General Journal Entries Policy
Town of Highgate

A general journal entry is a mechanism for recording financial transactions in the general ledger. All general journal entries must have both a debit and a credit (referred to as a double-entry system) and the total debits must be equal to the total credits in each general journal entry. General journal entries should be entered only when there is no other option and should be kept to a minimum. The Highgate Town Treasurer prepares and posts all general journal entries on a monthly basis in the period the entry effects, accumulating them, along with supporting backup in a monthly general journal entry folder. The supporting documentation should include the transaction date, account numbers to be debited and credited, a brief description/explanation of the purpose for each general journal entry, the general journal entry name, the period entered and effected, and any external documents that support the entry. All individual general journal entries are approved by the finance committee member(s) who are designated to reconcile cash accounts monthly. At each month end, prior to closing the period, the folder of general journal entries, along with supporting documentation, are given to the designated finance committee member(s). The designated finance committee member(s) are to review the monthly general journal entries and supporting documentation.

Key Controls:

1. The Highgate Town Treasurer prepares and posts all general journal entries
2. All general journal entries are accumulated with supporting documentation in a monthly folder
3. After satisfactory review, each general journal entry is approved by the designated finance committee member(s) (the finance committee member(s) assigned to reconcile the cash accounts monthly)

The foregoing policy is hereby adopted by the Selectboard of the Town of Highgate, Vermont, this 16 day of June, 2016 and is effective as of this date until amended or repealed.