

# **EXCEL RECORDS FOR TOWNSHIPS**

## **Excel Fund Records:**

South Dakota townships are required to maintain accounting records by fund. A township should create a separate Fund for General Fund, for each Special Revenue Fund, and for Other Fund(s). Proper records will enable the township 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.

In addition, it should be noted that records of townships in South Dakota only need to be recorded on a cash basis of accounting. There is also an option to record transactions on a cash basis and in addition create receivable accounts and payable accounts offset with contra accounts for the sole purpose of being a general ledger control for subsidiary records for various types of accounts receivable and for various issues of indebtedness.

The following records have been designed using Excel spreadsheets to supplement existing records.

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

The treasurer 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 in receipt number order. 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 utility payments should also be referenced individually in the subsidiary 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 consecutively accounted for. In addition, you may have direct bank deposits for grants, county remittances and state remittances which should be receipted individually in the receipt journal. The receipts recorded should indicate the name of the payer, the total amount of the receipt 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 receipt journal 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 should be saved each month.

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

SDCL 8-10-10 requires an itemized invoice and verified voucher for claims. Before any claim against any township for any property or services for which it is liable is allowed, an itemized invoice accompanied by a voucher verified by the appropriate township official that the services, other than those provided by township employees, or materials have been received should be prepared. The vouchers should be consecutively numbered with the check numbers issued to pay the vouchers. The vouchers should support the checks issued 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 the 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 administration, fire protection and snow removal) 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 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 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 receipt journal and disbursement journal recaps and gives a mechanism to record interfund transfers of cash. This record should be balanced monthly to actual cash assets through the monthly cash reconciliation process (**See Example No. 5**).

If a separate Fund is established for any 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 could be 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 8-10-8 requires that expenditures be limited to the annual tax levy. Neither the governing body nor any officer of the township shall add to the township expenditures in any fiscal year any sum more than the amount provided for in the annual tax levy except as otherwise specially provided.

The revenue and expenditure budget record is a record which is designed to compare the total budgeted revenue and budgeted expenditures for each individual fund and account to the actual year-to-date revenue and expenditures. The budgeted expenditures for townships are held to the department level. Therefore, if a budget is over-expended at the expenditure object level, there is no budgetary compliance issue unless the total department budget is over-expended. 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 enough to provide for the budgeted expenditures and should 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 cash balance if desired.

The revenue and expenditure budget record contains a column in which to record the Adopted Budget amounts (Column C) for each revenue and department expenditure account. The next column (Column D) is for Budget Amendments in which budget supplements and automatic supplements 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 actual 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 actual amount totals for each revenue and expenditure account.

Column S represents the Budget Balance of each revenue and expenditure account and will indicate if the year-to-date actual revenue and expenditures are greater or less than amounts budgeted. Remember that the township 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 as a monthly report.

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 (See Example 6):**

This record represents an option for townships who have accounts receivable for activities where the township bills and collects for such activities (goods or services provided, etc.). The Accounts Receivable Record represents a record with a page tab for each month 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. 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 and can be used for 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 and travel reimbursements. Other claims for township expenses should be signed by the appropriate authorized agent of the township under the second declaration.

A check list for auditing claim vouchers by the township clerk 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.