Bank Statement Reconciliation Part 3

By now you should be familiar with the bank reconciliation viewer, and how it gets populated with relevant transactions. In this final class of the Bank Reconciliation series, we will cover how to complete the reconciliation process.

Based on the knowledge gained in Bank Reconciliation Parts 1 and 2, start with populating the viewer with all the transactions that have affected you cash account. Before starting the bank reconciliation process, you want to have All the applicable records loaded into the viewer.

It is highly advisable that you perform the reconciliation process on one bank account at a time. This method not only makes the entire process more efficient, but it will also allow you to use the New Statement Balance and Last Statement Balance fields to check your work.

We will go in further detail on this topic in a little bit.

Topics

- Reconciling Transactions
- Un-Reconciling Transactions

Reconciling Transactions

Start by selecting the correct Bank code from the bank code hyperlink. Also specify the store if it makes business sense depending on your specific configuration.

The next step involves updating the Last Statement balance field. Click on the Misc button and select the Maintain bank balance option.

Select the bank account which you are planning to reconcile and click OK.

Enter the last statement balance amount and click ok. The next time you perform your reconciliation on this particular account, the system will remember the last statement balance amount from the previous calculations. As a result you do not have to manually enter it every time you perform bank reconciliation.

Enter the current statement balance under the New Statement field.

As you identify transactions recorded in your bank statement, checkbox them off the transaction list on the viewer.

While doing this you will see that the system keeps track of the total of the selected transactions, and displays it on the Selected field on the header portion of the screen.

Simultaneously, it keeps track of a live running variance. Think of this variance as the amount left to reconcile.

The variance is calculated by adding the selected transactions to the last statement amount and subtracting the new statement amount from that figure.

When the variance reaches 0 then you have reconciled all the items you can reconcile up to this point.

If after matching all the statement transactions against the viewer transactions, the variance is not zero, you are more than likely missing entries from the Bank reconciliation viewer.

Start by running your GLP report to pass-off AP and Payroll entries to GL. Then take a close look at your corresponding cash account in the GL Details viewer, and check whether all the transactions without APIN and PRIN in the Source field, have been passed off to the Bank Reconciliation viewer.

Once you manage to get the variance down to zero, click on the Reconcile Button.

A summary of your cash in versus cash out entries displays on the screen. Click Ok to confirm that the summary entries are accurate.

All the selected transactions will be marked as reconciled and the date reconciled field will be updated to today's date.

Repeat the same process with the rest of your bank codes if you have multiple bank accounts.

Please note that if the balances do not reconcile, you must reimport the GL detail and restart the reconciliation process.

To make the reconciliation process easier, do use the pending transactions option we discussed in the prior bank reconciliation class. This will allow you to continuously reconcile transactions based on the activity that has cleared via your online account.

You can mark the cleared transactions as pending and hit the Change key. When you have the bank statement available, you can display all the pending transactions, and do a final check before marking them as reconciled.

Un-reconcile Transactions

Once in a while the need may arise to un-reconcile an already reconciled transaction if it was erroneously reconciled.

To do this start by displaying all reconciled transactions using the look-up function.

Checkbox the transactions that need to be unreconciled and click on the Misc button.

Select Option 3 – Un-reconcile Transactions. Answer Yes in the prompt that follows and then OK.

Please Note: As per the prompt warning keep in mind that the bank balance will not be updated. You will have to manually update it using the Misc button option 4 as we learned earlier.

The un-reconciled transactions will now appear under the un-reconciled list and are available to be reconciled at a later time. The date reconciled field is also reset to blank.

Please NOTE: as mentioned in an earlier Bank Rec series class, the Bank Rec application does Not make any entries or changes to the GL file. Therefore, any manual entries that need to affect GL must be first completed there, then imported to Bank Rec for reconciliation purposes only.

We have now come to the end of the Bank Reconciliation Series. By now you should be able to activate, populate, modify, and reconcile your bank accounts using this Eagle for Windows feature.

With access to your banking online you can perform the reconciliation process more often than just once a month when you get your monthly statement.

This practice will increase the accuracy of your live records as well as make your reconciliation process less complex, and therefore less time consuming overall.

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