

To ensure the accuracy and completeness of both the bank records and the unit's financial records, a monthly review of the financial records should be performed.

Bank Statement Review

- ❖ Performed by an elected officer who is NOT an authorized check signer
- ❖ Bank statement must be reviewed prior to giving to treasurer for bank reconciliation
 - If bank statement is received by mail, reviewer must open the envelope to perform review
 - If bank statement is received by online banking, reviewer must have access to the online banking to download, review, and print the statement
- ❖ Review includes verification that:
 - Two signatures are on cashed checks
 - Cashed checks listed on bank statement also appear on treasurer reports
 - Deposits listed on bank statement also appear on treasurer reports
- ❖ Any discrepancies should be brought to the attention of the treasurer
- ❖ Reviewer signs and dates bank statement

Bank Reconciliation

- ❖ Performed by the treasurer
- ❖ Bank reconciliation is the process which explains the difference between the balance on the bank statement and the balance on the account shown in the unit's financial records.
- ❖ Steps to perform bank reconciliation:
 - Record any bank fees/charges listed on the bank statement in the checkbook register/treasurer report
 - Record any interest earned/automatic deposits in the checkbook register/treasurer report
 - Determine any discrepancies between the checks and deposits recorded in the checkbook register/treasurer report with what is reported on the bank statement
 - Discrepancies should be recorded in the checkbook register/treasurer report
 - Determine list of checks written and recorded in the checkbook register/treasurer report, but not yet cashed and cleared by the bank (uncashed checks)
 - Determine list of deposits recorded in the checkbook register/treasurer report, but not yet received and recorded by the bank (unposted deposits)
 - Determine Adjusted Bank Statement Balance (ABSB)
$$\text{ABSB} = \text{Bank statement balance} + \text{unposted deposits} - \text{uncashed checks}$$
 - Determine Adjusted Account Balance (AAB)
$$\text{AAB} = \text{Checkbook register/treasurer report balance} + \text{interest earned} - \text{bank fees}$$
 - Adjusted Bank Statement Balance should be the same as the Adjusted Account Balance
- ❖ Treasurer creates bank reconciliation report to include signature and date of reconciliation

Bank Reconciliation Review

- ❖ REQUIRED FOR INSURANCE PURPOSES (for fidelity bond coverage)
- ❖ Performed by an elected officer who is NOT an authorized check signer
 - Reviewer must be appointed by the executive board and ratified by the association
- ❖ Bank reconciliation review includes:
 - Review of bank statement and bank reconciliation report
- ❖ Reviewer signs and dates bank reconciliation report