

## 4. REPORTING

### 4.8 SAO Annual Report Schedules

#### 4.8.17 Summary of Bank Reconciliations (Schedule 06)

4.8.17.10 This Schedule applies to all counties and cities. It does not apply to special purpose districts.

4.8.17.20 The purpose of this schedule is to summarize a year-end reconciliation of bank account balances to the Schedule 01 required by the Office of the Washington State Auditor's Annual Report. This provides information on total cash inflows and outflows by bank account as well as certain reconciling items. It is used to collect information about the financial activity of the city/county.

4.8.17.30 The Schedule Summary of Bank Reconciliation should contain all the city/county's bank accounts, investment accounts, etc. that it uses to report *Cash and Investments* (308/508) to the SAO, both of the reporting government as well as those accounts holding funds in a fiduciary capacity.

**Column 1** – List all accounts held by the city/county. This includes bank accounts, investment accounts, petty cash checking accounts, imprest checking accounts, etc. List each separately by row. Include accounts among the following: (1) operating account, (2) investment account, revolving checking accounts, and (4) revolving cash funds (cash funds, change funds):

1. Operating accounts – identified as the main operating accounts of the city/county wherein funds are received from majority of revenue sources such as taxes, fees and charges for services. It can also include trust accounts, bond reserve or redemption accounts, etc.
2. Investment accounts – identified as accounts primarily used for investments which includes Certificate of Deposits (CDs), LGIP, money market savings accounts, etc.
3. Revolving checking accounts – identified as bank accounts used for convenience. Responsibility of these accounts usually lie with different departments across the organization. These typically reflect decreases with identical monthly increases up to established amounts. Increases and decreases from these bank accounts are typically not reportable on the financial statements. Examples: petty cash, imprest, travel checking accounts.
4. Revolving cash funds – change funds, petty cash drawers, advance travel cash funds. Responsibility for these funds usually lie with different departments and custodians across the organization. List these in aggregate in the last row of the Schedule 06. The general ledger should always display these at their full authorized balances.

**Column 2** – Disclose the balances of the accounts at the beginning of the city/county's fiscal year. This figure should come for the bank statement issued by that institution.

**Column 3** – Include all the increases in the account balances throughout the year. This amount can be taken from the total cash inflows based on bank statements for the year-ended. Include all cash inflows regardless of accounting and reporting treatment in the city/county's general ledger.

**Column 4** – Include all the decreases in the account balances throughout the year. This amount can be taken from the total cash outflows based on bank statements for the year-ended. Include all cash outflows regardless of accounting and reporting treatment in the city/county's general ledger.

**Column 5** – Disclose the balances of the accounts at the end of the city/county’s fiscal year. This should be taken from the bank statements issued from that financial institution.

**Column 6** – Include non-reported cash inflows.

***Non-reported cash inflows*** – Inflows of cash (evidenced by the increase of funds in bank statements) that **do not** constitute *revenues* (BARS 310-360s) or *other increases in fund resources* (BARS 380-390s) within the Schedule 01 and Statement C-4 (Fund Resources and Uses Arising from Cash Transactions) and Statement C-5 (Fiduciary Fund Resources and Uses Arising from Cash Transactions).

**EXCLUDE:** Year-end reconciling items such as prior year deposits in transit.

The following are examples of non-reported cash inflows:

- Account transfers from other bank accounts of the city/county;
- Refunds and reimbursements that do not constitute revenues or expenditures (e.g., city/county made an overpayment to a vendor and was reimbursed for the overpayment. The receipt of the resources is not considered revenue and should reduce the originally booked expenditure in the same year);
- Correction of bank deposits/withdrawal errors. These are occasional banking errors that show cash inflows and outflows that have been reversed (including NSF fees that had bank effect); and
- Cash inflows related to investments converted into cash.

**Column 7** – Include non-reported cash outflows.

***Non-reported cash outflows*** – Outflows of cash (evidenced by the decrease of funds in bank statements) that do not constitute *expenditures* (BARS 510-570) or *other decreases in fund resources* (BARS 580-590s) within the Schedule 01 and Statement C-4 (Fund Resources and Uses Arising from Cash Transactions) and Statement C-5 (Fiduciary Fund Resources and Uses Arising from Cash Transactions).

**EXCLUDE:** Year-end reconciling items such as prior year warrants or checks outstanding.

The following are examples of non-reported cash outflows:

- Account transfers to other bank accounts of the city/county;
- Refunds and reimbursements that do not constitute revenues or expenditures (e.g., city/county made an overpayment to a vendor and was reimbursed for the overpayment. The receipt of the resources is not considered revenue and should reduce the originally booked expenditure in the same year);
- Correction of bank deposits/withdrawal errors. These are occasional banking errors that show cash inflows and outflows that have been reversed (including NSF fees that had bank effect); and
- Cash outflows related to the purchases of investment instruments.

**Column 8**– Include revenues or other increases without existence of bank recognized cash inflows.

***Revenues without cash inflows*** – revenues and other increases in fund resources (BARS 310-390s) recognized on the Schedule 01, Statement C-4 (Fund Resources and Uses Arising from Cash Transactions) and Statement C-5 (Fiduciary Fund Resources and Uses Arising from Cash Transactions)

**EXCLUDE:** Year-end reconciling items such as deposits in transit.

The following are examples of revenues without any cash inflows:

- Interfund taxes (certain BARS 314 accounts), licenses (certain BARS 329 accounts), fees and other interfund charges recorded by journal entry;
- Internal service fund charges (BARS 348);
- Interfund loans received (BARS 381 accounts) by journal entry;
- Transfers-in (BARS 397) by journal entry;
- Receipt of financing sources (loan proceeds) not physically deposited into banking accounts.

**Column 9** – Include expenditures or other recorded reductions without bank recognized cash outflows.

***Expenditures without cash outflows*** – expenditures and other decreases (BARS 510-590s) recognized on the Schedule 01, Statement C-4 (Fund Resources and Uses Arising from Cash Transactions) and Statement C-5 (Fiduciary Fund Resources and Uses Arising from Cash Transactions)

**EXCLUDE:** Year-end reconciling items such as warrants outstanding.

The following are examples expenditures without any cash outflows:

- Interfund transactions (payments to other funds for interfund taxes, licenses, fees, other charges, internal service fund charges, interfund loans included in Column 8 above);
- Transfers-out (BARS 597) by journal entry.

**Column 10** – List deposits in transit as of the end of the year (revenues received in the reporting period but not recognized by the bank until subsequent year). Include other positive reconciling items (items that increase cash on the general ledger but have not yet been recognized by the bank).

**Column 11** – List deposits in transit at the beginning of the year (revenues received in prior period but recognized by bank in the reporting period).

**Column 12** – List (1) outstanding checks or warrants at the end of the reporting period, and (2) open period items recognized in the reporting period but issued in the subsequent year. Include other negative reconciling items at fiscal year-end (items that have decreased cash in the general ledger but have not yet been recognized by the bank).

**Column 13** – List (1) outstanding checks or warrants at the end of the previous reporting period but recognized by the bank in the reporting period, and (2) open period items recognized issued in the reporting period but applied to the previous reporting year.

- 4.8.17.40 Local governments can perform the following calculations to ensure their bank activity reconciles to its Statement C-4 and Statement C-5, in aggregate:

Column (3)	Column (4)	Column (5)
Less: Column (6)	Less: Column (7)	Add: Column (10)
Add: Column (8)	Add: Column (9)	Less: Column (12)
Add: Column (10)	Add: Column (12)	
Less: Column (11)	Less: Column (13)	
Total Revenues and Other Increases of Fund Resources as Reported on the Statement C-4 and Statement C-5	Total Expenditures and Other Decreases of Fund Resources as Reported on the Statement C-4 and Statement C-5	Total Ending Reserved/Unreserved Cash and Investments as Reported on the Statement C-4 and Statement C-5

**Schedule Summary of Bank Reconciliation (Schedule 06)**  
**For the year ended December 31, 201X**

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