



# TOWN OF POMFRET, VERMONT

BOARD OF AUDITORS

## Monthly Reconciliation Process Description and Checklist

### **Introduction**

The Auditors are required by law annually to “examine and adjust the accounts of all town officers and all other persons authorized by law to draw orders on the town treasurer,” and to “report their findings in writing” to the voters. 24 V.S.A. 1681 and 1682. Even in a town the size of Pomfret, this task necessarily entails much time and effort. To manage this workflow, the Auditors review the Town accounts each month, in a process known as “reconciliation.”

This memorandum describes the reconciliation process. In an effort to be concise, this document provides only a summary and is not exhaustive. For additional information about the requirements of Town Auditors, please refer to 24 V.S.A. 1681 *et seq.* and the current edition of the Vermont League of Cities and Towns’ “Handbook for Locally-Elected Auditors.”

### **Overview**

The goal of reconciliation is three-fold: to confirm (1) the Town’s internal accounting matches precisely the monthly bank account statements, (2) all expenditures have been authorized by a duly approved warrant or are otherwise appropriate, and (3) all reported income has actually been received into a Town account.

Any discrepancy between the Town’s internal accounting and the monthly bank account statements must be explained and understood. Typically such discrepancies are due to clerical, recordkeeping or rounding errors. In other Vermont towns, account discrepancies have provided early indications of poor financial controls or malfeasance, and thus are important to resolve promptly and to the Auditors’ satisfaction.

The Town incurs and receives many different types of expenses and income throughout the year. It is not within the scope of this memorandum to discuss them all. As a general matter, Auditors must understand the nature of each expenditure and income item, confirm its appropriateness and accounting, and seek clarification (typically from the Town Treasurer) where any of the foregoing is unclear.

The Town of Pomfret operates on a modified cash basis, with fiscal years beginning each July 1 and ending each June 30. A modified cash basis is an accounting method based on cash accounting, but with certain generally accepted modifications. In practice, it means that while the Town generally recognizes revenue when received and expenses when incurred, there are exceptions. For example, property taxes that are prepaid in one fiscal year but not due until the subsequent fiscal year will be recorded as income in the subsequent fiscal year. Funds received by the Town on behalf of a third party will be recorded as liabilities when received rather than when the funds ultimately are paid to the third party.

The “modified” aspect of the Town’s accounting is not often relevant to the reconciliation process, with one significant exception. Auditors should be alert to when revenues or expenses are recorded in a fiscal year other than the one in which they are received or incurred. While there may be legitimate reasons for transactions to cross over from one fiscal year to the next, this practice can be used to misrepresent a town’s financial condition by showing more income or fewer expenses in a fiscal year than is appropriate. For this reason, Auditors must understand the reason for recording any transaction in a fiscal year other than the one in which it occurs.

### ***Reconciliation Process***

Auditors have found it most efficient to perform reconciliations at the Town Offices during normal business hours (Monday, Wednesday and Friday, 8:30 A.M. to 2:30 P.M.). This allows ready access to materials stored in the vault or locked within the Town Treasurer’s office, and to the Town Treasurer herself should questions arise during the reconciliation process.

Prior to each monthly review, an Auditor will assemble a packet of the month’s internal accounting statements, bank account statement and other materials. The contents of these packets are more particularly described below.

Clipped to the front of each packet will be a “monthly reconciliation checklist” in the form attached to this memorandum. The purpose of this checklist is to guide the Auditor through the reconciliation process, document each step as it is completed, provide a central location to document questions and issues requiring additional review, and indicate work remaining to be completed.

Once a packet is prepared, the Auditors will proceed through the steps outlined in the checklist, seeking clarification as needed, and noting issues for further review. These steps are described in more detail below. Once reconciliation is complete and all outstanding questions resolved to the Auditor’s satisfaction, the monthly packet should be moved from the “Open” folder to the “Closed” folder in the Auditors’ file cabinet in the common area of the Town office building.

### ***Reconciliation Packet Contents***

The contents of each reconciliation packet are provided by the Town Treasurer and may vary slightly from month to month, but generally will include the following:

- **Reconciliation Reports.** Internally generated reports on the activity recorded in each Town account. These itemize all income and expenditures in an account and indicate whether the account balance per the Town’s accounting matches (“reconciles” with) the applicable Town bank account. If these amounts match – as they must each month – the word “Reconciled” appears near the bottom of each report. Typically the most extensive reconciliation report is for the Operating Account (-195), where most of the Town’s income and expenditures occur each month.
- **Warrants.** Documents that legally authorize a Town officer to draw upon a Town account in the amounts and for the purposes specified therein. Warrants are prepared from time to time by the Town Treasurer and approved by the Selectboard. Once printed (but not necessarily approved), copies are provided to the Auditors. While warrants are nearly always approved as printed, it is

important each quarter to confirm by reference to the originals kept in the “Warrant” binder inside the vault. If a printed warrant is later modified (for example, to temporarily hold back a payment), a notation will appear on the original.

- **Bank Statements.** Periodic activity statements generated by the financial institutions where the Town keeps its accounts. Most of the Town’s accounts are with Mascoma Bank and Citizens Bank. These accounts are listed on the monthly reconciliation checklist. The Town also maintains a small number of certificates of deposit with 802 Credit Union (f/k/a Members Advantage Community Credit Union). The vast majority of the Town’s assets are held in the Mascoma Bank accounts. The following are statements that may be included in each month’s reconciliation packet:
  - *Mascoma Bank Checking Account (-195).* Internally known as the “operating account” and where the vast majority of the Town’s financial activity occurs. In general, all Town expenses ultimately are paid from the Operating Account (-195), regardless of whether the funds originated from another account. Conversely, all Town income is initially received into the Operating Account (-195), regardless of whether the funds ultimately are transferred to another account. An exception to the foregoing is income received into the Electronic Payments Account (-099), which is transferred lump sum each month into the Operating Account (-195). The Electronic Payments Account (-099) also occasionally incurs small expenses, most often incoming wire payment fees.
  - *Mascoma Bank Insured Cash Sweep (ICS) Account (-195).* This is an interest-bearing account that enjoys enhanced FDIC coverage and where any excess balance in the Operating Account (-195) is automatically transferred (“swept”). Conversely, when the Operating Account (-195) balance drops below a predetermined amount (presently \$40,000), funds are swept from here into the Operating Account (-195).
  - *Mascoma Bank Checking Account (-793).* Internally known as the “reserve account.” Activity in this account is generally limited to transfers to/from the Town’s internal reserves. For example, when the voters approve an appropriation to an internal reserve account, those funds may be transferred here from the Operating Account (-195). Conversely, when a major expense is incurred and to be paid from an internal reserve account, funds may be transferred from here into the Operating Account (-195) in order to pay that expense. Not all internal reserve funds are kept in the Reserve Account (-793) and some expenses to be paid from an internal reserve may be paid directly from the Operating Account (-195) without need to transfer funds first.
  - *Mascoma Bank Insured Cash Sweep (ICS) Account (-793).* This is where any excess balance in the Reserve Account (-793) is automatically swept. The sweep threshold in this account is currently \$100. Like the Operating Account ICS, this is an interest-bearing account that enjoys enhanced FDIC coverage.
  - *Mascoma Bank Checking Account (-099).* Internally known as the “electronic payments account” and linked to the credit card reader at the Town office. This account allows the Town to accept credit card payments, electronic funds transfers (EFTs) and wire payments without giving to third parties the Operating Account (-195) number. Individual payment receipts (the tape generated by the credit card reader) are organized by month and kept in a binder inside the vault.

- *Citizens Bank Credit Card Account (-596)*. This account is associated with credit cards issued to some Town employees by approval of the Selectboard. Statements for this account are kept in a locked, four-drawer file cabinet in the Town Treasurer's office. Because review of this account's activity is performed quarterly by the Auditors, this account's statements may not be included in the monthly packet each month. As of the date hereof, the following Town employees have been issued credit cards: (1) Rebecca Fielder, Town Clerk (-8780), (2) Ellen DesMeules, Town Treasurer (-0446), and (3) Jim Potter, Road Foreman (-8604).
- *Citizens Bank Checking Account (-163)*. This account is used solely for cash collateral that is required by Citizens Bank in order to maintain the Credit Card Account (-596). Statements for this account are kept in a binder inside the vault. Typically the only activity in this account is capitalization of interest each month. For this reason, this account's statements may not be included in the monthly packet each month.
- **Voided Check Report.** An internally generated report listing all checks that were written by the Town but later voided, cancelled, destroyed or returned unpaid. This report is used primarily to cross off warrant items that otherwise would never appear on a reconciliation report or bank statement. Originals of voided checks are kept in the "Operating Account" binder inside the vault.

### ***Income Files***

Each reconciliation packet typically contains everything needed to reconcile expenditures in a particular month. Documentation for income items is kept in a locked, four-drawer file cabinet in the Town Treasurer's office. For this reason, if an Auditor intends to reconcile income outside of Town business hours, arrangements should be made in advance with the Town Treasurer to move the applicable month's income file into a smaller, locked file cabinet in the Town Treasurer's office that is solely for the Auditors' use, and for which the Auditors have been provided a key. As a general rule, however, income files should remain in the locked, four-drawer cabinet. Only files required outside of Town business hours should be kept in the smaller Auditors' cabinet, and then only for the non-business days on which an Auditor actually expects to need them.

### ***Reconciliation Packet Preparation***

For each fiscal year, files will be organized in the Auditors' file cabinet in the common area of the Town office building in five manilla folders: (1) incomplete or "open" monthly reconciliation packets, (2) complete or "closed" monthly reconciliation packets, (3) "open" warrants, (4) "closed" warrants and (5) statements and other documents to be reviewed on a quarterly basis. The two "Open" folders and the two "Closed" folders will be contained in separate accordion files. Files for at least the three preceding fiscal years should be kept in this file cabinet. Older files may be moved to the vault.

The Treasurer will leave copies of each approved warrant in the Auditors' mailbox. Highlight the warrant number and (if applicable) the title "payroll" to distinguish between ordinary expense and payroll warrants. File all warrants numerically in the "Open" warrant file.

The Treasurer will also leave copies of each month's bank statements and reconciliation reports in the Auditors' mailbox. Each statement should be stapled and all statements and the reconciliation report for

each month should be paper clipped together, with the reconciliation report appearing on top. Highlight the account name and month on the reconciliation report.

Take a blank copy of the monthly reconciliation checklist, write the month in the available blank, fold the page in half and clip to the top of the reconciliation package. If any bank account statements or other materials appear to be missing, copies may be obtained from the Town Treasurer directly, or by making photocopies from originals kept in binders inside the vault.

See Annex I for a step-by-step description of how materials in each monthly package and the related income file should be highlighted and annotated prior to reconciliation work being performed. Consistent highlighting and annotation will reduce the risk of mistakes or errors during the reconciliation process.

### ***Reconciliation Packet Notation***

As each expense item is reconciled, place a red check mark (“✓”) adjacent to the check number or (if no check number) date or dollar amount on the reconciliation report, warrant or bank statement as applicable. Place a small circle (“○”) adjacent to the check number or expense description when an item cannot be reconciled for any reason. This will indicate the need to further review and that the warrant or monthly reconciliation packet should remain in the “Open” folder.

When all items on a warrant or reconciliation report are marked off, add your initials, the date and “OK” across the top of the page (e.g., “BTB 2/6/2022 OK”) and move the warrant or monthly reconciliation packet to the “Closed” folder.

As issues and questions arise, make a note in the “Outstanding Issues and Questions” section of the monthly reconciliation checklist to ensure these are resolved and answered before reconciliation is complete. For transfers between Town accounts, indicate the last three digits of the account number for the sending or receiving account next to the item description on the applicable bank statement.

### ***Expense Reconciliation***

The goal of expense reconciliation is two-fold: to confirm (1) the Town’s internal accounting of expenses matches precisely the monthly bank account statements and (2) all expenditures have been authorized by a duly approved warrant or are otherwise appropriate. The documents needed to accomplish these goals are (i) a current voided check report, (ii) the Operating Account (-195) reconciliation report, (iii) the Operating Account (-195) bank statement and (iv) the applicable warrants. The vast majority of expense reconciliation will occur in the Operating Account (-195).

To begin, strike through any newly voided checks on the applicable warrants and note the date of the applicable voided check report next to the check number on the warrant. A current voided check report will have been clipped to the inside cover of the folder containing the “open” monthly reconciliation packets.

Next, turn to the list of checks by number section of the Operating Account (-195) monthly bank statement. For each check in turn, locate the corresponding entry in the reconciliation report and applicable warrant. Confirm the amount and payee of each check matches, including in the check images shown at the back of the bank account statement. Once this information is confirmed for a check, mark

off the check in bank account statement, reconciliation report and applicable warrant. If a check for a particular warrant item does not appear on the bank statement, annotate in red a small circle (“O”) adjacent to the check number on the warrant to indicate the warrant should remain in the “Open” folder. Once all items on a warrant are marked off, move that warrant to the “Closed” folder.

Then turn to the list of transactions by date section of the monthly bank statement. Disregard all sweep transactions (automated account transfers that do not require Auditor review) and checks (reviewed in the prior step). Also disregard all income entries, which will be reviewed at a later step. Sweep transactions will have already been marked as such during packet preparation to make clear which remaining transactions actually require Auditor review (see Annex I for a description of how sweep transactions should be annotated prior to reconciliation work being performed).

Confirm that you understand the nature of each remaining expenditure, that it is appropriate and properly accounted for. If necessary, seek explanation or clarification from the Town Treasurer. Common non-sweep, non-check expenditures are payroll tax payments to the IRS/U.S. Treasury (biweekly) and Vermont (quarterly). These may be reconciled by reference to the reconciliation report and applicable payroll warrant. But note that this step confirms only the accounting of such payments. The Auditors will on a quarterly basis review cumulative payments to the IRS/U.S. Treasury and other government agencies for numerical accuracy.

Some reconciliation reports include a section titled “Minus any Withdrawal” immediately below the list of checks and electronic withdrawals. This section will include miscellaneous expenditures such as internal account transfers and small adjustments to align the Town’s accounting with the applicable bank account balance. Confirm that you understand the nature of each miscellaneous expenditure. Internal transfers should be compared with the applicable bank statements. Minor adjustments should be adequately explained; these are often made to reflect rounding errors or other immaterial accounting discrepancies.

The steps above should then be completed for each of the Reserve Account (-793) and Electronic Payments Account (-099), with the following adjustments:

- No checks are written from the Reserve Account (-793) or Electronic Payments Account (-099). As a result, most of the expense reconciliation in these accounts will entail reviewing internal account transfers, one-time or extraordinary expenses.
- For most months, the only expenditure in the Electronic Payments Account (-099) will be a single transfer of that’s month’s aggregate income activity to the Operating Account (-195).

### ***Income Reconciliation***

The goal of income reconciliation is two-fold: to confirm (1) the Town’s internal accounting of income matches precisely the monthly bank account statements and (2) all reported income has actually been received into a Town account. The documents needed to accomplish these goals are (i) the Operating Account (-195) reconciliation report, (ii) the Operating Account (-195) bank statement and (iii) the applicable income file. The vast majority of income reconciliation will occur in the Operating Account (-195), with a lesser amount occurring in the Electronic Payments Account (-099).

This principal difficulty in reconciling income is that individual income entries shown in Operating Account (-195) reconciliation statement do not always align with income activity shown in the Operating Account (-195) bank statement. This is due to differences in how income is recorded internally versus by the bank. While the total monthly income shown in a reconciliation report should match income received into the bank account, individual entries may have different dates or amounts. Note, however, that interest capitalized in the Operating Account's (-195) ICS Account may be recorded at month-end on the corresponding bank statement but reflected early in the following month's reconciliation report (or vice versa).

With this information handy, your task is to confirm that all income recorded internally as having been received has actually been deposited into the Town's bank account. All town income passes through the Operating Account (-195) at some point, even if it ultimately is transferred to another Town account. Most income received by the Town consists of property tax payments, received primarily in the month such payments are due (February and August). Other income received by the Town consists of state grant payments (e.g., highway aid), interest, and fee payments received by the Town Clerk or Abbott Memorial Library.

Begin by matching each income entry appearing on the reconciliation report with materials contained in the income file stored in the Town Treasurer's office. These materials are organized in packets. Each packet will include one or more Town-generated income reports (each titled "Detail Cash Receipts Journal") listing each income item, which may include cash, checks and/or electronic payments. Receipts and other evidence of income listed in the income report will be attached. Each income report will include the total amount of all items contained in the report, and a breakdown of the amount received in cash, by check or via electronic payment.

Each packet will have one or more Mascoma deposit slips attached. Each deposit slip reflects a transaction that occurred at a bank branch. Match each deposit slip to the total amount of cash and checks shown in the income report, bearing in mind that more than one income report may be included in each packet and be reflected in a deposit slip. Take note of any electronic payments shown in the income reports; these will not be included in a deposit slip, which reflect cash and check deposits only.

Then mark off each deposit listed on the applicable bank statement that corresponds to each deposit slip and each electronic payment. Finally, mark off each interest payment listed in the income file that matches those listed on the Insured Cash Sweep (ICS) Account (-195). Because interest is sometimes posted at month-end but not deposited until the following month (or vice versa), it may be necessary to review the adjacent months' bank statements to locate the interest amount shown in the reconciliation report.

If more information is needed, refer to the "Operating Account" binder in the vault, which may contain handwritten notes from the Treasurer or other evidence or explanations of certain features, anomalies or what may appear to be (but are not actually) discrepancies in that month's income file. If after reviewing the "Operating Account" binder questions remain, make a note in the "Outstanding Issues and Questions" section of the monthly reconciliation checklist to follow up with the Town Treasurer or otherwise ensure these questions are resolved and answered before reconciliation is complete.

The month-end bank account and town internal accounting balances are displayed near the bottom of each reconciliation report. If these figures match – as they must each month – the word “Reconciled” will appear. The bank account balance can be confirmed by summing the month-end balances in the Mascoma Bank Checking Account (-195) and Mascoma Bank Insured Cash Sweep (ICS) Account (-195). It may be necessary to add or subtract the applicable month’s interest if the related interest transaction was posted to an adjacent month’s bank statement.

The steps above should then be completed for each of the Reserve Account (-793) and Electronic Payments Account (-099), with the following adjustments:

- Income is never received directly into the Reserve Account (-793). Income entries in this account typically reflect transfers from other Town accounts and are not true income. Transfers to the Reserve Account (-793) from the Town Account (-195) are typically appropriations or grants. Transfers from the Reserve Account (-793) to the Town Account (-195) are typically reimbursements for capital equipment payments. For transfers, it will suffice to confirm there is a corresponding debit entry in the bank statement for the sending account.
- The Electronic Payments Account (-099) receives a variety of payments via credit card, electronic funds transfer (EFT) and wire payment. Individual payment receipts (the tape generated by the credit card reader) are organized by month and kept in a binder inside the vault. As with the Operating Account (-195) it is usually unnecessary to review individual income transactions in the Electronic Payments Account (-099). It will suffice to confirm that the month’s aggregate income activity shown on the bank statement has been transferred to the Operating Account (-195) on or around the last day of the month.
- As with the Operating Account (-195), interest capitalized in the Reserve Account’s (-793) ICS Account or in any other Town account may be recorded at month-end on the corresponding bank statement but reflected early in the following month’s reconciliation report (or vice versa).

### ***Quarterly Tasks***

After the end of each calendar quarter (i.e., when packet assembly is complete for March, June, September or December), the Auditors will also complete the following tasks:

- Schedule meetings, assign tasks and discuss other logistics for the coming quarter.
- Resolve all outstanding questions and issues on the prior quarter’s monthly reconciliations.
- Reconcile cumulative payroll tax payments to the IRS/U.S. Treasury, Vermont Department of Taxes and other government agencies (e.g., the Vermont State Treasurer for payments into the Vermont Municipal Employees’ Retirement System) with periodic returns prepared by the Town Treasurer. The purpose of this review is to ensure no over- or under-payments have been made.
- Review warrants contained in the “Warrants” binder inside the vault to confirm all warrants reviewed during the previous quarter ultimately were approved as printed.
- Match each transaction shown on the prior three months’ Credit Card Account (-596) statements with the corresponding purchase receipt kept in a binder inside the vault. Review each transaction for compliance with the Town’s Purchasing Policy. To ensure compliance and



facilitate oversight, every transaction using a Town credit card must be accompanied by a purchase receipt. Failure to do so is a violation of the Town's Purchasing Policy and should be brought to the attention of the Town Treasurer and/or Selectboard.

- Review the prior three months' Credit Card Collateral Account (-163) statements to confirm and understand any non-interest related transactions (it is rare there will be any).

### ***Annual Tasks***

After the end of each fiscal year (i.e., when packet assembly is complete for June and after any fiscal year-end adjustments have been made by the Town's certified public account), the Auditors will also complete the following tasks:

- Review and, if necessary, update prior months' reconciliations to reflect any fiscal year-end adjustments made by the Town's certified public account. The Town Treasurer and the Town's third-party certified public account typically meet shortly after fiscal year-end to review the Town Treasurer's accounting and make adjustments if needed.
- Move reconciliation files older than three years from the Auditors' file cabinet to the vault. Securely discard reconciliation files in the vault older than five years.

## ANNEX I

### **Uniform Annotation and Highlighting of Monthly Reconciliation Packages and Income Files**

This annex describes how materials in each monthly package should be highlighted and annotated prior to reconciliation work being performed. Consistent highlighting and annotation will reduce the risk of mistakes or errors during the reconciliation process.

#### **Operating Account (-195)**

- NEMRC Reconciliation Report
  - Highlight in yellow “Reconciliation Report” title, “Operating Account” heading and the month. Annotate in red in the upper-right corner the last three digits of the account number (“-195”).
- Operating Account Mascoma Statement
  - Highlight in yellow on page 1 the month, account number, and title “Operating Account”. Annotate in red in the upper-right corner the last three digits of the account number (“-195”).
  - Highlight in yellow the “Transactions By Date Posted” heading
    - “Description” Column: Highlight in yellow all non-check and non-sweep transactions including Payroll and Deposits
    - “Withdrawals” and “Deposits” Columns: Highlight in yellow all amounts relating to items highlighted above; annotate an “S” in red adjacent to all Sweep amounts
  - Highlight in yellow the “Electronic Banking Transaction Summary” heading
  - Highlight in yellow the “Summary by Check Number” heading
- Mascoma IntraFI Network Deposits Monthly Statement
  - Highlight in yellow the statement title, date and account number. Annotate in red in the upper-right corner the last three digits of the account number (“-195”).
  - On page 2, highlight in yellow the “DETAILED ACCOUNT OVERVIEW” title, date and account number

#### **Reserve Account (-793)**

- NEMRC Reconciliation Report
  - Highlight in yellow “Reconciliation Report” title, “Reserve Account” heading and the month. Annotate in red in the upper-right corner the last three digits of the account number (“-793”).

- Reserve Account Mascoma Statement
  - Highlight in yellow on page 1 **the month**, **account number**, and title **“Reserve Account”**. Annotate in red in the upper-right corner the last three digits of the account number (**“-793”**).
  - Mascoma IntraFI Network Deposits Monthly Statement
    - Highlight in yellow the statement **title**, **date** and **account number**. Annotate in red in the upper-right corner the last three digits of the account number (**“-793”**).
    - On page 2, highlight in yellow the **“DETAILED ACCOUNT OVERVIEW”** title, **date** and **account number**

### **Electronic Payments Account (-099)**

- NEMRC Reconciliation Report
  - Highlight in yellow **“Reconciliation Report”** title, **“Credit Card Processing”** heading and **the month**. Annotate in red in the upper-right corner the last three digits of the account number (**“-099”**).
- Electronic Payments Account Mascoma Statement
  - Highlight in yellow on page 1 **the month**, **account number**, and title **“Credit Card Account”**. Annotate in red in the upper-right corner the last three digits of the account number (**“-099”**).

### **Credit Card Account (-596) – Reconciled Quarterly**

- No annotation or highlighting required.

### **Credit Card Collateral Account (-163) – Reconciled Quarterly**

- NEMRC Reconciliation Report
  - Highlight in yellow **“Citizen’s Bank Checking”** title and **the month**.
- Credit Card Collateral Account Citizens Bank Statement
  - Highlight in yellow **the month** and **account number**.

### **Voided Check Report**

- Highlight in yellow the report **title** and **date**. Paper clip to the inside cover of the folder containing the “open” monthly reconciliation packets. Discard any previous voided check reports.

## Income File

- Review file and set aside all “regular deposit” packets to which a Mascoma deposit slip is attached.
- Group together packets corresponding to the same Mascoma deposit slip
- Attach each deposit slip to the first page of the corresponding packet, relocating the slip from an underlying page if necessary.
- Highlight in yellow on each deposit slip the deposit date and amount deposited.
- Sort packets chronologically with the earliest packet on top. Place any supplemental materials (e.g., CoreLogic registers of tax payments) also in chronological order among the income packets.

**Note:** Income files should remain in the locked, four-drawer file cabinet in the Town Treasurer’s office. Only files required outside of Town business hours should be kept in the smaller Auditors’ cabinet, and then only for the non-business days on which an Auditor actually expects to need them.

**MONTHLY RECONCILIATION CHECKLIST**

Month: \_\_\_\_\_

Fiscal Year 2021-22

Task	Date Completed	Auditor Initials
<i>Expenditures</i>		
-195 Current Voided Check Report versus Warrants		
-195 Bank Statement Checks List and Check Images versus Reconciliation Report and Warrants		
-195 Bank Statement Payroll Debits versus Reconciliation Report and Payroll Warrants		
-195 Bank Statement IRS/U.S. Treasury and Vermont Tax Debits versus Reconciliation Report and Payroll Warrants		
-195 Bank Statement Remaining Debits versus Reconciliation Report and Authorizing Document		
-793 Bank Statement All Debits versus Other Account Statements (e.g., confirm deposit elsewhere of outgoing transfers)		
<i>Income</i>		
-195 Bank Statement All Credits (including interest) versus Reconciliation Report and Bank Counter Deposit Slips		
-793 Bank Statement All Credits (including interest) versus Account Statements (e.g., confirm withdrawal elsewhere of incoming transfers)		
<i>Quarterly (March, June, September, December only)</i>		
-195 IRS/U.S. Treasury and Vermont Tax Debit versus Treasurer's Quarterly Returns		
-195 Confirm Warrants approved as printed		
-596 Bank Statement versus Purchase Receipts and -163 Town Purchasing Policy; confirm any -163 expenses		
<i>Annually (June only)</i>		
n/a Account Balance Changes versus Cumulative Accounting		

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**OUTSTANDING ISSUES AND QUESTIONS**

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**LIST OF ACCOUNTS**

Name	Number
Operating Account ( <i>Mascoma Bank</i> )	-195
Reserve Account ( <i>Mascoma Bank</i> )	-793
Electronic Payments Account ( <i>Mascoma Bank</i> )	-099
Credit Card Account ( <i>Citizens Bank</i> )	-596
Credit Card Collateral Account ( <i>Citizens Bank</i> )	-163