MT. DIABLO UNIFIED SCHOOL DISTRICT

INTERNAL AUDITOR GUIDANCE

Bank Accounts & Reconciliation

Overview

Each school site and district department or program that administers at least one bank account must complete a bank reconciliation report every month. The report should be submitted to the Coordinator, Fiscal Compliance in Fiscal Services no later than the 20th of each month.

There are three types of checking bank accounts that the schools or department use:

- Clearing
- Revolving Cash
- Associated Student Body

Signatory

Two signatures are required on all checks. Sites/departments are recommended to have three signers for each account. The bookkeeper of the account(s) must not be a signer. Bookkeeper must have full and sole custody of the blank checks, accounting records, checkbook register and bank statements. These must be kept in a secured place, e.g. safe or locked drawer in a locked office.

Stale Dated Checks

Any checks issued but uncashed for six months or more are considered stale dated, and are no longer valid. Void these checks in account system or checkbook register, noting the check number, original date of issuance and payee's name. The check amount is added back to account balance. If the expense for the check voided has previously been reimbursed by district, that amount will need to be returned to district. Contact Accounts Payable of Fiscal Services for direction on how to net this amount against future reimbursement requests.

Retention

Bank reconciliation, cancelled checks and reimbursement requests are required to be kept for three years (recommended four years), according to CASBO Records Retention Manual,

Clearing Account

A Clearing account is established for the collection of money or donations that will later be deposited to the school site budget for related expenses. Checks can only be issued to Mt. Diablo Unified School District to transfer (or "abate") the money from the clearing account to the appropriate budget.

A Clearing account is established to set certain financial transactions apart from regular accounts, so that different types of transactions are not commingled. It is a temporary holding account. All money in the account should be transferred or abated to the District account, so a balance should not exist at the end of any fiscal year. **Clearing account abatement should be made monthly.**

Abate only checks that have cleared, to avoid overdrawing the account in case of any checks bounced due to insufficient funds. This will also avoid any unnecessary finance charges to the account.

Reconciliation for Clearing Account

Refer to the Bank Reconciliation form for Clearing Account (Exhibit A).
"School" - Enter school name
"Beg. Date – End Date" - Enter the reporting period being reconciled, e.g. MM/01/YY to MM/31/YY
"Bank Ending Balance" - Enter the ending balance amount from the bank statement
"Book Ending Balance" - Enter the last day of the month balance amount from Quicken or checkbook
"Add: Deposits in Transit" - List any deposits recorded in checkbook that have not cleared the bank
"(Subtract) Uncleared Checks" - List any checks written in checkbook that have not cleared the bank
"Add: Interest / Correction" - List any interest recorded in bank statement that is not in checkbook
"(Subtract) Charges / NSF Checks" - List any bounced checks and finance charge not in the checkbook
"Adjusted Bank Balance" - Bank Ending Balance + total Deposits in Transits – total Uncleared Checks
"Adjusted Book Balance" - Book Ending Balance + total Interest/Correction – total NSF/Charges

If Adjusted Bank Balance equals Adjusted Book Balance, the reconciliation is complete. Sign and date under "Preparer". Principal/Administrator must review and approve the reconciliation form.

The reconciliation report package should include the following:

- Bank reconciliation page
- Bank statement
- Quicken register or transaction report, or copy of checkbook
- If using ASBWorks, include ASBW account register report

Principal must review the completed package and approve by signing the reconciliation page. Submit the approved reconciliation report package to the Coordinator, Fiscal Compliance no later than the 20th of each month. Submission can be done by scanning and emailing or use the district pony for hardcopies.

Revolving Cash Account

A revolving cash account is a specific amount of money reserve in an already established fund to be used for purchase of inexpensive items.

A revolving cash account allows school staff or district employees to purchase inexpensive items (with prior approval of the principal/budget administrator) directly from vendors and later be reimbursed by the revolving cash account. Please refer to the Revolving Cash Guide for further details.

The revolving cash account will be reimbursed through the District's accounts payable process. Replenishment of funds is done through a request for reimbursement. See Exhibit B for sample of reimbursement request memo to District

Cancel any old checks that are stale dated, i.e. more than six months old, if the employee no longer works for the District. If those checks have previously been reimbursed by District, refund District by netting the amount against current or future reimbursements. Memo must include supporting information, i.e. check date, check number, check amount, who it was made out to, expense code and description of the related expense that was voided.

Reconciliation for Revolving Cash Account

Refer to the Bank Reconciliation form for Revolving Cash Account (Exhibit C).
"School/Site" - Enter school/department name
"Beg. Date – End Date" - Enter the reporting period being reconciled, e.g. MM/01/YY to MM/31/YY
"Bank Ending Balance" - Enter the ending balance amount from the bank statement
"Book Ending Balance" - Enter the last day of the month balance amount from Quicken or checkbook
"Add: Deposits in Transit" - List any deposits recorded in checkbook that have not cleared the bank
"(Subtract) Uncleared Checks" - List any checks written in checkbook that have not cleared the bank
"Add: Interest / Correction" - List any interest recorded in bank statement that is not in checkbook
"(Subtract) Charges / NSF Checks" - List any bounced checks and finance charge not in the checkbook
"Adjusted Bank Balance" - Bank Ending Balance + total Deposits in Transits – total Uncleared Checks
"Adjusted Book Balance" - Book Ending Balance + total Interest/Correction – total NSF/Charges

If Adjusted Bank Balance equals Adjusted Book Balance, the reconciliation is good. Move on to the "Add: Pending Reimbursement Request to District" section.

"Add: Pending Reimbursement Request to District" - List amounts that are pending reimbursement from District. If a reimbursement memo has been submitted to Accounts Payable, enter only the total amount from the memo. If there were expenses yet to be submitted for reimbursement, list the check dates, numbers and amounts.
"Revolving Cash Balance" - Adjusted Book Balance + total Pending Reimbursement from District
"Revolving Cash Limit" - Enter cash limit, e.g. elementary school $1,500; middle school $2,500; etc.

If Revolving Cash Balance equals Revolving Cash Limit, the reconciliation is complete. Sign and date under "Preparer". Principal/Administrator must review and approve the reconciliation form.

The reconciliation report package should include the following:

- Bank reconciliation page
- If using ASBWorks, also include ASBW bank reconciliation report
- Bank statement
- Quicken register or transaction report, or copy of checkbook
- If using ASBWorks, include ASBW account statement report
- Memo(s) for pending reimbursement request from District

Principal must review the completed package and approve by signing the reconciliation page. Submit the approved reconciliation report package to the Coordinator, Fiscal Compliance no later than the 20th of each month. Submission can be done by scanning and emailing, or using the district pony for hardcopies.

Associated Student Body Account

An Associated Student Body ("ASB") account is established for funds belonging to student related activities only and is not to be commingled with other accounts. An ASB account should not be used for any transactions other than ASB transactions. All money deposited to the ASB bank account must be spent according to Associated Student Body regulations (refer to FCMAT ASB Accounting Manual 2024). Also refer to MDUSD guide for ASB advisor for policies and procedures.

Reconciliation for Associated Student Body Account

Refer to the Bank Reconciliation form for Associated Student Body Account (Exhibit D).
"School" - Enter school name
"Beg. Date – End Date" - Enter the reporting period being reconciled, e.g. MM/01/YY to MM/31/YY
"Bank Ending Balance" - Enter the ending balance amount from the bank statement
"Book Ending Balance" - Enter the last day of the month balance amount from Quicken or checkbook
"Add: Deposits in Transit" - List any deposits recorded in checkbook that have not cleared the bank
"(Subtract) Uncleared Checks" - List any checks written in checkbook that have not cleared the bank
"Add: Interest / Correction" - List any interest recorded in bank statement that is not in checkbook
"(Subtract) Charges / NSF Checks" - List any bounced checks and finance charge not in the checkbook
"Adjusted Bank Balance" - Bank Ending Balance + total Deposits in Transits – total Uncleared Checks
"Adjusted Book Balance" - Book Ending Balance + total Interest/Correction – total NSF/Charges

If Adjusted Bank Balance equals Adjusted Book Balance, the reconciliation is good. Move on to the "ASB Ledger Balance" section.

"ASB Ledger Balance" – List all the ledger accounts associated with the student body, e.g. class yearbooks, language clubs, etc. For elementary schools, there may be just one ledger account. Enter beginning balance for all the ledger accounts. If there were any fundraising, enter the amount raised

under "Revenue" for that ledger account. If there were expenditures, enter the amount under "Expense". Calculate the Ending Balance for each ledger account. The sum of all the ending balance ledger accounts must equal the Adjusted Book Balance

If Total ASB Balance equals Adjusted Book Balance, the reconciliation is complete. Sign and date under "Preparer". Principal/Administrator must review and approve the reconciliation form.

The reconciliation report package should include the following:

- Bank reconciliation page
- Bank statement
- Quicken register or transaction report, or copy of checkbook
- Balance Sheet for the ASB account reviewed and signed by ASB Advisor (for organized ASB)
- If using ASBWorks, include ASBW transaction summary report signed by ASB Advisor

Principal must review the completed package and approve by signing the reconciliation page. Submit the complete reconciliation report package to the Internal Auditor no later than the 20th of each month. Submission can be done by scanning and emailing, faxing, or pony hardcopies.

At the end of each school year, a year-end summary report must be generated (see Exhibit E for sample). This report is similar to the bottom half of the monthly reconciliation form, except that it covers the entire school year.

- Beginning balance should list all the ledge accounts as of Jul 1 of the school year
- Revenue should be the total amount raised for the year for each ledger account
- Expense should be the total amount spent for the year for each ledger account
- Transfer In and Transfer Out are for adjustments only; ASB approval required
- Ending balance should be the same amount as those in the Jun 30 monthly reconciliation
- Total of all the ledger amounts should equal the Jun 30 adjusted book balance

For schools that use ASBWorks accounting software, run Transaction Summary report for custom date 07/01/YYYY to 06/30/YYYY instead of using Exhibit E form.

The year-end summary is due to the Coordinator, Fiscal Compliance the same time June monthly reconciliation is submitted.

Exhibit A

Mt. Diablo Unified School District

Bank Account Reconciliation

School | Beg. Date - End Date

Clearing Account
Type of Account

Bank Ending Balance: $ _____ **Book Ending Balance:** $ _____

Add: Deposits in Transit

Date	Reference	Amount
		$

Add: Interest / Error Correction

Date	Description	Amount
		$

(Subtract): Uncleared Checks

Date	Check #	Amount
		$

(Subtract): NSF Checks / Charges / Correction

Date	Check #	Amount
		$

Adjusted Bank Balance: $ _____ **Adjusted Book Balance:** $ _____

Adjusted Bank Balance should equal Adjusted Book Balance

Prepared by: _____ **Approved by:** _____

Date: _____ **Date:** _____

Note: Reconciliation package is due to the Coordinator, Fiscal Compliance by the 20th of each month. Package must include signed reconciliation, bank statement, and copy of checkbook pages, Quicken transaction/register summary report or ASBWorks account statement report (whichever applicable). Submit to Andrea Rose (rosea@mdusd.org) via scan/email Keep a copy for records.

Exhibit B

Revolving Cash Account Reimbursement Request

Date: _____

To: Accounts Payable of Fiscal Services

From: _____

Please issue a check in the amount of **$**_____ to reimburse _____ revolving cash account for the following expenses as listed below. Original itemized receipts are also attached as a backup to this request. Any voided stale-dated checks previously reimbursed, if any, are listed and netted against current expense reimbursements.

Program, Account Code			
Date	*Description*	*Amount*	*Check #*
	Total		

Program, Account Code			
Date	*Description*	*Amount*	*Check #*
	Total		

Program, Account Code			
Date	*Description*	*Amount*	*Check #*
	Total		

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Exhibit C

Mt. Diablo Unified School District

Bank Account Reconciliation

School / Site | Beg. Date | End Date

Revolving Cash
Type of Account

Bank Ending Balance: $ _____ **Book Ending Balance:** $ _____

Add: Deposits in Transit

Date	Reference #	Amount
	$	

Add: Interest / Error Correction

Date	Type	Amount
		$

(Subtract): Uncleared Checks

Date	Check #	Amount
	$	

(Subtract): NSF Checks / Charges / Correction

Date	Check #	Amount
		$

Adjusted Bank Balance: $ _____ **Adjusted Book Balance:** $ _____

Adjusted Bank Balance should equal Adjusted Book Balance

Include a copy of the top pages of any reimbursement memos to the district that have/been paid yet.

Date	Reference / Check	Amount
Add: Pending Reimbursement Request from District		
Add: Prior Year's Disallowed Expenses to be Recouped		
(Subtract): Voided Uncleared Checks Already Reimbursed by District		
		$

Prepared by: _____
Date: _____

Revolving Cash Balance $ _____

Approved by: _____
Date: _____

Revolving Cash Limit _____

Revolving Cash Balance should equal Revolving Cash Limit

Note: Reconciliation package is due to the Coordinator, Fiscal Compliance by the 20th of each month. Package must include signed reconciliation, bank statement, and copy of checkbook pages, Quicken transaction/register summary report or ASBWorks account statement report (whichever applicable). Also include memo to district for reimbursement. If no memo, list checks to be reimbursed. Submit to Andrea Rose (roseа@mdusd.org) via scan/email. Keep a copy for records.

Exhibit D

Mt. Diablo Unified School District

Bank Account Reconciliation

School | Beg. Date - End Date

Associated Student Body
Type of Account

Bank Ending Balance:	$	Book Ending Balance:	$

Add: Deposits in Transit

Date	Reference #	Amount
		$

Add: Interest / Error Correction

Date	Type	Amount
		$

(Subtract): Uncleared Checks

Date	Check #	Amount
		$

(Subtract): NSF Checks / Charges / Correction

Date	Check #	Amount
		$

Adjusted Bank Balance:	$	Adjusted Book Balance:	$

Adjusted Bank Balance must equal Adjusted Book Balance

ASB Ledger Account	Beg Bal.	Revenue (+)	Trans In (+)	Trans Out (-)	Expense (-)	End Bal.
TOTAL ASB						$

Adjusted Book Balance must equal Total ASB Balance

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Note: Reconciliation package is due to the Coordinator, Fiscal Compliance by the 20th of each month. Package must include signed reconciliation, bank statement, and Quicken transaction/register report or copy of checkbook pages (HS use ASBWorks transaction summary report and statement from PACE payment processor). Submit via scan/email, to Andrea Rose (rosea@mdusd.org) Keep a copy for records.

2025 |MDUSD|FORM ASB Reconciliation.xlsx

Exhibit E

Mt. Diablo Unified School District

Associated Student Body Year-End Account Summary

School	7/1/201-	6/30/20xx
	Beg. Date	End Date

Associated Student Body
Type of Account

ASB Ledger Account		7/1/20xx Beg Bal.	Transaction for the Year Revenue (+)	Trans In (+)	Trans Out (-)	Expense (-)	6/30/20xx End Bal.
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
	0	-	-	-	-	-	-
TOTAL ASB		-	-	-	-	-	-
		Must equal prior year end adjusted book balance					*Must equal current year end adjusted book balance*

Prepared by: _____ **Date:** _____

Approved by: _____ **Date:** _____

Manual entry in shaded cells only

Note: Year-end summary is due to the Coordinator, Fiscal Compliance by the 20th of August, together with the June amd July reconciliation package. Copy information from June reconciliation to the top half section. Then complete the ASB Ledger section for the entire year. Beginning Balance should be as of July 1 of beginning of school year. Revenue/Expense and Transfer In/Out should be total activity for the year per each ledger account. Ending Balance should be as of June 30 of end of school year.

Exhibit F

MT. DIABLO UNIFIED SCHOOL DISTRICT

NAME OF SCHOOL

CHECKBOOK REGISTER

BANK NAME _____

ACCOUNT TYPE _____

ACCOUNT # _____

DATE	CHECK #	DESCRIPTION / REFERENCE	STATUS	WITHDRAWALS	DEPOSITS	BALANCE
06/30/17		Prior School Year Ending Balance				$ -
07/01/17						-
						-
						-