

Community Lutheran Partners, Inc.

BANK RECONCILIATIONS

Effective Date: September 2006

Review Date: Yearly

Policy No. P07

PREAMBLE

Adequate steps should be taken to confirm the accuracy of the bank balances shown in the General Ledger of Community Lutheran Partners, Inc.

POLICY

Data on cash receipts and disbursements journals will be compared with the details reported on bank statements. Unmatched and mismatched data are used to reconcile the book and bank balances. The reconciliations may be performed manually or they may be performed by computerized accounting software, or a combination of both methods. All Community Lutheran Partners, Inc. bank balances will be reconciled on a monthly basis. No exceptions will be granted for this Policy.

PROCEDURE

Bank balances, as shown by the bank statements, will be reconciled at least monthly with the general ledger balance. Data on cash receipts journals and cash disbursement journals will be compared on an item-by-item basis with the details reported on bank statements. Mismatched items will be listed for further investigation.

The Treasurer will oversee the preparation of the bank reconciliation. The Treasurer will report to the Board of Directors at each Quarterly meeting that the monthly reconciliations were accomplished. The Treasurer will make all reconciliations available to the Board of Directors upon request.

Discrepancies between general ledger cash balances and closing balances reported on bank statements usually result from transactions recorded in cash journals but not yet processed and recorded by the bank – Deposits in Transit and Outstanding Checks. The other items will include items on the bank statement that have not yet been processed or recorded by the company – Bank Service Charges, Corrections etc. Most of these items will not require further investigation.

All unmatched items will be investigated by the Treasurer. Other items include:

- Unmatched data in cash receipts and disbursements journals that fail to clear the bank within a reasonable period of time.
- Unmatched items on the bank statements unanticipated or judged erroneous by the company.
- Mismatched items in cash receipts and disbursements journals and bank statement items.

All proposed adjustments to the general ledger cash balances and cash detail files will be reviewed and approved by the Treasurer and the Executive Committee of the Board of Directors.