


Agency (TA) Funds

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Local Government and School Accountability




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THOMAS P. DiNAPOLI

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Agency Fund

- Accounts for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

This is not your money.




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Fund Characteristics

- Fiduciary Fund
 - GASB 34 made distinction from TA Fund
 - GASB 84 identifies as Custodial Funds
- Accrual Basis of Accounting
- Assets = Liabilities
- No operating statements
- Only balance sheet



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Town of XYZ, Agency Fund		
Balance Sheet at August 31, 2017		
Assets		
TA200 – Cash	\$ 100,000	
Total Assets		\$ 100,000
Liabilities		
TA10 – Consolidated Payroll	\$ 90,000	
Total Liabilities		\$ 90,000
Net Assets		
Total Net Assets		\$ 10,000
Total Liabilities and Net Assets		\$ 100,000

- Net Assets = unclassified monies within fund, or misstatement of another fund.

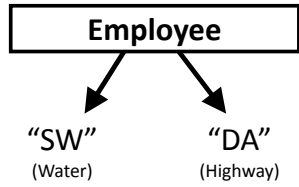
Purpose of Fund

- What could we use an agency fund for?
 - Consolidated Payroll - TA10
 - Bid Deposits/Guarantees - TA30
 - Bail Deposits - TA35
 - Foreign Fire Insurance - TA50
 - Sale of Unclaimed Property - TA52
 - Student Deposits - TA38 (schools only)

Purpose of Fund (cont'd)

- Additional uses for Counties
 - Child Support Collections - TA49
 - SSI Payments - TA51
 - Social Services Trust - TA53
 - Infirmity Patients Fund - TA55
 - State Training School - TA56
 - Mortgage Tax - TA58
 - Court and Trust Fund - TA61

Direct Distribution of Payrolls



- Two Checks
- One Check (Consolidated Payroll Account)

Sample Journal Entry – To record GROSS payroll deposited in consolidated payroll account.

SW522 Expenditures	\$10,000	
SW200 Cash		\$10,000
DA522 Expenditures	\$15,000	
DA200 Cash		\$15,000
TA200 Cash	\$25,000	
TA10 Consolidated Payroll		\$25,000

Sample Journal Entries -To record transfers to various agency accounts for withholdings

	TA10 Consolidated Payroll	\$13,400
}	TA18 State Retirement	\$1,250
	TA20 Group Insurance	1,000
	TA21 State Income Tax	2,450
	TA22 Federal Income Tax	4,500
	TA23 Income Executions	350
	TA24 Union Dues	800
	TA25 Savings Bonds	1,300
	TA26 Social Security Taxes	1,750

waiting to clear

Sample Journal Entry –
To record payments to employees (net amount).

TA10 Consolidated Payroll	\$11,600	
TA200 Cash		\$11,600

Sample Journal Entry –
To record agency payment clearing.

TA21 State Income Tax	\$2,450	
TA200 Cash		\$2,450

Sample Journal Entry –
To record receipt of guaranty/bid deposits.

TA200 Cash	\$1,000	
TA30 Guaranty & Bid Deposits		\$1,000

Sample Journal Entry – To record disbursement of guaranty/bid deposits.

TA30 Guaranty & Bid Deposits \$1,000
 TA200 Cash \$1,000

Bank Reconciliations

- Performed monthly
- Provided within reasonable period following month end
- Reviewed by Governing Board/Management
- Detail provided for all figures
- Keep in mind segregation of duties

Bank Reconciliations

Balance per bank		\$2,500	
Add: Deposits in transit	\$85		
Less: Outstanding checks (i.e., Union Dues)	(\$175)		(\$90)
Adjusted bank balance:			\$2,410
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Balance per cash book		\$2,410	
Add: Interest earned	\$0		
Less: Dishonored checks (i.e., NSF)	\$0		
Plus or minus: Book adjustments	\$0	\$0	
Adjusted book balance:			\$2,410

Common Findings

- Not reconciled
- Net Assets/excess money in fund
- Slush funds
- Inappropriately maintaining accounts for private individuals/organizations

Questions?

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