LEAGUE OF OREGON CITIES

**Supplemental Questions**

**Each question can receive a max score of 5 points, the total maximum score is 15.** An applicant must receive at least a score of 5 for both Questions 1 & 2 to be deemed to have met the minimum qualifications of the job.

The purpose of the three questions is to identify an applicant’s ability to meet the minimum qualifications associated with the Accounting Specialist position.

Question 1

1. Which of the following are deducted from the bank balance in a bank reconciliation?
	* Bank charges;
	* Deposit in transit;
	* Outstanding checks; or
	* None of the above.

Answer:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Scoring Criteria. If the applicant gets question A wrong, they get 0 points. If the**

 **applicant gets question A correct, they get 2.5 points.**

 **\_\_\_\_\_\_\_\_\_\_\_\_**

1. Please fill in the blanks of the below sentence so that it is completed accurately. The options to choose from are listed below as bullet points.

Accounts payable is classified as a/an \_\_\_\_\_\_\_\_\_\_\_\_\_ in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* expense/balance sheet;
* current asset/balance sheet;
* current liability/balance sheet; or
* income/income statement.

 **Scoring Criteria. If the applicant gets question B wrong, they get 0 points. If the**

 **applicant gets question B correct, they get 2.5 points.**

 **\_\_\_\_\_\_\_\_\_\_\_\_**

Question 2

LOC, to comply with both the Oregon Local Budget Law and policies established by the organization’s Board of Directors, is required to submit a balance budget for the Board of Directors to approve each fiscal year. Below you will see a proposed budget. There are errors contained within the proposed budget. Please review the budget. In the area below the budget, please describe what adjustments you would make to balance the budget.

|  |  |
| --- | --- |
| **Income** |  |
|  **4000 Assessments** | 200,000.00  |
|  **4241 Annual Meeting/Workshops** | 5,000.00  |
|  **4900 Miscellaneous Income** |  |
| **Total Income** |  **205,000.00**  |
| **Gross Profit** |  **205,000.00**  |
| **Expenses** |  |
|  **6000 Personnel Services** |  |
|  **6010 Director** | 100,000.00  |
|  **6020 Federal Tax FICA-MC** | 10,000.00  |
|  **6022 Unemployment Tax** | 550.00  |
|  **6025 Workers Compensation** | 600.00  |
|  **6030 PERS Contribution** | 8,000.00  |
|  **6033 PERS Pickup** | 8,000.00  |
|  **6040 Health Insurance** | 800.00  |
|  **6045 Vehicle Benefit** | 5,000.00  |
|  **Total 6000 Personnel Services** |  **132,950.00**  |
|  **7000 Operating Expenses** |  |
|  **Contingency** |  |
|  **7050 Annual Fall Meeting** | 5,000.00  |
|  **7058 Audit Preparation** | 4,500.00  |
|  **7061 Legal** | 3,000.00  |
|  **7064 Contract Services** | 3,000.00  |
|  **7066 Meetings** | 4,500.00  |
|  **7068 Travel** | 600.00  |
|  **7070 Miscellaneous Expense** | 100.00  |
|  **7071 Misc. Exp Payroll Fees** | 1,150.00  |
|  **7073 Memberships** | 500.00  |
|  **7074 Memberships / Professional** | 7,500.00  |
|  **7076 Liability Insurance** | 1,250.00  |
|  **7077 Office Rent** | 4,704.00  |
|  **7080 Printing** | 200.00  |
|  **7083 Publications / Bill Set** | 1,500.00  |
|  **7084 Legislative & CM#** | 500.00  |
|  **7085 IT Services** | 2,544.00  |
|  **7086 Supplies** | 1,000.00  |
|  **7089 Telephone** | 1,560.00  |
|  **7093 Postage** | 200.00  |
|  **Total 7000 Operating Expenses** |  **43,308.00**  |
|  |  |
| **Total Expenses** |  **176,258.00**  |
| **Net Operating Income** |  **-28,742.00** |
| **Net Income** |  **-28,742.00** |
|  |  |
| **Beginning Cash** | 52,877.40  |
| **Transfers in** | 0.00  |
| **Transfers out** | 0.00  |
| **Ending Cash** | 52,877.40  |

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Question 3

The LOC strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

At the LOC, managers are responsible for authorizing all purchases made by their employees, for approving all invoices associated with their department or related to expenses incurred by their employees, and the proper approval of all accounts payable paperwork. The LOC has an established AP form that must be accompanied with each invoice. The AP form must be signed by both the employee who incurred the charge associated with the invoice and their manager. Completed AP forms, along with the associated invoice, must be submitted to the Finance Department within 14 days of the LOC receiving the invoice. Noncompliance with this policy and procedure may result in the return of improperly authorized or prepared documents, nonpayment of invoices, or other sanctions as necessary.

The Accounting Specialist is responsible for processing all invoices received by the Finance Department from other divisions within the LOC. For this question, pretend that you have been hired as the Accounting Specialist. You receive an invoice directly from an employee. The employee does not include the required AP form, nor is there any paperwork which indicates the employee’s manager approved the expenses denoted on the invoice. Please explain what steps you take to ensure that the LOC policy and procedure described in the preceding paragraph are followed.

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