



NORTH CAROLINA

DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

DENISE CANADA
DIVISION DIRECTOR

INSTRUCTIONS AND CHECKLIST FOR THIRD-PARTY BOOKKEEPING CONTRACT

Instructions:

The checklist below includes items that units should be performing on a regular basis. Use the checklist to determine the responsible parties. Either the third-party bookkeeper or the unit itself should be completing these duties. After completing the checklist, the accompanying contract should be modified to match the needs of the unit.

Ongoing Monthly General Accounting Duties:

Responsible Party	Duty
	Accounts payable (bills to be paid on the 15th and 30th of each month). Review approved invoices and prepare checks for Mayor and Finance Officer's signatures. City will mail checks. Precautions will be taken to ensure invoices are properly noted when paid to prevent duplicate payments.
	Prepare monthly financial reports to the governing board and city staff including monthly and YTD budget to actual comparisons and a comparison to the same time last year by the 15th of the following month. Ending cash balances for all bank accounts should also be included with monthly information. An executive summary narrative should accompany the reports that highlight revenue and expenditure trends and any unusual or unexpected fiscal transactions.
	Recommend budget amendments when necessary.
	File required financial reports and certifications timely and accurately to the State and IRS.
	Monthly bank statement reconciliations completed by the 15th of the subsequent month with backup requested by the Finance Officer including, but not limited, to General Ledger trial balance, documentation of reconciled items, and paid and outstanding check lists.
	Reconciled items should be resolved and corrected in the ledger before the end of the subsequent month.
	Update and maintain the General Ledger and accounting system by fund monthly prior to the 15th of the subsequent month.
	Powell Bill expenditure reporting timely per NC requirements.
	Maintain City payroll documentation.

	All City financial records shall be backed up by the Provider at the end of each week, on the final working day of the month, and when each month end's reconciliation work is completed on a remote storage site in the cloud. The City and the Provider will agree on the cloud service to use. The cost of remote storage will be paid by the City. The City shall own and maintain the cloud account and shall access it once per month to make sure that they don't have any questions.
	Other:

Ongoing Monthly Utility Accounting Duties:

Responsible Party	Duty
	Reconcile utility accounts receivable changes to General Ledger revenue and to cash depository for each month.
	Bill and collect utility bills.
	Manage utility receivables including billing adjustments and cut-offs.
	Other:

Audit Preparation and Year-End Duties:

Responsible Party	Duty
	Reconciliation of bank statements for FYE with adjustments by fund posted for corrected pooled cash balances by July 31st.
	Participation with auditor and unit in an audit planning meeting prior to the end of the fiscal year.
	General Ledger year-end review and adjustments as required by August 15th.
	Organizing and filing of documents and files by August 15th.
	Completion of timely, accurate schedules as requested by auditor.
	Note to Preparer: If third party bookkeeper completes a final trial balance for another provider to use to prepare financial statements, then the duties might read: Prepare final trial balance and any adjusting entries for the Finance Officer to provide to the accountant for use in preparing the financial statements by August 15th.
	Make sure the completed statements tie to the final trial balance. If requested include a crosswalk showing how unit GL accounts are consolidated for the statements. Work with the unit's Finance Officer to resolve any audit questions timely.
	Any other financial task, with additional compensation if applicable, as agreed upon in writing in advance of the task work.
	After the statements are issued, review trial balance for all posted audit entries to ensure that post-closing trial balance ties to the opening trial balances in the new fiscal year.
	Other: