

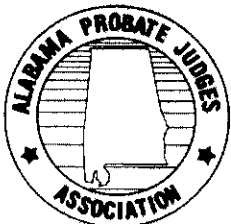
Recording and Fees

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Examiners of Public Accounts




Probate Training Conference
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University of Alabama School of Law
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**OFFICE OF JUDGE OF PROBATE
MINIMUM ACCOUNTING
REQUIREMENTS
AND RECORDING FEES**
APRIL 2018

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Office of Judge of Probate
Minimum Accounting Requirements



STATE OF ALABAMA
DEPARTMENT OF EXAMINERS OF PUBLIC
ACCOUNTS
MONTGOMERY, ALABAMA
RONALD C. JONES, CHIEF EXAMINER

Introduction

**Minimum Accounting Requirements
Office of Judge of Probate
Effective:**

The minimum accounting requirements are prescribed by the Chief Examiner of Public Accounts under the authority of the *Code of Alabama 1975*, Sections 41-5-23. These requirements will assist you in carrying out the duties of your office and provide uniformity in record keeping among the Offices of Judge of Probate of this State.

41-5-23- Officers to keep uniform accounts.
Every state and county officer shall keep the books, records and accounts and make the reports of his office in accordance with such systems, procedures, and forms as may be prescribed by the Chief Examiner pursuant to this chapter. Any officer who fails or refuses willfully to do so and the surety on his official bond shall be liable for a penalty of \$50.00 for each week such failure or refusal continues. Penalties imposed and collected under this section shall be paid into the General Fund of the State Treasury.

WHERE DID THESE REQUIREMENTS ORIGINATE?

- ▶ These Minimum Accounting Requirements have been prescribed by the Chief Examiner of Public Accounts, under the authority of *The Code of Alabama 1975*, Section 41-5-23.
- ▶ The requirements previously in place were required to be in operation no later than October 1, 1993 in order to standardize the accounting systems for Probate offices statewide.
- ▶ Although the methods of accounting changed over the years, the guidelines were essentially the same, so they remained unchanged until now.
- ▶ These are the "minimum" requirements that must be in place.

Public Records

The Office of Judge of Probate shall establish written policies and procedures regarding access to its public records.

Unless otherwise provided by law or court order, all documents, records and data of the Office of Judge of Probate, however created and by whatever means maintained, are public documents, and shall be open to inspection and accessible to the public. Documents, records and data kept or maintained by an "outside vendor", beyond the physical possession or actual custody of the Office of Judge of Probate, but on behalf of the Office of Judge of Probate, are considered to be public records. Also, any documents, records and data kept and maintained by an outside vendor are the property of the Office of Judge of Probate and the Office of Judge of Probate has a duty to ensure they can access, obtain or restore the information at any time.

Upon request, the Office of Judge of Probate has a duty to provide the public record, whether printed or computerized, in its original form. Under most circumstances, the Office of Judge of Probate has no need to modify or revise the record before providing it to the public. However, there may be times when the Office of Judge of Probate is required to modify the record to make it understandable to the public due to its computer record being undecipherable or inaccessible without format changes, or to redact privileged information, and protect personally identifiable information (PII).

Additionally, it is the responsibility of the Office of Judge of Probate to protect the integrity of all of the records of the Office of Judge of Probate.

Safeguarding Records

Each Official is responsible for safeguarding their Office's documents, records and data, whether manual or computerized. The Official shall establish written policies and procedures over controls which ensure that documents, records and data are properly safeguarded. These controls include, but are not limited to:

Unique individual employee passwords which are properly safeguarded so that a password is utilized only by the employee to whom the password is issued.

Setting program access controls to ensure only authorized users may access and/or modify specific areas / transactions.

Ensuring data is backed up in a timely manner.

Testing the backed up data to ensure its viability.

Additionally, all manual documents, records and data shall be maintained in a secure location to prevent damage from physical and environmental forces.

Lastly, the Official shall ensure that all documents, records and data are being maintained in accordance with the Alabama Department of Archives and History's Local Government Records Commission's record retention schedule.

CONTROL ENVIRONMENT

- ▶ The Probate Judge shall establish a control environment to provide reasonable assurance that the requirements of the office are being achieved. The Probate Judge is required to remit all money received by him/her and also furnish a listing of all licenses sold by him/her for the reporting period. Adequate controls must be established to ensure that these statutory requirements have been met.
- ▶ The specifics of these controls will vary depending on the size of the office, types of transactions, and computer systems among other things.
- ▶ The examples provided are not meant to be all inclusive and should be modified to meet the specific needs of each office.

SOME OF THESE CONTROLS ARE:

- ▶ Procedures shall be in place to ensure that receipts are properly recorded and deposited. This will include establishing procedures over the cashiering function and the daily cash checkup with appropriate forms to be used for the reconciling of cash to the receipts for each cashier. Procedures must also be in place to ensure that cashiers do not work out of the same cash drawer and there is an adequate audit trail each time money changes hands.
- ▶ Procedures shall be in place for recording cash over or short as reflected on the daily check-up form.
- ▶ Procedures shall be in place for summarizing information, posting to the cashbook, making monthly and annual reports and reconciling the bank accounts to cashbook balances.

SOME OF THESE CONTROLS ARE:

- ▶ Procedures shall be in place for preparing and making daily deposits.
- ▶ Procedures shall be in place establishing the authority and documentation required for deleting or changing a transaction as well as procedures for documenting and preparing refunds. A report shall be available for review of all transactions which have been deleted, changed or voided and this report must be reviewed periodically to ensure the validity of the modifications.
- ▶ A listing shall be maintained of all employees and their responsibilities.
- ▶ Procedures shall be in place to properly account for all licenses and decals.
- ▶ Procedures shall be in place to safeguard information technology passwords and ensure that other controls are established over the input of information into the computer.

MINIMUM ACCOUNTING REQUIREMENTS – INDIVIDUAL DAILY CASH CHECK-UP SHEETS

- ▶ These are to be prepared at the end of each day by each person responsible for cash collections.
- ▶ This report reconciles the receipts issued to collectors by cash, check, or credit cards.
- ▶ The example provides for the recording of cash over or short for the day.
- ▶ When the daily checkup is complete, cash and checks are then given to the person responsible for making deposits with appropriate documentation of the amount of cash changing hands.
- ▶ The daily checkup sheets shall detail the type and amount of transactions from each cashier composing the deposits.
- ▶ Deposits must be made intact.
- ▶ [Individual Check Up Sheet.xlsx](#)

MINIMUM ACCOUNTING REQUIREMENTS – SUMMARY CHECK-UP SHEETS

- ▶ This worksheet is used to summarize the individual daily checkup sheets.
- ▶ The totals on this sheet are used to post the cashbook daily transactions.
- ▶ [Summary Check Up Sheet.xlsx](#)

MINIMUM ACCOUNTING REQUIREMENTS – CASHBOOK

- ▶ A cashbook shall be maintained that shows the daily distribution of all collections, the cash over or short for each day of the reporting period and the actual bank deposit amount.
- ▶ Once an entry is made to the cashbook, no changes may be made to that day's work.
- ▶ The cashbook also shows the disbursement checks and online transfers for the reporting period.
- ▶ All distribution reports must be reconciled to the collections as reflected on the cashbook before checks are written or online transfers made.
- ▶ The collections less the disbursements should leave a zero balance in the cashbook except for amounts not due to be remitted.
- ▶ All discrepancies **must** be identified.
- ▶ [Cashbook.xlsx](#)

MINIMUM ACCOUNTING REQUIREMENTS – REFUNDS

- ▶ A summary of all refunds shall be made for each reporting period.
- ▶ No adjustments may be made to the daily work once the entry has been made to the cashbook. A refund must be made.
- ▶ Original receipts and a brief explanation as to why the refund was made must be maintained for examination purposes.
- ▶ Taxpayer signature acknowledging agreement with the amount of the refund must be maintained.

MINIMUM ACCOUNTING REQUIREMENTS – BANK RECONCILEMENT

- ▶ All bank accounts must be reconciled to the cashbook monthly.
- ▶ An analysis must be made of all balances on hand.
- ▶ As of the last day of the month, there will typically be some amounts not due to be remitted. These amounts will not be paid out until a subsequent period.
- ▶ Additionally, there will also be other reconciling items such as the cumulative total of cash over or short, the total uncollected returned checks, bank interest not remitted and bank charges.
- ▶ Bank Reconciliation.xlsx

MINIMUM ACCOUNTING REQUIREMENTS – RETURNED CHECK REGISTER

This register shall reflect all returned checks including the following information:

- ▶ The transaction date
- ▶ The date returned
- ▶ The bank or bank account on which it was returned
- ▶ The maker of the check
- ▶ The amount
- ▶ What type of transaction it was for
- ▶ The date collected
- ▶ Amount of fees collected
- ▶ The balance uncollected at the end of each month
- ▶ Returned Check Register.xlsx

MINIMUM ACCOUNTING REQUIREMENTS – VOIDED AND MODIFIED TRANSACTIONS

- ▶ Documentation must be maintained for all voided transactions that includes the original receipt and the reason the transactions were voided.
- ▶ A report and documentation of the reason shall be available for any transaction which was changed or deleted.
- ▶ This report must be examined and approved by supervisory personnel monthly.

MINIMUM ACCOUNTING REQUIREMENTS – REMITTANCES

- ▶ This is a summary of all remittances made each year to the various agencies.
- ▶ The information for the summary is taken from the total monthly disbursements shown on the cashbook and posted to the remittance summary.
- ▶ This summary is then totaled at the end of the year.
- ▶ Remittances to State.xlsx
- ▶ Remittances to County.xlsx
- ▶ Remittances to County Schools.xlsx
- ▶ Remittances to Municipalities.xlsx
- ▶ Remittances for Other.xlsx
- ▶ Remittances for Fees & Commissions.xlsx

MINIMUM ACCOUNTING REQUIREMENTS – LICENSE AND DECAL INVENTORY

- ▶ All licenses and decal numbers must be accounted for.
- ▶ A log must be maintained of all the licenses and decals received from the state and the current location of those if they have been assigned to particular cashiers or satellite locations.
- ▶ Reports must be printed by decal number at least monthly noting any skipped numbers.
- ▶ Reports must also be printed for skipped and voided decals.
- ▶ Any pre-numbered licenses for which the pre-numbering is the number also used by the receipting system must be inventoried periodically.

**MINIMUM ACCOUNTING REQUIREMENTS –
CREDIT CARDS AND ONLINE TRANSACTIONS**

- ▶ Records shall be maintained that report all credit card and online transactions including detailed information about the transactions.
- ▶ Reported amounts must be reconciled to the deposits into the bank account monthly.
- ▶ Each deposit made by credit card or online vendors must have a corresponding report available to show all of the individual transactions composing the deposit.
- ▶ Contracts with credit card or online vendors must be signed by the county commission and on file in the Office of Probate Judge.

**MINIMUM ACCOUNTING REQUIREMENTS –
TAX LEVIES**

- ▶ Documentation must be on file for all tax levies, including both ad valorem taxes and sales taxes that are collected by the Office of Probate Judge.
- ▶ Documentation must also be available for the tax rates being collected in the various districts and the distribution of those taxes.

**MINIMUM ACCOUNTING REQUIREMENTS –
SPECIAL FUNDS**

- ▶ A cashbook must be maintained for all special funds of the Probate Judge, including indexing fee funds, copy funds, and the like.
- ▶ This cashbook must categorize receipts and expenditures.
- ▶ The cashbook balance must be reconciled to the bank statement on a monthly basis.

END OF FISCAL YEAR REQUIREMENTS

Each Judge of Probate shall submit the following information electronically to the Department of Examiners of Public Accounts no later than December 31st following the end of each fiscal year:

- ▶ Certificate of Compliance with Minimum Accounting Requirements
Certificate of Compliance.docx
- ▶ Cashbook detailing receipts, disbursements and balances for all funds maintained by the Judge of Probate
- ▶ September 30th Bank Reconciliation for all accounts
- ▶ Summary of Receipts and Disbursements
Summary of Receipts and Disbursements.xlsx

MINIMUM ACCOUNTING REQUIREMENTS – CHART OF FEES

- ▶ A listing of all fees being collected and the legal authority for each fee not derived from the chart in *Code of Alabama 1975*, Section 12-19-90, must be maintained.
- ▶ Chart of Fees.xlsx
- ▶ Code Section 12-19-90.docx

STATE OF ALABAMA
DEPARTMENT OF EXAMINERS OF PUBLIC ACCOUNTS

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HOTLINE (report Fraud, Waste and Abuse):
 1-800-555-READ
 1-844-555-7283
 Email: reportfraud@statecomptroller.alabama.gov
