure that 1.) all receipts and disbursements are recorded (an essential process to ensure the completeness and accuracy of the monthly financial statements); 2.) checks are clearing the bank in a reasonable time; 3.) reconciling items are appropriate and are being recorded; and 4.) the reconciled cash balance agrees to the general ledger cash balance.

1. The Executive Director receives the monthly bank statements unopened directly from the bank and reviews them for any unusual deposit or disbursement activity. Any unusual activity is immediately and thoroughly investigated and resolved.
2. After the Executive Director's review, the bank statements are given to the Human Resources Analyst who is responsible for reconciling the bank accounts within 10 days of receiving the bank statements.

State Law [Louisiana Revised Statute (R.S.) 10:4-406(d) (2)] allows a government entity 30 days to examine bank statements and cancelled checks for unauthorized signature or alterations. After 30 days, the municipality is precluded from asserting a claim against the bank for unauthorized signatures or alterations.

3. The Human Resource Analyst is not responsible for 1.) signing checks; or 2.) receiving and depositing cash or; 3.) authorizing disbursements.
4. The monthly bank reconciliations are completed, dated, and signed by the Human Resources Analyst and the Director of Finance who completes the final approval. The final approved reconciliation is maintained on file for subsequent review and audit.
5. All bank account balances are reviewed monthly to verify that they are fully secured and that the types of securities pledged by the financial institutions are in accordance with state law. (See R.S. 39:1221 for kinds of security and R.S. 39:1225 for amount of security.)