

Town of Jay

Financial Close Out and Reporting Policy and Procedures

I. BACKGROUND

Financial close-out and reporting refers to the process by which any business organization verifies the accuracy and completeness of their financial information to conform to reporting requirements and specific regulatory guidelines. The goal of this policy is to provide timely and accurate financial statements within a reasonable period after the end of each month.

Financial statements are critical to the oversight and management of the Town of Jay. Financial statements are used by Town Management to understand and monitor the financial health of the Town of Jay and allows for decisions to be made in a timely manner.

This policy ensures that accounting transactions are completed within the Town of Jay's financial accounting system so that detailed, accurate, and timely financial statements are available. For year-end close-out, the financial reports from the accounting system must be in sufficient detail to allow for the preparation of the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

The financial close-out process is comprised of individual policies and procedures to close the Town of Jay's books, correct potential errors, make specific accounting adjustments, and prepares accurate financial statements and information. This close-out and reporting policy can be thought of as the final product of the other supporting policies and procedures. Policies and procedures that are part of the financial close-out process include: bank reconciliations, account payables, capitalization, cost allocation, etc.

II. POLICIES

The Town of Jay's monthly and yearly financial close-out and reporting policy and procedures ensure that accounting transactions are completed within the Town's financial accounting system so that detailed, accurate, and timely financial statements are available to the Town Council for approval. For year-end close outs, the financial reports from the Town's financial accounting system must be in sufficient detail to allow for the preparation of the Town's yearly external audit, the Financial Data Schedule (FDS) and financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Specifically,

- The monthly and yearly financial closings shall be performed timely following month and year-end to allow for the preparation of the financial analysis and reporting in accordance with the respective policies.

- The Town Manager and/or Operations Manager is responsible for the preparation and reporting of the financial statements and supporting schedules.
- The Town Manager and/or Operations Manager will provide financial statements and supporting schedules for final approval before the Town Council at the monthly Council meetings.

III. PROCEDURES

The Town of Jay conducts independent, objective reviews, and evaluations of all relevant activities, and coordinates with the single audit with departments and the Town's external auditors. It is the policy of the Town to conduct monthly closing reconciliations and reports.

A. Month-End Closing

It is the responsibility of the Billing Clerk to send all receipt journals, billing, deposit, and adjustment vouchers to the accounting system once monthly utility billing is complete. The clerk will also make sure all batches in the cash receipting system are closed for the month. Entries for cash receipting system are posted directly to accounting each time a batch is closed.

It is the responsibility of the Town Clerk to send all payroll journal vouchers to the accounting system and to ensure that vouchers have been sent by running a summary journal voucher report in the payroll system.

It is the responsibility of the Operations Manager to run an accounts receivable summary report from the Utility Billing system and to verify against receivable balances in accounting system. The OM will then discuss and correct any discrepancies with the Billing Clerk prior to closing the month. The OM will run payroll and accounting reconciliation report to ensure that all entries agree between payroll and accounting and to discuss with Town Clerk any discrepancies prior to closing the month. The OM will collect reconciliation documents from Billing Clerk, Town Clerk, and accounting system to complete monthly bank reconciliation. This includes reconciliation worksheets for cash receipting batches and deposits, outstanding payroll checks and electronic payments, cash accounting reports, journal voucher details, and transaction reports, and the monthly bank account statement. The OM will then follow procedures to complete monthly bank reconciliation (Exhibit A). Once reconciliation is complete, the OM will prepare reports of reconciliation for review by Town Manager.

It is the responsibility of the Town Manager to review the monthly bank reconciliation with the Operations Manager and to discuss and correct any discrepancies. The Town Manager will then close the month in accounting and complete a monthly backup within the accounting system.

B. Review of Month-End Financial Reports:

Financial reports shall be reviewed by Town Manager and other office staff, as applicable. Unexplained variances and questions raised as part of the review process should be documented and sent to the respective party as well as to the Town Council for review.

C. Fiscal Year-End Closing

It is the responsibility of the Operations Manager to complete year-end reconciliations using the previously completed monthly reconciliations.

On an annual basis, the Town Manager, with the assistance of an external accountant, will create a list of due dates for specific tasks and reports required to complete the year-end financial statements. This list may include items such as billing reports, payroll reports, accounting reports, construction in progress, depreciation schedules, or conducting inventory of office or maintenance materials.

The external accountant will request additional information from the Town Manager, Operations Manager, Town Clerk, and Billing Clerk for preparation of the yearly close-out process.

The Town Manager will notify the Independent Auditor when the annual closeout is complete.

External auditors will review documents to prepare yearly audit. Auditors will present questions to staff for clarification as needed. The Town staff will work independently and collectively to prepare documents requested by the Independent Auditor.

The fiscal year-end financial statements and audit will be presented to the Town Council prior to submission to the state. Deadline for State of Florida submission is June 30.

This policy has been adopted by the Town of Jay Town Council by a vote of four (4) yeas and zero (0) nays on October 6, 2025.



Donna Bullock, Town Clerk



Shon Owens, Mayor

Exhibit A

Steps to Complete Bank Reconciliation

- 1) Gather all needed documents and reports.
 - Accounting report #L160 (Cash/Bank Reconciliation)
 - Accounting report #L100 (Journal Voucher Details)
 - Accounting report #L160C1 (Cash Transactions / Reconciliation Detail Report)
 - Payroll report #W100A (Outstanding Payroll Checks)
 - Daily Reconciliation Worksheet from Billing Clerk
 - Bank Statement
- 2) Compare deposits on bank statement with deposits from Billing Clerk's reconciliation report. Record any deposits from bank statement that are not on the Billing Clerk's reconciliation report in deposits spreadsheet for reconciliations (see Exhibit B).
- 3) Record any deposits in Black Mountain system but not on the bank statement in deposits spreadsheet for reconciliations.
- 4) Use payroll reports and journal voucher details to compare withdrawals on bank statement. Record any withdrawals on the bank statement that are not on these other reports in withdrawal spreadsheet (see Exhibit C) for reconciliations.
- 5) Record any withdrawals in Black Mountain that are not on the bank statement in withdrawal spreadsheet.
- 6) Complete deposits spreadsheet and withdrawals spreadsheet using provided instructions (see Exhibit B and C).
- 7) Use accounting system to fill in amounts in accounting monthly bank reconciliation using deposits and withdrawals spreadsheets. Ensure that the reconciliation balances and print reports for review by Town Manager.
- 8) Town Manager will review reconciliation for accuracy. Once complete, the Operations Manager will fill in amounts in external auditors requested spreadsheet (Exhibit D).

Exhibit B

Sample Deposits Spreadsheet	
Column A	Month and Year
Column B	Deposits and Other Credits from Bank Statement
Column C	Add any deposits that are on the United Bank Statement but not in the Monthly Reconciliation Sheet from Billing Clerk
Column D	Put in any deposits in Black Mountain (BM) not on Bank statement for the month.
Column E	Subtract Column C from Column D (D - C)
Column F	Put in the total from the Black Mountain Cash Report (L160) Received Column total
Column G	Subtract Column E from Column F (F - E)
Column H	Put in any Journal Vouchers from Black Mountain report L160C1. This includes savings account interest
Column I	Subtract Column H from Column G (G - H). This amount should match the total from Column B

DEPOSITS - EXAMPLE								
Month	Bank St. Deposits	BANK	BM	D - C	BM Cash Report (Received)	F - E	Subtract JV	Final BM Cash Report (G-H)
A	B	C	D	E	F	G	H	I
Sep-24	\$ 110,363.61	\$ 73.80	\$298,598.39	\$298,139.60	\$ 408,503.21	\$ 110,363.61	\$ -	
		\$ 533.50	\$ 79.95					
			\$ 68.56					
	Totals	\$ 607.30	\$298,746.90	\$298,139.60	\$ 408,503.21	\$ 110,363.61	\$ -	\$ 110,363.61

Exhibit C

Sample Withdrawals Worksheet	
Column A	Month and Year
Column B	Bank Statement (Checks & Other Debits Plus Charges & Fees)
Column C	Put in Disbursed Column from Accounting Report L160 Cash in Bank Operating Amounts (General, Cemetery, Water, Sewer, Natural Gas, Garbage, Payroll, & Claims)
Column D	Put in Payroll amounts in Bank but not showing in BM by using Bank Statement and report W100A from Accounting
Column E	Put in Payroll amounts in Black Mountain but not showing in Bank by using report W100A from Accounting and Bank Statement.
Column F	Subtract Column D from Column E (E - D)
Column G	Put in Total from Column F and any Adjustments made in BM from Accounting report L160C1
Column H	Subtract Column F from Column C (C - G). Total should match Column B

WITHDRAWALS - EXAMPLE							
	Bank Statement	Cash Report Disbursed	Ins / Ret in Bank	Ins / Ret in BM	E - D	BM Adjusts / JV	C - G
A	B	C	D	E	F	G	H
Oct 2024	\$ 35,187.43	\$ 37,449.39	\$ -	\$ 6,277.35	\$ 6,468.88	\$ 6,468.88	\$ 35,187.43
		\$ 4,524.91		\$ 191.53		\$ 317.99	
	TOTALS	\$ 41,974.30	\$ -	\$ 6,468.88	\$ 6,468.88	\$ 6,786.87	\$ 35,187.43

Exhibit D
Sample Auditors Worksheet
Cash Testing

Account #	Fund/Account	8/31/20XX	Bank Account #
1.101100	General Fund Cash in Bank - Operating Account	\$ 170,425.00	XXXXXX
1.101500	CDBG Fund Cash in Bank - CDBG Fund	\$ -	XXXXXX
120.101100	Cemetery Fund Cash in Bank - Operating Account	\$ 28,552.00	XXXXXX
410.101100	Water Fund Cash in Bank - Operating Account	\$ 310,383.00	XXXXXX
415.101100	Sewer Fund Cash in Bank - Operating Account	\$ 178,414.00	XXXXXX
420.101100	Natural Gas Fund Cash in Bank - Operating Account	\$ 59,714.00	XXXXXX
430.101100	Garbage Fund Cash in Bank - Operating Account	\$ 35,478.00	XXXXXX
	Totals	\$ 782,966.00	

Bank Statement Balance	\$ 823,004.00
Less Deposits not in BMS	\$ (1,151.00)
Less O/S Claim Checks	\$ (53,890.00)
Less O/S Payroll Checks	\$ 15,003.00
Less Electronic Checks	\$ -
Reconciled Balance	\$ 782,966.00
Balance per G/L	\$ 782,966.00
Difference	\$ -