



FLETCHER TECHNICAL COMMUNITY COLLEGE
Policy #5.025

Bank Reconciliation Policy

Authority: Finance/Business Office

Effective Date: 08/14/2023

Last Revision:

PURPOSE:

To establish procedures governing the monthly reconciliations of Fletcher Technical Community College's bank accounts.

POLICY STATEMENT:

It is the policy of Fletcher Technical Community College that all incoming or outgoing funds to the College's bank accounts be recorded on a timely basis. Frequent bank reconciliation is essential to prevent fraud and to ensure the College's funds are handled with fiscal and fiduciary responsibility. Bank account reconciliation is a key component of good controls over cash and should be done in a timely manner. Reconciling the bank statement balance with the book balance (general ledger) is necessary to ensure that (1) all receipts and disbursements are recorded

(an essential process in ensuring complete and accurate 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.

POLICY PROCEDURE:

Bank account reconciliation is the process of confirming that the bank statement is valid and accurate, that transactions are reflected properly in the general ledger account and that the ending balance on the general ledger account is accurate. Any differences should be identified, reconciling items investigated, and balances adjusted appropriately as follows:

- 1) Each bank account will be reconciled on a monthly basis and within 20 business days of the end of the month using the reconciliation summary worksheet.

- 2) Reconciling Items are identified. Reconciling items include: Any activity on either the bank statement or the general ledger but not recorded in the other. Examples include:
 - a. Adjustment to Book – this is an *unmatched bank line* that represents a deposit/withdrawal that appears on bank statement but not on general ledger.
 - b. Adjustments to Bank – this is an *unmatched book line* that represents deposit/withdrawal on general ledger but not on bank statement
- 3) After all reconciling items are identified and accounted for, the balance per bank should equal the balance per book.
- 4) Any unmatched book/bank lines or other reconciling items should be corrected within 120 days of the reconciled month.
- 5) Bank account reconciliations will be prepared by the General Accountant and approved by the Director of Accounting. Their signatures on the bank account reconciliation summary will confirm that current procedures were followed and that the reconciliation accurately presents the status of the account at the bank as well as on the general ledger.
- 6) The original bank account reconciliation summary will be filed in the General Accountant’s office. Electronic supporting documentation will be maintained by fiscal year in a shared folder labeled “Reconciliations”

Distribution: Distributed Electronically via College’s Internet.

Review Council/Entity	Approval Date
Governance Council	5/18/23
Chancellor’s Leadership	08/14/23