Balancing to the Treasurer and F-197 Report

# What is the F-197?

* A report generated from data reported on the Monthly County Treasurer’s Report displaying Cash, Warrants Outstanding, Investment Balance and related activity for each fund in the district.
* The data is entered into OSPI’s EDS system by the local Educational Service District from the Monthly County Treasurer’s Report.
* The F-197 is not the Treasurer Report.

# WAC 392-123-132

Reconciliation of monthly county treasurers’ statements to district records.

Every school district shall reconcile **amounts** reported by the county treasurer with the district records for all funds. Any differences shall be noted and adjustments to school districts records shall be made if necessary.

# Change to WAC 392-123-132

The rationale behind replacing the phrase “ending net cash and investments, revenues and expenditures” with the word “amounts” is that the proposed language allows districts to reconcile in a more appropriate way and make sure that there is agreement between the county treasurers’ records and the school districts’ records.

# Revenue

Schedule A and Report 1197 contain the State Revenue code for money coming into the district. All state revenue codes between 1100 – 8500 are subsidiary accounts of GL 960 – Revenue.

Any cash received in the district that is not coded to GL 960 would be a balancing item on the F197 Reconciliation template. Examples: 750 Deferred Revenue, 965 Transfers

# Expenditures

GL 530 records the expenditures. Cash basis districts record expenditures as they are paid. Accrual basis districts record the expenditure as a liability when incurred. The expenditure is recognized in the fiscal year that it applies to.

Accrual Basis Example: Textbook adoption received and paid for during summer 2016-17 for use in the upcoming school year 2017-18 would be recognized as an expenditure in the 2017-18 fiscal year. Examples: GL 535 Transfers out, GL 410 Inventory, GL 430 Prepaid items

# Tips and Comments for Balancing the F-197

We recommend that you not use an automatic JE batch numbering system. Label the entries with ME, DR, LR and the fund and month as appropriate (LRGF0912). This makes it possible to run reports showing your refund of revenues and refund of expenditures.

Balance your F-197 monthly (or at least quarterly). Delay compounds the discrepancies and makes them more difficult to pinpoint.

Being out of balance does not necessarily mean you have made an error. It could be the Treasurer has an error on their monthly report. It could be the ESD made a keypunch error inputting data from the Treasurer’s report to EDS. The district will find these errors in the balancing process and timely corrections are to the district’s advantage. Sometimes it is a timing issue that self corrects. Sometimes you are supposed to have a reconciling item. But, sometimes a district error has occurred and needs correction.

Although 240, 241, and 450 balance to the Treasurer’s Monthly Report, you can still have undetected accounting errors that are discovered in balancing the F-197. These errors need correction before beginning the Year-End Close F-196.

Local receipts deposited with your Treasurer and recorded in GL 230 Cash on Hand should balance to the Treasurer’s Report Line Item No. 01. On-line statements allow you to verify your bank deposits before transferring to the Treasurer. Balance bank statements on a monthly basis verifying all deposits match the bank statement and your deposit slips. Make adjusting entries for NSF’s, bank fees, supply purchases and ACH issues.

The Accounting Manual has example journal entries in Chapter 7 for most situations you will encounter. This is available on OSPI’s site.

## WESPaC User Tips:

Make it part of your monthly process to run Crosswalk Maintenance. This will ensure that all your account activity is reflected in the reports you run. Also, run the Mismatch Account Report to verify all accounts are closing to the intended GL account.

WSIPC has an AP Reconciliation tool at their SharePoint site that can be used to validate GL 601 is in balance.

WSIPC recommends segregation of your liability GL’s (600 series) to recognize individual activities (i.e. comp tax to GL 630) for ease in balancing.

Items that could impact balancing are:

* Accrual entries
* Posting dates/timing issues
* Comp tax
* ACH rejects/voids
* Canceled warrants
* Timely notification to County Treasurer of cancels, issues, and accounting adjustments