**EXCEL RECORDS FOR MUNICIPALITIES**

**Excel Fund Records:**

South Dakota municipalities are required to maintain accounting records by fund. A municipality should create a separate fund for General Fund, for each special revenue fund, for each enterprise fund or other fund type as required by the Municipal Accounting Manual. Proper records will enable the municipality to track balance sheet accounts, revenue and expenditure accounts by fund.

Therefore, by establishing a proper format of accounting records, the revenues, expenditures and cash balances are kept separate by fund. The Municipal Accounting Manual in section II identifies and defines the specific funds which are required for municipalities along with the revenue and expenditure accounts to be used.

In addition, it should be noted that records of small municipalities in South Dakota only need to be recorded on a cash basis of accounting unless the municipal board chooses to do otherwise. There is still an option to record transactions on a cash basis and in addition to create receivable accounts and payable accounts offset with contra accounts for the sole purpose of being a control for subsidiary records for various types of accounts receivable such as water, sewer, garbage, etc. and to act as a control for various issues of indebtedness subsidiary records.

The following records have been generated through the use of Excel spreadsheets to meet the requirements of some municipal accounting records or to supplement existing records.

**Receipt Journal (See Example 1):**

As required by 9-22-3 the finance officer shall give every person paying money into the treasury a duplicate receipt therefor, specifying the date of payment and upon what account paid. The receipts represent source documents which are individually recorded in the receipt journal. Receipts are to be recorded for each payee who pays money into the treasury with the exception that certain types of collections such as utility payments which are supported by payment stubs can be combined, summarized and receipted in total. The receipt number assigned to several payments should also be referenced to support the individual payments in the accounts receivable records.

The receipts should be recorded in the receipt journal in receipt number order. This also provides a form of internal control in that all receipt numbers are accounted for. In addition, you may have some direct bank deposits for grants, county and state remittances which should be receipted or at least referenced individually in the receipt journal. The receipts recorded should indicate the name of the payer, the total amount and the breakdown of the receipt by fund and specific revenue accounts. The receipt journal provides for an account recap by fund. The account recap summarizes the total of each revenue source for the month by fund and account. Note that the receipt journal contains a page tab for each month.

The account recap should be posted monthly to the Fund Cash Balance Record **(See Example No. 3)** and the Revenue and Expenditure Budget Record **(See Example No. 4)**.

The receipt journal could be used as a monthly report to the governing board.

The receipt journal should be saved each month.

**Disbursement Journal (See Example 2):**

SDCL 9-23-1 requires an itemized invoice and verified voucher for claims. Before any claim against any municipality for any property or services for which it is liable is allowed, an itemized invoice accompanied by a voucher verified by the appropriate municipal official that the services, other than those provided by municipal employees, or materials have been received. The vouchers should be consecutively numbered with the check numbers issued to pay the vouchers. The vouchers support checks which are individually recorded in the disbursement journal. If payments are made through an ACH recorded automatically in the bank statement, a voucher form should also be prepared to support the disbursement.

The vouchers should be recorded in the disbursement journal in check number order. This also provides a form of internal control in that all check numbers are accounted for. Vouchers in the form of an ACH should also be recorded in the disbursement journal and be supported by date paid in the bank statement. The vouchers (checks) recorded should indicate the name of the payee, the total amount and the breakdown of the disbursement by fund, function (department such as mayor and council) and object (purpose such as salaries). The disbursement journal provides for an account recap by fund, function and object. The account recap summarizes the total of each expenditure account for the month by fund, function and object. Note that the disbursement journal contains a page tab for each month.

The account recap should be posted monthly to the Fund Cash Balance Record **(See Example No. 3)** and the Revenue and Expenditure Budget Record **(See Example No. 4)**.

The disbursement journal could be used as a monthly report to the governing board.

The disbursement journal should be saved each month.

**Fund Cash Balance Record (See Example 3):**

The fund cash balance record represents a monthly general ledger control of total cash (including certificates of deposit, savings, etc**.)** by fund. The postings to this record are made monthly from the receipts journal and disbursement journal recaps and also gives a mechanism to record interfund transfers of cash. This record should be balanced monthly to actual cash assets through the monthly cash reconcilement process **(See Example No. 5)**.

If a separate fund is established for utility deposits or other trust deposits, the fund cash balance record would represent a general ledger control which would be balanced monthly to individual subsidiary records.

The fund cash balance record could be used as a monthly report to the governing board and included as part of the published minutes.

The fund cash balance record should be saved each month.

**Revenue and Expenditure Budget Record (See Example 4):**

SDCL 9-21-9 requires that expenditures be limited to appropriated amounts. Neither the governing body nor any department or officer of the municipality shall add to the municipal expenditures in any fiscal year any sum in excess of the amount provided for in the annual appropriation ordinance except as otherwise specially provided. Nor shall the amount spent for any purpose or any department exceed the total amount appropriated for such purpose or for such department in the annual appropriation ordinance for such year, except as otherwise specially provided.

The revenue and expenditure budget record is a record which is designed to compare the total budgeted revenue and expenditures for each individual fund and account to the actual year-to-date revenue and expenditures. The budgeted expenditures for municipalities are held to the department level. Therefore, if an object budget is over-expended, there is no violation of budget overdrafts if the total department budget is not overdrawn. This revenue comparison is necessary in which to measure that budgeted revenue approximates actual revenue. If the budgeted revenues on an ongoing basis are overstated as compared with actual revenue the available financing might not be sufficient to provide for the budgeted expenditures and will result in cutting budgeted expenditures or applying more of the available cash balance. This record also provides a history for future planning of actual revenue and expenditures by fund and account.

The revenue and expenditure budget record contains a page tab for each fund and the revenue and expenditure accounts have been set up to generate a monthly balance of revenue over (under) expenditures and a change in fund balance if desired.

The revenue and expenditure budget record contains a column in which to record the Adopted Budget (Column c) amounts for each revenue and department expenditure account. The next column (Column D) is for Budget Amendments in which contingency transfers, budget supplements and automatic supplemental budgets approved by the governing board are recorded. Note that automatic supplements for grants received may have the effect of amending both the budgeted revenues and expenditures. The worksheet also contains a column (Column E) for the Final Budget which is the total of the Adopted Budget and the Budget Amendments. If needed, a total of budgeted revenue over (under) budgeted expenditures is provided which will indicate the projected change in cash balances.

Columns F through Q are the columns for January through December in which to record the actual revenues and expenditures from the recaps of the Receipt Journal **(See Example No. 1)** and Disbursement Journal **(See Example No. 2)**.

Column R represents the year-to-date totals for each revenue and expenditure account.

Column S represents the Budget Balance of revenue and expenditure and will indicate if the year-to-date revenue and expenditures is greater or less than amounts budgeted. Remember that the municipality is not allowed to overspend the expenditures at a department level and should authorize a contingency transfer or budget supplement prior to incurring a budget overdraft.

The revenue and expenditure budget record should be reviewed with the governing board monthly.

The revenue and expenditure budget record should be saved each month.

**Cash Reconciliation Worksheet (See Example 5):**

The cash reconciliation worksheet has been provided as a format in which to compare monthly total cash balances by fund with the confirmed cash balances of the authorized bank accounts. Page tabs are used to record the monthly cash reconcilements. The cash balances by fund should come from the Fund Cash Balance Record **(See Example No. 3)**.

The cash reconciliation worksheet could be used as a monthly report to the governing board.

The cash reconciliation worksheet record should be saved each month.

**Accounts Receivable Record for Utilities (See Example 6):**

This record represents an option for municipalities who do not have an accounts receivable record for enterprise funds such as Water Fund, Sewer Fund and Garbage Fund where the municipality bills and collects fees for these services. The record could also be used for municipalities who are on the self-billing system to record payments. The Accounts Receivable Record represents a record with a page tab for each month in which records the receivable by name with a column for beginning accounts receivable, new billings and late fees, amount of payments and an ending balance of accounts receivable for the month. The worksheet also provides columns in which to record the receipt number to support payments and columns to compute the water consumption. The ending accounts receivable for each month should be copied to the next month’s page tab to establish the beginning accounts receivable balance.

The accounts receivable record should be reviewed with the governing board monthly to address delinquent accounts.

The accounts receivable record should be saved each month.

**Individual Payroll and Leave Record (See Example 7):**

The individual payroll and leave record provides a format in which to record the detail payroll and withholdings, vacation leave and sick leave by employee for a calendar year. The record can be a valuable tool to prepare the quarterly and yearly tax remittances and related forms. The worksheet has been set up to identify each employee through an individual page tab.

**Claim Vouchers (See Example 8):**

A claim voucher should be prepared for all expenditures except regular payroll. Vouchers must be coded for the appropriate fund(s) and expenditure classification(s).

Two declarations are shown on the lower part of the voucher. The first declaration is for the claimant’s signature and it must be signed for personal services performed by employees, travel reimbursements and contracted services. Claims for supplies and materials may be signed by the appropriate authorized agent of the municipality under the second declaration.

A check list for auditing claim vouchers by the city auditor/finance officer or other designated official before they are approved for payment should include but not be limited to the following items: Mathematical accuracy; Legality; Proper supporting documents; Properly itemized; Properly verified; Sales tax charged; Discounts available.