

Bookkeeping and Important Dates

"You are only as strong as your base"

January 18, 2023



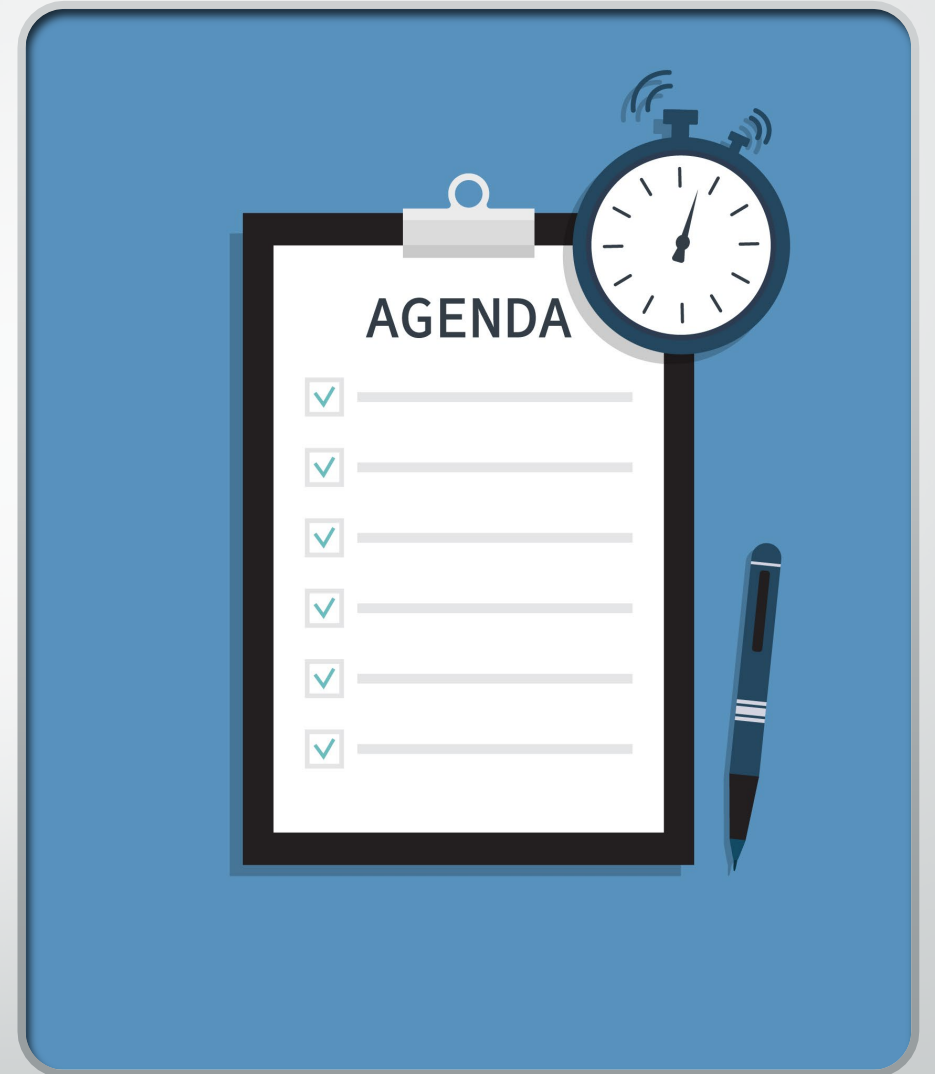
Mike Harmon
State Auditor

auditor.ky.gov



Agenda

- Bookkeeping
 - Daily
 - Monthly
 - Quarterly
 - Annually
- Important Dates



Mike Harmon
State Auditor

auditor.ky.gov



Uniform System of Accounts

- Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:

- All systems must comply with the Uniform System of Accounts.



Mike Harmon
State Auditor

auditor.ky.gov



KRS 68.210 Administration of county uniform budget system

The administration of the county uniform budget system shall be under the supervision of the state local finance officer who may inspect and shall supervise the administration of accounts and financial operations and shall prescribe and shall install, by July 1, 1985, a system of uniform accounts for all counties and county officials. Subsequent to every regular and extraordinary session of the General Assembly he shall review the county uniform budget system to determine if it is consistent with state law and generally accepted accounting practices. If he finds the system to be inconsistent with state law or to contain obsolete accounting practices, he shall revise it accordingly. He may require all officials of all local governments and local taxing districts to submit such financial reports as he may deem proper. He may investigate, examine, and supervise the accounts and operations of all local governments and local government officers. This section does not impose upon or transfer to the state local finance officer any post audit functions.

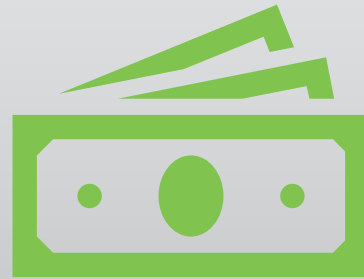


Mike Harmon
State Auditor

auditor.ky.gov



DLG Manual



DLG County Budget Preparation and
State Local Finance Officer Policy Manual

<http://kydlgweb.ky.gov/Documents/Counties/BudgetManualRevised2017.pdf>



Mike Harmon
State Auditor

auditor.ky.gov



Bookkeeping

- Where do you start?

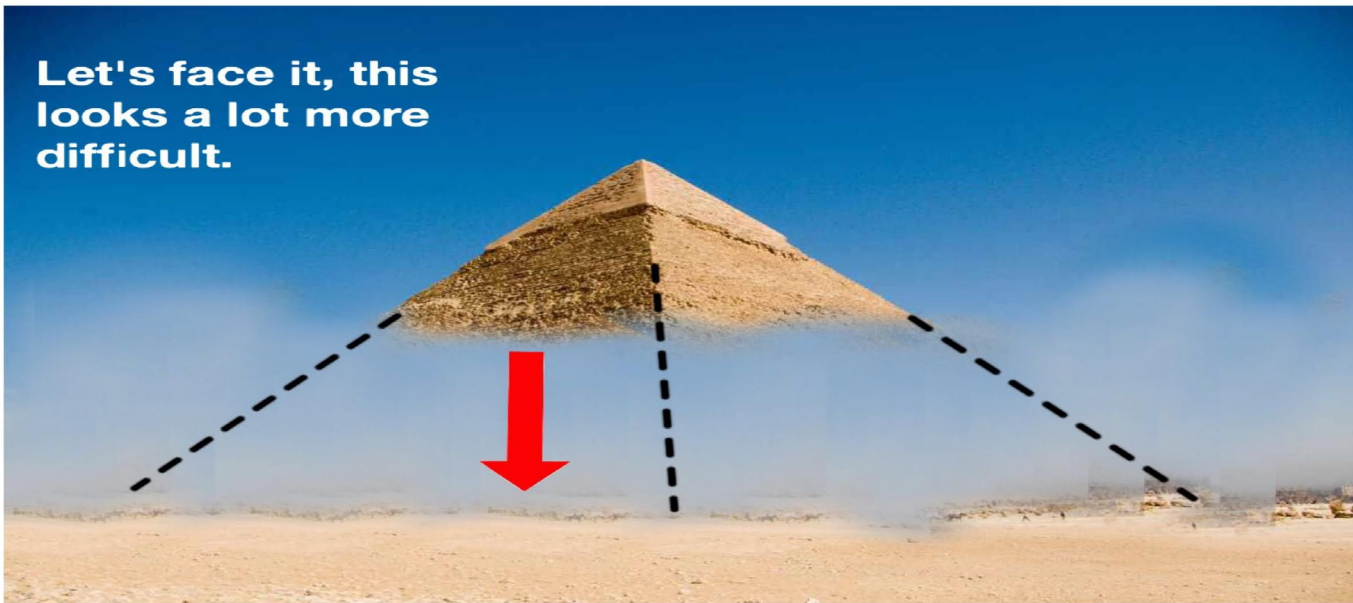
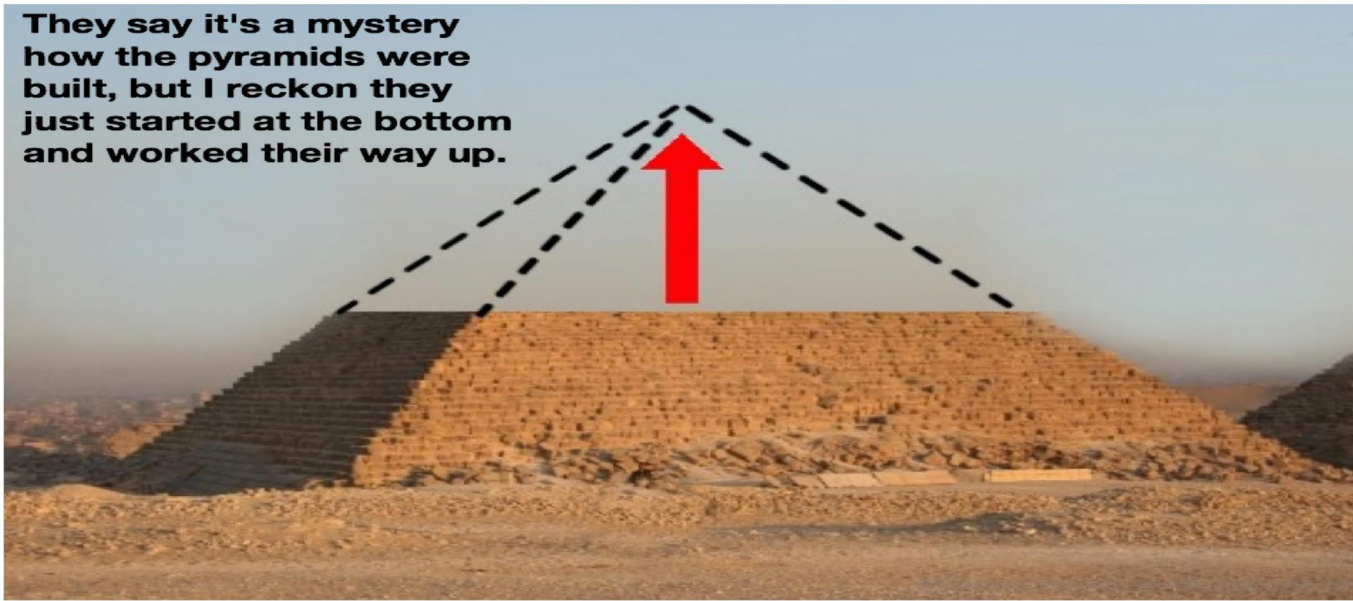


Mike Harmon
State Auditor

auditor.ky.gov



**Bookkeeping:
Where Do
You Start?**



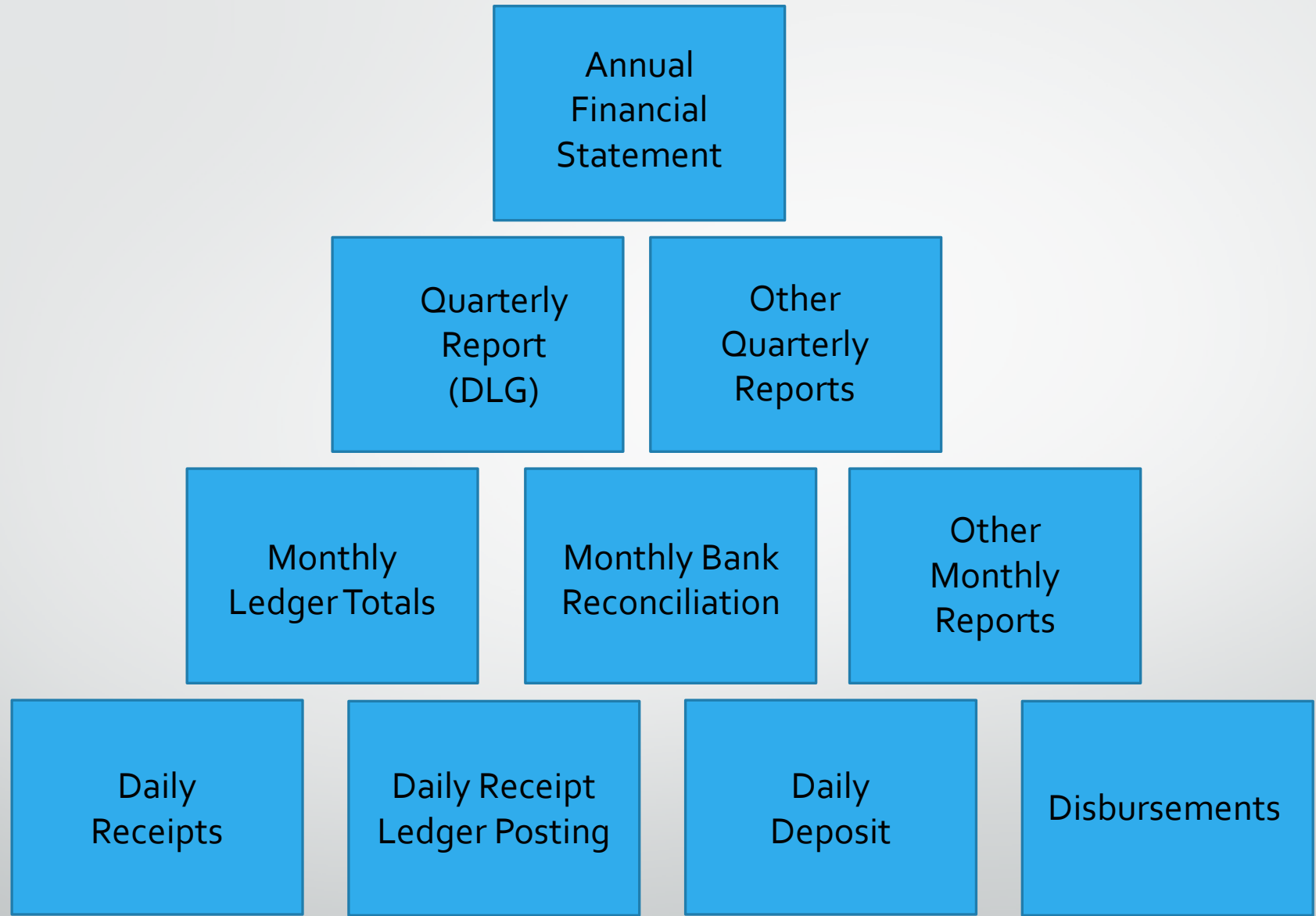
SOI: Pinterest



Mike Harmon
State Auditor

auditor.ky.gov





Mike Harmon
State Auditor

auditor.ky.gov



Daily

You Are Only as Strong as Your Base

Daily
Receipts

Daily Receipt
Ledger Posting

Daily
Deposit

Disbursements



Mike Harmon
State Auditor

auditor.ky.gov



Daily Receipts

- Receipt issued for all money received (KRS 64.840)
- Receipts batched and attached to daily checkout sheet/deposit
- Post to receipt ledger
- Fill-out deposit ticket
- Deposit daily into bank



Mike Harmon
State Auditor

auditor.ky.gov



Receipts - KRS

- **64.840 Issuance of receipt for payment of fine, forfeiture, tax, or fee...**
 - (1) Except for taxes collected on behalf of the state for which standard receipt forms had been supplied by the state prior to 1974, all county officials shall, upon the receipt of any fine, forfeiture, tax, or fee, prepare a receipt that meets the specifications of the state local finance officer...
 - (2) One (1) copy of the receipt shall be given to the person paying the fine, forfeiture, tax, or fee and one (1) copy shall be retained by the official for his own records. One (1) copy of the receipt shall be retained by the official to be placed with the daily bank deposit.



Mike Harmon
State Auditor

auditor.ky.gov



Receipts - DLG

- Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:
 - Pre-numbered three-part receipt forms should be issued for all receipts. Original to be given to payor, copy to be attached in sequential order to daily cash check-out or daily deposit record, and copy to remain in file. Voided receipts should be so marked, copies one and two kept in numerical order with check-out records, and copy three remaining in file. (KRS 64.840)



Mike Harmon
State Auditor

auditor.ky.gov



Receipts

- Receipts should document if funds were received by Cash, Check, or Credit Card
- As noted by KRS, 3rd copy of the receipt should be batched and placed with the Daily Checkout sheet/daily deposit



Mike Harmon
State Auditor

auditor.ky.gov



Receipts Ledger/Journal

- A daily, chronological listing of all receipts. The listing is the book of original entry for all revenues. The journal should indicate the date money is received, a description of the revenue source, the revenue account code, the total amount, and the fund(s) to which the amount is distributed. The cash receipts journal is totaled monthly.
- Can be electronic or paper
 - Most county officials have some type of software program



Mike Harmon
State Auditor

auditor.ky.gov



Example Receipts Ledger (County Clerk)

Date Received	Usage Tax	Delinquent Tax	Deed Transfer Tax	Daily Total
10/3/2022	\$3,540.23	\$1,390.15	\$350.00	\$5,280.38
10/4/2022	\$2,750.44	\$0	\$725.00	\$3,475.44
↓				
10/31/2022				
Monthly Total	\$6,290.67	\$1,390.15	\$1,075.00	\$8,755.82



Mike Harmon
State Auditor

auditor.ky.gov



Receipts – Daily Deposit



- All public funds should be deposited into the official bank account **daily**
 - Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:
 - Daily deposits intact into a federally insured banking institution. (KRS 68.210)



Mike Harmon
State Auditor

auditor.ky.gov



Receipts – Daily Deposit



- Ensure Deposits are made **Intact**
 - **Intact:** All monies received should be deposited as received–
 - Payment made by Check – Check should be deposited
 - Payment made by Cash – Cash should be deposited
 - **Do not cash personal checks**
- **The make-up of the deposit should mirror the actual funds received for the daily business**



Mike Harmon
State Auditor

auditor.ky.gov



Deposit funds intact daily and agree to daily records

- Daily Records

- Batched Pre-numbered Receipt Forms
- Daily Check-out Sheet
- Daily Receipts Ledger Posting
- Daily Deposit

All Should Agree



Mike Harmon
State Auditor

auditor.ky.gov



Disbursements

Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:

- Disbursements by check only. (KRS 68.210)

Note: Only a few exceptions to disbursements by check only



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court - Disbursements

67.080 Powers of fiscal court.

- (2) The fiscal court shall:
 - (a) Appropriate county funds, according to the provisions of KRS 68.210 to 68.360, for purposes required by law;



Mike Harmon
State Auditor

auditor.ky.gov



Funk v. Milliken- Disbursements (Fee Officials)

- In Funk vs. Milliken, 317 S.W.2d 499 (KY. 1958), Kentucky's highest court reaffirmed the rule that county fee officials' expenditures of public funds will be allowable only if they are:
 - Necessary,
 - Adequately Documented,
 - Reasonable in Amount,
 - Beneficial to the Public,
 - and not Personal Expenses.



Mike Harmon
State Auditor

auditor.ky.gov



Disbursements

- Disallowed Disbursements – Fee Officials
 - Any disbursements found to be in non-compliance with the provisions of **Funk vs. Milliken** will be disallowed and will have to be reimbursed by the Clerk or Sheriff from Personal Funds.



Mike Harmon
State Auditor

auditor.ky.gov



Example Disbursements Ledger (County Clerk)

Date Paid	Check Number	Payee	Deputies Salaries	Delinquent Tax	Office Supplies
10/3/2022	2051	J. Smith	\$1,652.25		
10/4/2022	2052	Office Depot			\$725.00
	2053	County School		\$1,125.33	
↓					
10/31/2022					



Mike Harmon
State Auditor

auditor.ky.gov



Disbursements

- Acceptable Supporting Documentation:
 - Original Bill, Invoice, or Receipt
 - Needs to be Itemized
 - Original Contract or Agreement
 - Credit Cards:
 - Credit Card Statement – Not Enough
 - Need the Supporting Documentation for the Purchase
 - Original Bill, Invoice, or Receipt (Itemized)



Mike Harmon
State Auditor

auditor.ky.gov



Procurement

- Review budget and cash in bank to determine if funds available before purchasing item
- Follow administrative code and state laws
 - Purchase Order System
 - Bidding
 - KRS 424.260
 - Model Procurement Code KRS 45A
 - Admin. Code



Mike Harmon
State Auditor

auditor.ky.gov



Monthly

Monthly
Ledger Totals

Monthly Bank
Reconciliation

Other
Monthly
Reports



Mike Harmon
State Auditor

auditor.ky.gov



Example Disbursements Ledger (County Clerk)

Date Paid	Check Number	Payee	Deputies Salaries	Delinquent Tax	Office Supplies
10/3/2022	2051	J. Smith	\$1,652.25		
10/4/2022	2052	Office Depot			\$725.00
	2053	County School		\$1,125.33	
↓					
10/31/2022					
Monthly Total			\$1,652.25	\$1,125.33	\$725.00



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliations

- Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:
 - Monthly bank reconciliation. (KRS 68.210)



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation

- A bank reconciliation is a summary of banking and business activity that reconciles an entity's bank account with its financial records which outlines the deposits, withdrawals, and other activities affecting a bank account for a specific period.



Mike Harmon
State Auditor

auditor.ky.gov



Why are Bank Reconciliations Important?

1. Bank reconciliations may uncover differences that may need further investigating.
2. Bank reconciliations help to safeguard cash by detecting errors on the part of the bank and/or the municipality when recording activities in accounts.
3. Bank reconciliations can make you aware of recording errors and other problems more quickly by enabling you to isolate the problem.
4. Bank reconciliations help to create stronger internal control, whereby accountability over cash assets is greatly enhanced.
5. Bank reconciliations ensure that account balances are accurate, and that they reflect the true financial position of the municipality, so governing bodies can make more informed decisions.

SOI: TAB – Office of State Comptroller New York



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliations – Records Needed

- Bank statement
- Receipts and Disbursement Ledgers
- Check Register
- Financial Statement/Quarterly Report



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation -Definitions

- **Deposits in transit**—funds received and recorded in a company's records that have not yet been processed by the bank.
- **Outstanding checks**—checks that were issued but have not yet been cleared by the bank.

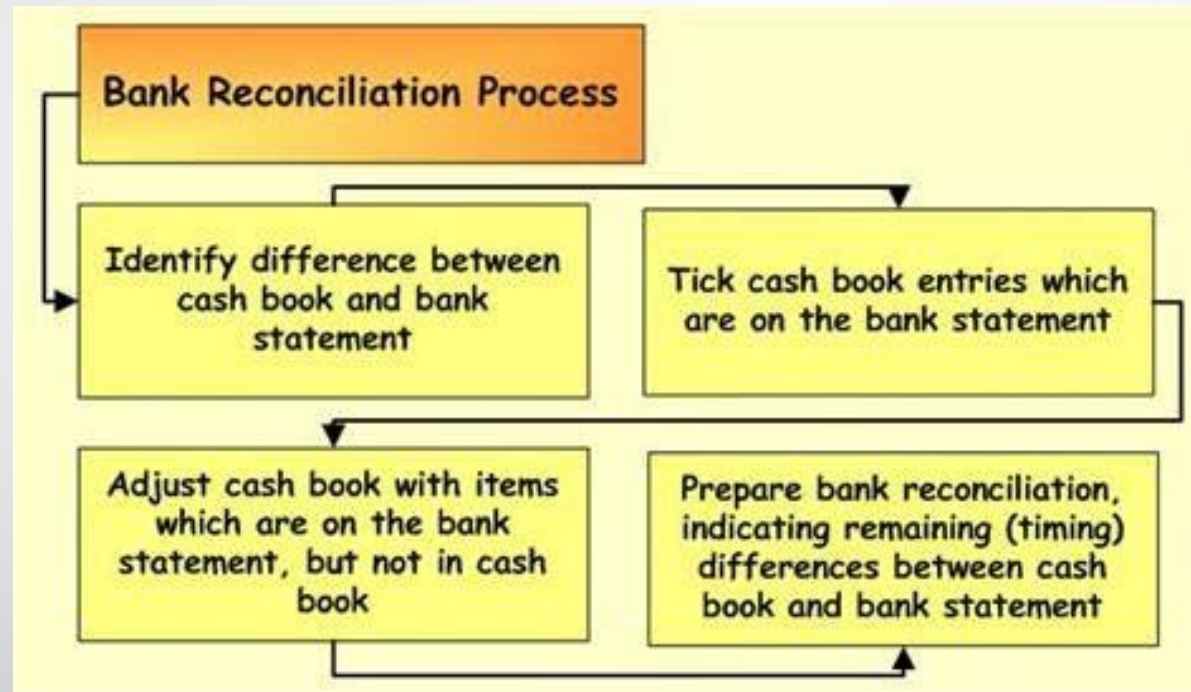


Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation

RECONCILIATION		
Bank Balance		
Plus Deposits in Transit	_____	
Less Checks Outstanding	_____	
Other : _____	_____	

Reconciled Bank Balance As Of:	_____	\$ _____



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation

Book Balance per General Ledger	\$	-
Adjustments to Book Balance:		
Add:		
Bank Interest - not posted		
Auto/electronic Deposit - not posted		
Other		
Deduct:		
Returned Checks		
Bank Fees		
Other		
Adjusted Book Balance	\$	-



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliation

- Reconciled Bank Balance and Adjusted Book Balance should AGREE
- Be sure to record any unrecorded amounts to ledgers



Mike Harmon
State Auditor

auditor.ky.gov



Bank Reconciliations – Document It!

- **Document reconciliations.** Documentation of reconciliations should include source documents used in the reconciliation and a schedule showing the comparisons made and adjustments or reconciling items identified with sufficient detail and clarity to enable effective review. Management should expect those in charge of performing the reconciliation to establish clear documentation of their process so it can be easily confirmed by others and reproduced if needed. Clear documentation also facilitates cross-training or succession planning, so as to avoid a breakdown in this key control in the event of staff turnover or absence.
- *SOI: Washington State Auditor*



Mike Harmon
State Auditor

auditor.ky.gov



Other Monthly Reports

- Clerk – Delinquent Tax, Legal Process, Deed Transfer, Motor Vehicle Licensing, Tangible Personal Property
- Sheriff – Tax Collection



Mike Harmon
State Auditor

auditor.ky.gov



KRS 68.360 – Fiscal Court

- 68.360 Monthly statement of county treasurer -- Quarterly statement of county judge/executive.
 - (1) The county treasurer shall balance his/her books on the first day of each month, so as to show the correct amount on hand belonging to each fund on the day the balance is made, and shall within ten (10) days file with the county judge/executive and members of the fiscal court a monthly statement containing a list of warrants paid by him/her during the month, showing all cash receipts and the cash balance at the beginning and at the end of the month, and certifying that each warrant or contract is within the budget appropriation



Mike Harmon
State Auditor

auditor.ky.gov



Quarterly

Quarterly
Report
(DLG)

Other
Quarterly
Reports



Mike Harmon
State Auditor

auditor.ky.gov



Quarterly Financial Report – Fiscal Court

- Complete quarterly financial report
- Agrees to receipts and disbursements ledgers
- Due to DLG following close of quarter ending March 31, June 30, September 30, and December 31
- Note – Quarterly report has a bank reconciliation on first page



Mike Harmon
State Auditor

auditor.ky.gov



Quarterly Report –Fiscal Court

Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:

All county money is to be reported on the financial statement whether it is included in the budget or not. The statement is a cumulative report and is prepared, signed and dated by the county judge/executive and the county treasurer pursuant to KRS 68.210. The report is comprised of six sections as follows:

Section I:	Summary and Reconciliation, prepared by county treasurer
Section II:	Receipts Section, prepared by county treasurer
Section III:	Contingent Liabilities Section, prepared by county treasurer
Section IV:	Appropriation Condition Report, prepared by county judge/executive
Section V:	Fixed Asset Section— <i>4th quarter reporting only</i>
Section VI:	Schedule of Expenditures of Federal Awards— <i>4th quarter reporting only</i>

The State Local Finance Officer requires the report to be submitted by the 20th of the month following the close of the quarters ending September 30, December 31, March 31 and June 30. A copy must be posted in the courthouse and a copy must be transmitted to the State Local Finance Officer. Forward the report to Department for Local Government. The final quarterly report filed by a county within fifteen (15) days after the end of the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be deemed the uniform financial information report for that county for purposes of compliance with KRS 65.900 to 65.925.



Mike Harmon
State Auditor

auditor.ky.gov



KRS 68.360 – Fiscal Court

- (2) The county judge/executive shall, within fifteen (15) days after the end of each quarter of each fiscal year, prepare a statement showing for the current fiscal year to date actual receipts from each county revenue source, the totals of all encumbrances and expenditures charged against each budget fund, the unencumbered balance of the fund, and any transfers made to or from the fund. The county judge/executive shall post the statement in a conspicuous place in the courthouse near the front door for at least ten (10) consecutive days, and transmit a copy to the fiscal court and to the state-local finance officer. The statement shall be read at the next meeting of the fiscal court



Mike Harmon
State Auditor

auditor.ky.gov



Quarterly Reports - Fee Officials

Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:

**FEE OFFICE QUARTERLY REPORTS
(STATE LOCAL FINANCE OFFICER REQUIREMENTS)**

The State Local Finance Officer requires the quarterly report to be submitted no later than 30 days following the close of the quarters ending March 31, June 30, September 30, and December 31.



Mike Harmon
State Auditor

auditor.ky.gov



_____ County Sheriff

Part One—Summary and Reconciliation of All Accounts

Show & Describe All Accounts	Column 1	Column 2	Column 3	Column 4	Column 5
	20__ Fee Account Budget Estimate	20__ Fee Account Cumulative Actual	Account (NOT FEE ACCOUNT)	Account (NOT FEE ACCOUNT)	Account (NOT FEE ACCOUNT)
1. Receipts YTD					
2. Total Disbursements YTD					
3. Book Balance/Excess Fees					
4. Bank Statement Balance					
5. Plus Deposits in Transit					
6. Less Outstanding Checks					
7. Other					
8. Reconciled Bank Balance					
9. Accounts Receivable as of 12/31					
10. Unpaid Obligations as of 12/31					
11. Excess Fees					

Amounts Should Agree

Instructions: This form is the required format for the budget and the quarterly report. BUDGET: After completing the budget estimate columns of Parts One, Two and Three, submit to the fiscal court for approval by January 15th and following approval submit to the state local finance officer. QUARTERLY REPORT: The quarterly report is cumulative. Show the status of all funds in the official's charge during calendar year to date in Part One. **Line 1** Show total receipts on a cash basis for the year to date including any beginning balances for all accounts. **Show current year fee account in column 2 as calculated in Part Two of report.** **Line 2** Show total disbursements on a cash basis for the year to date for all accounts. **Show current year fee account in column 2 as calculated in Part Three of report.** **Line 3** Show difference between lines 1 and 2 for all accounts. **Line 4** Show bank statement balance(s) at close of quarter. **Line 5** Show total deposits made prior to close of quarter that are not reflected in bank statement(s). **Line 6** Show total amount of checks issued prior to close of quarter that are not reflected in bank statement(s). **Line 7** Show investments. **Line 8** Show line 4 adjusted for lines 5, 6, and 7. **Line 8** should equal line 3 for all accounts. **Line 9** Complete for quarter ending 12/31. Show calculation in Part Two of report. **Line 10** Complete for quarter ending 12/31. Show calculation in Part Three of report. **Line 11** Complete for quarter ending 12/31. Show line 8 adjusted for lines 9 and 10. All debt to be shown in Part Four. Report due to: State Local Finance Officer, 1024 Capital Center Drive, Suite 340, Frankfort, KY 40601-8204 by the 30th day following the close of each quarter. Fax # 502-573-3712 / Ph # 502-573-2382.

Approved by the fiscal court on the ____ day of _____, 20__.

To the best of my knowledge the information reported herein for the quarter ended _____ is accurate and complete.

County Judge/Executive Date

Signature of County Sheriff Date



Mike Harmon
State Auditor

auditor.ky.gov



Part Two Receipts	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Accounts Receivable 12/31	Settlement Total
1. Federal Grants								
2. State Grants								
3. State - KLEFFP								
4. State Fees for Services								
5. Finance and Administration Cab.								
6. Cabinet Human Resources								
7. Circuit Clerk								
8. Sheriff Security Services								
9. Fines/Fees Collected								
10. Court Ordered Payments								
11. Fiscal Court (includes Election Comm.)								
12. County Clerk (Delinquent taxes)								
13. Commissions on Taxes Collected								
14. Fees Collected for Services								
15. Auto Inspections								
16. Accident/Police Reports								
17. Serving Papers								
18. CCDW								
19. Other (Describe)								
20.								
21. Interest Earned								
22. Total Revenues								
23. Petty Cash								
24. Borrowed Money								
25. State Advancement								
26. Bank Note								
27. Total Receipts (Total lines 22 through 26)								



Mike Harmon
State Auditor

auditor.ky.gov



Part Three Disbursements	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Unpaid Obligations	Settlement Total
Official Expenses								
1. Personal Services								
2. Sheriff's Gross Salary								
3. Deputies' Gross Salaries								
4. Part Time Gross Salaries								
5. Other Gross Salaries								
6. Overtime Gross								
7.								
8. Employee Benefits								
9. Employer's Share Social Security								
10. Employer's Share Retirement								
11. Employer's Share Haz. Duty Ret.								
12. Employer Paid Health Ins.								
13. Training Fringe Benefit (HB810)								
14. Contracted Services								
15. Advertising								
16. Vehicle maintenance and repairs								
17.								
18. Supplies and Materials (Tangible items with limited lifespan)								
19. Office Materials and supplies								
20. Uniforms								
21. Gasoline								
22.								
23.								
24.								
25 Other Charges (Non-contracted)services, non-tangible items)								
26. Convention								
27. Dues								
28. Postage								
29. Mileage on Personal Vehicles								
30. Vehicle Expense								
31. Bond								
32.								
33.								



Mike Harmon
State Auditor

auditor.ky.gov



Part Three Disbursements	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Unpaid Obligations 12/31	Settlement Total
34. Auto Expenses on Personal Vehicles								
35. Gasoline								
36. Maintenance and repairs								
37. Insurance								
38. Depreciation								
39.								
40. Debt Service (Borrowed money, interest, lease/purchases)								
41. State Advertisement								
42. Notes								
43. Interest								
44.								
45. Capital Outlay (Outright purchases of tangible items lasting in nature)								
46. Office Equipment								
47. Vehicles								
48.								
49.								
50. Total Official Expenses								
For offices that fee pool, pay fees to county prior to December 31, or counties over 70,000 in population, show payments on appropriate line below.								
51. Payments to County Treasurer								
52. Payments to State Treasurer								
53. Total Disbursements (Total lines 50, 51, and 52)								



Mike Harmon
State Auditor

auditor.ky.gov



PART FOUR - LIABILITIES OUTSTANDING

QUARTER ENDED _____

Multi-year Issues	Issue	Issue	Totals
Where Budgeted			
Description			
Term (# of Years)			
Current Interest Rate			
Issue Date			
Total Principal Amount			
Total Interest Amount			
Total Issue			
Principal Balance Remaining			
Interest Balance Remaining			
Less Reserve Earnings			
Net Outstanding			
Next Payment Date			
Next Payment Amount			
Final Payment Date			
Short Term Liabilities	Issue	Issue	
Where Budgeted			
Description			
Term			
Current Interest Rate			
Issue Date			
Total Principal Amount			
Total Interest Amount			
Total Issue			
Principal Balance Remaining			
Interest Balance Remaining			
Total Outstanding			
Next Payment Date			
Next Payment Amount			
Final Payment Date			
Total Outstanding Debt	(If no outstanding advancements, loans, leases, or other debt, show "\$0".)		



Mike Harmon
State Auditor

auditor.ky.gov



How do you ensure quarterly report is correct?

- Starts with Keeping Accurate Records Every Day:

- Daily Receipt Records

- Pre-numbered Receipt Forms
- Daily Check-out Sheet
- Daily Receipts Ledger Posting
- Daily Deposit

All Should Agree

- Daily Expenditure Records

- Invoice
- Check
- Daily Disbursement Ledger Positioning

All Should Agree



Mike Harmon
State Auditor

auditor.ky.gov



Ensure records agree to quarterly report

- **Ledgers (Receipts and Disbursements)**
 - Ledger Categories Should Match the Categories/Accounts per Quarterly Report
 - Should be Posted to Daily and Agree to Daily Records
 - Should be Totaled Monthly/Quarterly/Yearly
 - Should Agree to Quarterly Reports and Final Settlement
 - Submit Quarterly Reports to DLG as Required
- **Bank Reconciliations**
 - Completed Monthly and Reconcile to Ledgers



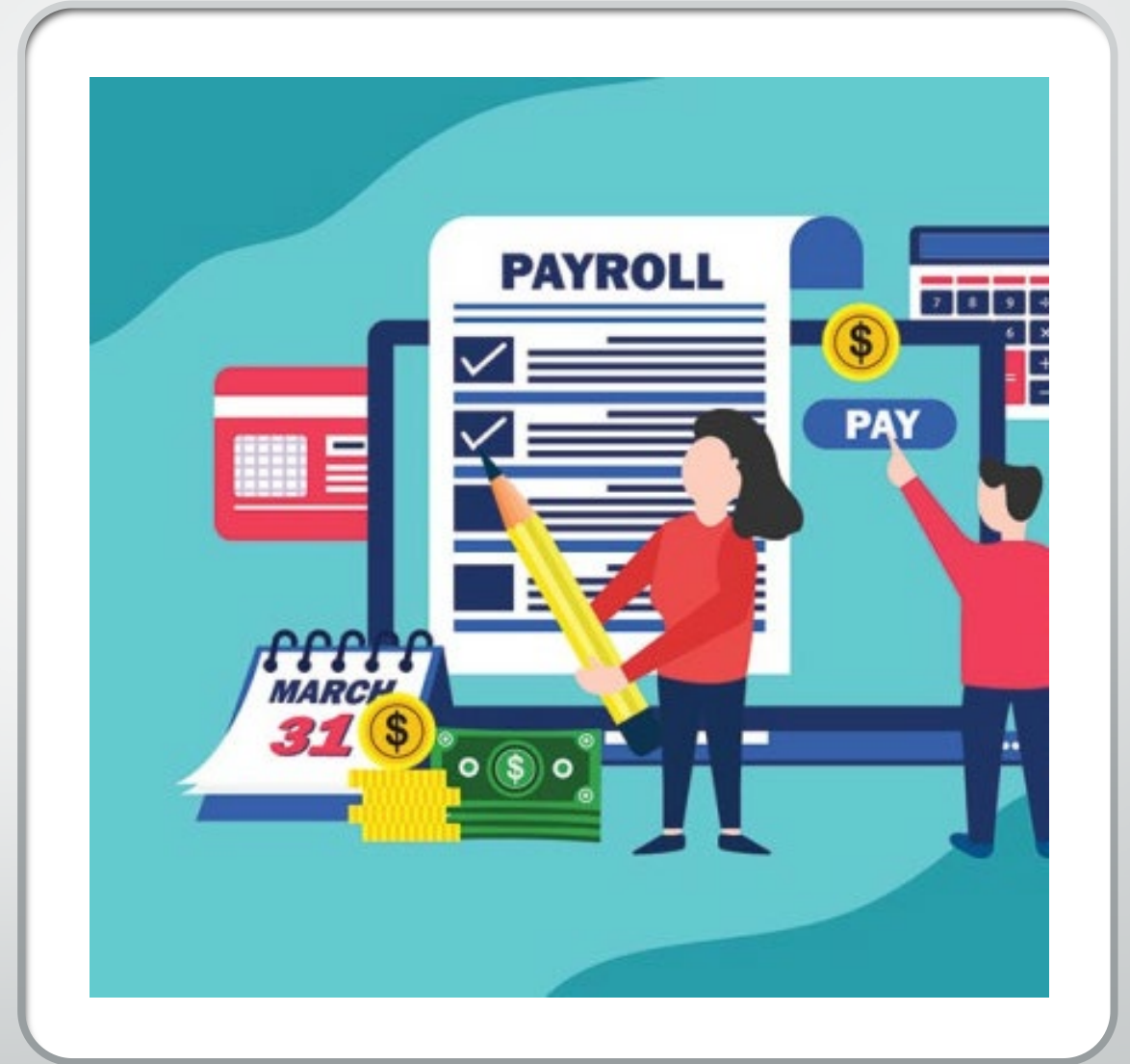
Mike Harmon
State Auditor

auditor.ky.gov



Other Quarterly Reports

- Payroll Reporting



Mike Harmon
State Auditor

auditor.ky.gov



Annually

Annual
Financial
Statement



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court

- 4th Quarter Report:
 - The final quarterly report filed by a county, with DLG, within fifteen (15) days after the end of the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be deemed the uniform financial information report for that county for purposes of compliance with KRS 65.900 to 65.925
- Treasurer Settlement:
 - At the close of each fiscal year, the county treasurer shall, within thirty (30) days after the close of each fiscal year, make a complete settlement of accounts with the fiscal court (KRS 68.020). After the fiscal court approves the treasurer's annual settlement, records of the settlement are filed in the office of the county clerk (KRS 68.030).



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court

Per DLG County Budget Preparation and State Local Finance Officer Policy Manual:

All county money is to be reported on the financial statement whether it is included in the budget or not. The statement is a cumulative report and is prepared, signed and dated by the county judge/executive and the county treasurer pursuant to KRS 68.210. The report is comprised of six sections as follows:

Section I:	Summary and Reconciliation, prepared by county treasurer
Section II:	Receipts Section, prepared by county treasurer
Section III:	Contingent Liabilities Section, prepared by county treasurer
Section IV:	Appropriation Condition Report, prepared by county judge/executive
Section V:	Fixed Asset Section— <i>4th quarter reporting only</i>
Section VI:	Schedule of Expenditures of Federal Awards— <i>4th quarter reporting only</i>

The State Local Finance Officer requires the report to be submitted by the 20th of the month following the close of the quarters ending September 30, December 31, March 31 and June 30. A copy must be posted in the courthouse and a copy must be transmitted to the State Local Finance Officer. Forward the report to Department for Local Government. The final quarterly report filed by a county within fifteen (15) days after the end of the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be deemed the uniform financial information report for that county for purposes of compliance with KRS 65.900 to 65.925.



Mike Harmon
State Auditor

auditor.ky.gov



Schedule of Expenditure of Federal Awards (SEFA)

- You MUST submit a SEFA to DLG with 4th Quarter Report
- SEFA is part of your annual financial statement
- Used to determine if you need an audit of federal awards (single audit)



Mike Harmon
State Auditor

auditor.ky.gov



Schedule of Expenditure of Federal Awards (SEFA) – Information Included

- Federal Grantor
- Pass-Thru Agency
- Program or Cluster Title
- Federal CFDA Number
- Pass Through Entity's Identifying Number
- Amount Provided to Subrecipients
- Amount Expended



Mike Harmon
State Auditor

auditor.ky.gov



Excel file can be found on DLG Website

Example	Example	Example		Provided to	Total
Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identifying Number		Subrecipient	Federal Expenditures
<u>U. S. Department of Commerce</u>					
<i>Direct Program</i>					
Investments for Public Works and Economic Development Facilities	11.300	04-69-06556	**	\$ -	\$ -
Total U.S. Department of Commerce				-	-
<u>U. S Department of Housing and Urban Development</u>					
<i>Passed-Through State Department for Local Government:</i>					
Community Development Block Grants/State's Program	14.228	12-046	**	\$ -	\$ -
Total U.S. Department of Housing and Urban Development				-	-
<u>U.S. Department of Justice</u>					
<i>Passed-Through State Department of Justice-ARRA:</i>					
Crime Victims Assistance	16.575			\$ -	\$ -
Total U.S. Department of Justice				-	-
<u>U. S. Department of Transportation</u>					
<i>Passed-Through State Transportation Cabinet:</i>					
Highway Planning and Construction	20.205	P02 - 628- 0600003423		\$ -	\$ -
Total U.S. Department of Transportation				-	-



Mike Harmon
State Auditor

auditor.ky.gov



When do you need a single audit?

Federal Expenditures exceed \$750,000 in the fiscal year



Mike Harmon
State Auditor

auditor.ky.gov



Annual Report - Jail Commissary

- KRS 441.135 (2) ...The jailer shall keep books of accounts of all receipts and disbursements from the canteen and **shall annually report to the county treasurer** on the canteen account



Mike Harmon
State Auditor

auditor.ky.gov



Annual Report – Jail Commissary (Sample from DLG Budget Manual)

JAIL COMMISSARY FUND SUMMARY AND RECONCILIATION

Year To Date Summary		
A. Cash Balance - July 1, 20____		\$ _____
Plus receipts for fiscal year:		
Inmate Pay State	_____	
Inmate Account	_____	
Sales Vending Machine	_____	
Sales Commissary	_____	
Other Receipts	_____	
B. Total Receipts		\$ _____
C. Total Funds Available (A + B)		\$ _____
Less Expenditure for Fiscal Year:		
Inventory	_____	
Inmate Account Refund	_____	
Entertainment Expense	_____	
Inmate State Payroll	_____	
Other Expenses	_____	
D. Total Expenditures		\$ _____
E. Cash Balance as of _____ (C-D)		\$ <input type="text"/>
RECONCILIATION		
F. Bank Balance	_____	
G. Plus Deposits in Transit	_____	
H. Less Checks Outstanding	_____	
I. Other: _____	_____	
J. Reconciled Bank Balance As Of:	_____	\$ <input type="text"/>
(Sum of F through I)		



Mike Harmon
State Auditor

auditor.ky.gov



Annual Settlement - Fee Officials

- Sheriff – KRS 134.192
 - Tax – Settle by September 1st
 - Fee – Settle by March 15th
- County Clerk – KRS 64.152
 - Fee – Settle by March 15th

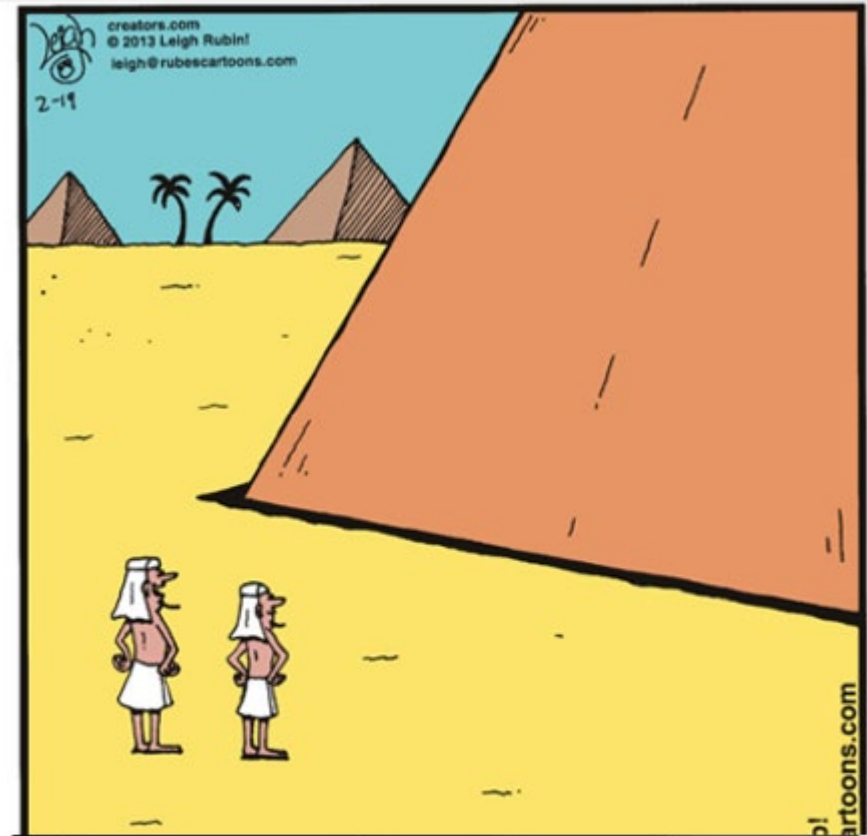


Mike Harmon
State Auditor

auditor.ky.gov



How Do You Ensure Annual Settlement and 4th Quarter is Correct?



"It's awesome, all right. Remind me again:
How in the heck did we build it?"



Mike Harmon
State Auditor

auditor.ky.gov



How do you ensure 4th quarter report is correct?

- Starts with Keeping Accurate Records Every Day:

- Daily Receipt Records

- Pre-numbered Receipt Forms
- Daily Check-out Sheet
- Daily Receipts Ledger Posting
- Daily Deposit

All Should Agree

- Daily Expenditure Records

- Invoice
- Check
- Daily Disbursement Ledger Positioning

All Should Agree



Mike Harmon
State Auditor

auditor.ky.gov



Ensure records agree to 4th quarter report and annual settlement

- **Ledgers (Receipts and Disbursements)**
 - Ledger Categories Should Match the Categories/Accounts per Quarterly Report
 - Should be Posted to Daily and Agree to Daily Records
 - Should be Totaled Monthly/Quarterly/Yearly
 - Should Agree to Quarterly Reports and Final Settlement
 - Submit Quarterly Reports to DLG as Required
- **Bank Reconciliations**
 - Completed Monthly and Reconcile to Ledgers



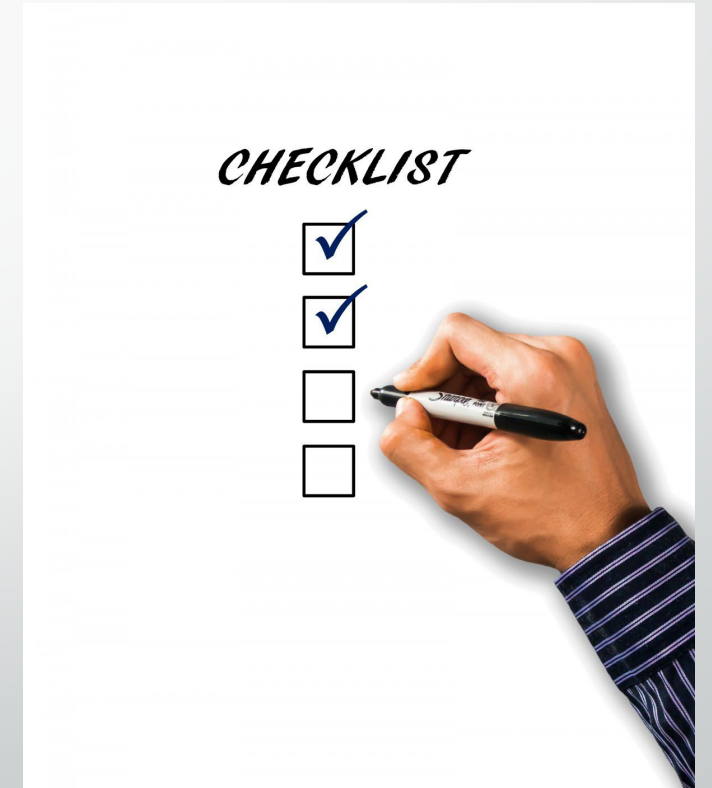
Mike Harmon
State Auditor

auditor.ky.gov



How do you ensure 4th quarter report is correct?

- Follow-up to make sure everything is being done.



Mike Harmon
State Auditor

auditor.ky.gov



Important Dates



Mike Harmon
State Auditor

auditor.ky.gov



Disclaimer

- Note: These are just a few of the important dates you should be aware of. The list is not all inclusive.



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court Timelines - Budget

15 Jan.

By January 15:

- Approve fee office budgets.
- (KRS 64.345; 68.210)

1 May

By May 1:

- Submit complete county budget to fiscal court.
- (KRS 68.240)

By April 1:

- Submit proposed jail fund budget to the fiscal court.
- (KRS 441.215)

1 Apr.



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court Timelines - Budget

By June 1:

- First reading of proposed budget ordinance.
- (KRS 68.240, 67.077)

Not less than 7 nor more than 21 days prior to adoption:

- Advertise 2nd reading;
- Publish summary of proposed budget; and
- Submit 3 copies to SLFO.
- (KRS 67.077, 68.240, 68.250, 68.260, 424.130)



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court Timelines - Budget

At least 7 days prior to adoption:

- Post a copy of proposed budget near front door.
- (KRS 68.260)

By July 1:

- 2nd reading and adoption of proposed budget.
- (KRS 67.077, 68.260)

Within 15 days following adoption by FC:

- Submit a copy of adopted budget to SLFO.
- (KRS 68.270)



Mike Harmon
State Auditor

auditor.ky.gov



Fiscal Court



- **4th Quarter Report:**
 - The final quarterly report filed by a county, with DLG, within fifteen (15) days after the end of the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be deemed the uniform financial information report for that county for purposes of compliance with KRS 65.900 to 65.925
- **Treasurer Settlement:**
 - At the close of each fiscal year, the county treasurer shall, within thirty (30) days after the close of each fiscal year, make a complete settlement of accounts with the fiscal court (KRS 68.020). After the fiscal court approves the treasurer's annual settlement, records of the settlement are filed in the office of the county clerk (KRS 68.030).



Mike Harmon
State Auditor

auditor.ky.gov



County Clerk Timelines

By January 15:

- Budget must be approved by fiscal court.

No later than 30 days after each quarter ends:

- Quarterly reports are due to Department for Local Government.

By March 15:

- Final annual settlement presented to fiscal court.

For Fee Pooling:

- Follow the direction of the ordinance for monthly submissions to fiscal court.

Document Storage Fee

KRS 64.012 -Be accumulated and transferred to the fiscal court or the legislative body of a consolidated local government or an urban-county government on a monthly basis within **ten (10) days following the end of the month**



Mike Harmon
State Auditor

auditor.ky.gov



Sheriff Timelines

By January 15:

- Budget must be approved by fiscal court.

No later than 30 days after each quarter ends:

- Quarterly reports are due to DLG.

Within 60 days after close of fiscal year:

- Asset forfeiture report due to Kentucky Justice and Public Safety Cabinet. (KRS 218A.440)

By March 15th (Fee):

- Final annual settlement presented to FC. (KRS 134.192)

Tax Account

Monthly Reports -10th day of month (KRS 134.191)

Yearly Settlement - By Sept. 1st (KRS 134.192)

For Fee Pooling, follow the direction of the ordinance for monthly submissions to fiscal court.



Mike Harmon
State Auditor

auditor.ky.gov



Jailer Timelines

By April 1:

- Jail fund budget proposed and submitted to fiscal court.
- (KRS 441.215)

Following each fiscal year end:

- Annual financial report for commissary funds due to the county treasurer.
 - (KRS 441.135)
- See DLG Budget Manual pages 65-69 for commissary information.



Mike Harmon
State Auditor



Other Important Dates

Single Audit Deadline -

- March 30th

Publication -

- Within 30 days of audit release (KRS 424.220 & 91A.040)

Continuing Disclosure Requirement -

- Varies (READ YOUR DOCUMENTS)



Mike Harmon
State Auditor

auditor.ky.gov





Mike Harmon
State Auditor

auditor.ky.gov

