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HOA Treasurer Review

Magnolia Commons Condominium Association (Sample) · Operating Account ****4410 · Period ended 11/30/2026

SAMPLE: fictional organization, people and data, prepared to demonstrate the service.

Status: RECONCILED. Difference $0.00.

14 of 18 bank lines and 13 of 16 book entries matched automatically. 9 reconciling items; 5 journal entries proposed. Fraud checks: 10 tests run, 9 red flags, 5 high priority.

1. Reconciliation

Bank side	Amount	Book side	Amount
Balance per bank statement	101,459.02	Balance per general ledger	92,458.14
Add: deposits in transit	700.00	Bank items not yet recorded	6,270.63
Less: outstanding checks	(3,430.25)	Book errors to correct	0.00
Adjusted bank balance	**98,728.77**	**Adjusted book balance**	**98,728.77**

2. Fraud red flags

The reconciliation balances, but a balanced reconciliation does not prove money is safe. These items need an explanation and support. They are questions, not accusations.

Priority	Item	Amount	What to do
High	Payments to people or businesses linked to officers: Carter Property Services - name matches Treasurer (Janet Carter)	(3,000.00)	Confirm the relationship was disclosed and the payment approved by people with no interest in it.
High	Split payments under the $2,500 approval limit: GreenScape Landscaping	(4,700.00)	Two payments within 7 days, each under the $2,500 approval limit but over it together. Confirm approval.
High	Cash withdrawals, debit-card and peer-to-peer payments: ZELLE PAYMENT TO J CARTER (not recorded in the books)	(1,200.00)	Obtain receipts and the business purpose; confirm who holds the card.
High	Cash withdrawals, debit-card and peer-to-peer payments: DEBIT CARD PURCHASE HOME DEPOT #0123 (not recorded in the books)	(486.37)	Obtain receipts and the business purpose; confirm who holds the card.
High	Reserve fund withdrawals without board approval: TRANSFER FROM RESERVE ACCT ****7710	8,000.00	Obtain the board minutes approving this transfer. If none exist, escalate to the full board.

Priority	Item	Amount	What to do
Medium	Round-number payments ($1,000+ in multiples of $500): Carter Property Services	(3,000.00)	Match to an invoice and confirm the goods or services were received.
Medium	Payees not on the approved vendor list: Carter Property Services	(3,000.00)	Verify the vendor exists (tax ID, address, phone) and who approved adding them.
Medium	Dues collected vs. dues billed: Billed 21,000.00; collected 19,600.00 (6.7% short)	(1,400.00)	Compare to the owner delinquency report. Every unpaid unit should appear there.
Low	Payments dated on weekends: Ace Plumbing (Saturday)	(1,640.00)	Confirm who entered it and why it was dated on a weekend.

Checks performed: 10 tests run; 8 found items. The full list of tests is on the Fraud Checks tab of the workpaper.

3. Reconciliation items needing your attention

Priority	Issue	Item	Amount	What to do
High	Outstanding check / payment	2190 Security Plus	(620.00)	Contact the payee; reissue or void. If unclaimed, review state unclaimed-property rules.
Medium	Transfer not recorded	TRANSFER FROM RESERVE ACCT ****7710	8,000.00	Record the transfer and confirm it was authorized.
Medium	Not recorded in books	ZELLE PAYMENT TO J CARTER	(1,200.00)	Obtain support and record to the correct account.
Medium	Not recorded in books	DEBIT CARD PURCHASE HOME DEPOT #0123	(486.37)	Obtain support and record to the correct account.

Normal timing items (deposits in transit and recent outstanding checks) are listed in the workpaper and should clear next month.

4. Proposed journal entries

Proposed only. Nothing has been posted. Each entry needs support attached and approval by the reviewer before posting.

Entry	Account	Debit	Credit	Description
PJE-01	6160 Merchant / Processing Fees	28.00		PAYHOA DEPOSIT
	1010 Cash - Operating		28.00	
PJE-02	1010 Cash - Operating	8,000.00		TRANSFER FROM RESERVE ACCT ****7710
	1020 Other Bank Account		8,000.00	

Entry	Account	Debit	Credit	Description
PJE-03	6999 Suspense - pending support	1,200.00		ZELLE PAYMENT TO J CARTER
	1010 Cash - Operating		1,200.00	
PJE-04	6999 Suspense - pending support	486.37		DEBIT CARD PURCHASE HOME DEPOT #0123
	1010 Cash - Operating		486.37	
PJE-05	6150 Bank Fees	15.00		MONTHLY SERVICE FEE
	1010 Cash - Operating		15.00	

5. Next steps

- Carter Property Services - name matches Treasurer (Janet Carter): Confirm the relationship was disclosed and the payment approved by people with no interest in it.
- GreenScape Landscaping: Two payments within 7 days, each under the $2,500 approval limit but over it together. Confirm approval.
- ZELLE PAYMENT TO J CARTER (not recorded in the books): Obtain receipts and the business purpose; confirm who holds the card.
- DEBIT CARD PURCHASE HOME DEPOT #0123 (not recorded in the books): Obtain receipts and the business purpose; confirm who holds the card.
- TRANSFER FROM RESERVE ACCT ****7710: Obtain the board minutes approving this transfer. If none exist, escalate to the full board.
- Security Plus (2190): Contact the payee; reissue or void. If unclaimed, review state unclaimed-property rules.
- Reviewer signs off in the workpaper once entries are approved and posted.

Basis: This report is an accounting reconciliation and fraud red-flag review. It is not an audit, review or other attestation engagement, and no assurance is expressed. Red flags are matters to investigate, not conclusions that wrongdoing occurred. Full detail is in the accompanying Excel workpaper.