

ST. MARY PARISH LIBRARY
LIBRARY SERVICES POLICY AND PROCEDURE MANUAL
APPROVED: 9/24/2024

BANK RECONCILIATIONS

Policy Statement: Timely reconciling of all bank accounts is a key component of good controls over cash. Reconciling the bank balance with the book balance in the general ledger is necessary to ensure that:

1. All receipts and disbursements are recorded,
2. Checks are clearing the bank in a reasonable time,
3. Reconciling items are appropriate and are being recorded,
4. The reconciling cash balance agrees to the general ledger cash balance.

The Director is to receive the monthly bank statement directly from the library's online banking portal and review it for any unusual deposits and disbursements activity. Any unusual activity must be promptly and thoroughly investigated and reported to the Board of Control.

After the Director's review, he/she is to reconcile the bank statement in the accounting software within 30 days after the bank statement is received. Louisiana R.S. 10:4-406(d)(2) allows public entities 30 days to examine bank statements and cancelled checks for unauthorized signatures or alterations. After 30 days, the entity is precluded from asserting a claim against the bank for unauthorized signatures or alterations.

The bank reconciliation is to be prepared by the Director. The monthly bank reconciliations are to be signed and dated by the Library Board of Control Treasurer within 30 days of the preparation of the bank reconciliation. All bank statements, bank reconciliations, and any other supporting documentation are to be maintained by the Business Office Manager for subsequent review and audit.

Bank account balances are to be reviewed monthly to ensure that they are fully secured and that the types of securities pledged by the financial institution are in accordance with Louisiana R.S. 36:1225.