

- **Brief Overview**

- The following are suggested procedures to use when your bank reconciliation does not balance.
  1. Make sure that the reconciliation date is the same date being used on the bank statement (which should be the last day of the month).
  2. Print out the prior month's bank reconciliation report and compare it to the current bank statement. Verify that any prior deposits in transit are posted at the bank; that any prior outstanding warrants cleared the bank; and that any prior adjustments or corrections were posted in the system or at the bank.
  3. Print out the current month's cash journal and make a copy of the bank statement. Do not use check stubs or deposit tickets to reconcile. Only the bank statement and the cash journal will be needed unless a posting error was made by the clerk or the bank.
  4. Make sure that the bank interest has been posted as an interest receipt in the system during the month being reconciled. Verify that the interest receipt was reinvested. If not, the interest is a negative other adjusting factor (deposits not recorded in the system).
  5. Make sure that all fees or withdraws are posted as charges in the system during the month being reconciled. If not, carry the amount as a positive other adjusting factor (charges not recorded in the system). Fees or withdraws may include service charges, fees for deposit services, NSF charges or EFT's.
  6. Make sure that any posting errors not caught before the month was advanced in the system are carried as other adjusting factors.
  7. Investment accounts should be set up in the system. If the investment is not setup and/or the balances are not correct, the bank reconciliation will not balance. Until the issue is corrected use an other adjusting factor (system investment less/greater than bank investments).

- **Checklist for Bank Reconciliation**

- Reconciliation Date – make sure it is the same date used on the bank statement (which should be the last day of the month).
- Prior month - Verify as cleared or posted:
  1. Other adjusting factors
  2. Deposit in transit

3. Outstanding warrants

- Cash Journal – Print current month and compare line by line with a copy of the bank statement:
  1. Deposits
  2. Warrants
  3. Bank service charges for fees for deposit slips, NSF fees, or EFT's
  4. Interest postings
  5. Adjustments and corrections
- System postings – Verify all entries for:
  1. Interest, if not posting, use as other adjusting factor (deposits not recorded in the system).
  2. Bank fees are charged as charges
- Posting errors – receipts posted in error entered in the current month.
- Investments – Investment accounts setup in the system:
  1. Verify if investment interest receipts are reinvested or not (Investment Activity report).

### Screen Tabs

- **Statement Tab**



Statement	Warrants	Receipts	DIT	OAF	Reconciliation
Bank Reconciliation As Of: 01/31/2007					
Primary Checking Account Balance: \$ 156,591.23					
Deposit In Transit: \$ 5,000.00					
Other Adjusting Factors: \$ -100.00					

- Bank Reconciliation As Of:
  1. Enter the Statement Date from the bank statement.
- Primary Checking Account Balance:
  1. Enter the Statement Balance from the bank statement.
- Deposit In Transit:
  1. The system automatically pulls the 'Total Deposit in Transit' balance from the DIT tab.
- Other Adjusting Factors:
  1. The system automatically pulls the 'Total' balance from the OAF tab.

### Warrants Tab

Cleared	Warrant #	Tran. Date	Payee	Tran. Amount	Void
	3724	08/17/2006	OHIO	77.10	
<input checked="" type="checkbox"/>	3737	01/15/2007	State	100.00	
<input checked="" type="checkbox"/>	3738	01/15/2007	Buckeye	200.00	
<input checked="" type="checkbox"/>	3739	01/15/2007	Columbus	300.00	

- List all outstanding warrants:
  1. When warrants are cleared in the bank reconciliation the warrant's line will be highlighted in blue.
  2. If a warrant is voided prior to the 'Bank Reconciliation As Of' date the warrant will not appear on the list of outstanding warrants.
  3. If a warrant is voided after the 'Bank Reconciliation As Of' date the warrant will be marked as 'voided' in the cleared check box field.
- Void a Prior Year Warrant:
  1. Go to Accounting Menu, Accounting Transactions, Accounting Utilities, and Funds. Click on the Record function button and select Prior Year Warrant Adjustment. The adjustment amount will be positive number.
  2. Once the adjustment has been posted, the warrant will need to be flagged as 'Void' on the Warrants Tab.

### Receipt Tab (Optional)

Cleared	Ticket Number	Receipt Number	Deposit Date	Posting Date	Source	Amount	Void
<input checked="" type="checkbox"/>	12345	81	01/20/2007	01/20/2007	Ohio Auditor of State	1000.00	
<input checked="" type="checkbox"/>	12345	85	01/20/2007	01/20/2007	UAN County Auditor	2000.00	
					Ticket Total	3000.00	
		82	01/20/2007	01/20/2007	INVESTMENT SAVINGS	150.00	
		83	01/20/2007	01/20/2007	U.S. Treasury	5000.00	
		84	01/20/2007	01/20/2007	Buckeye Grant	8500.00	

- Note:** The Receipt tab is an *optional* tab that was added to the software in 2007. This tab is optional because all receipts will appear as cleared; therefore, if you do not want to use this functionality when reconciling your bank account, you can skip this tab and continue posting your bank reconciliation as usual.
- List all outstanding receipts:
    1. Standard and Primary Checking Account Interest Receipts will automatically be marked as cleared. When Standard and Primary Checking Account Interest Receipts are cleared, the receipts will be highlighted. A total for Standard and Primary Checking Account Interest Receipts that are not cleared will appear on the Statement tab as 'Deposit in Transit', and these receipts will carry forward to the next bank reconciliation until they are cleared

**Note:** After a Standard and Primary Checking Account Interest Receipts have been cleared on the bank reconciliation, the receipts cannot be voided. Changes will have to be posted as adjustments or reallocations.

    2. Memo Receipts and Investment Interest Receipts not reinvested will be highlighted in gray and cannot be unmarked as cleared.
    3. Investment Interest Receipts with reinvested interest will not appear on the list of outstanding receipts.
  - Ticket Number:
    1. Receipts which contain the same Deposit Ticket Number will be group and totaled together. The Deposit Ticket Number field is

optional and it can be utilized when a receipt is recorded.

### Deposit in Transit Tab

- Standard Receipts and Primary Interest Receipts - Calculated:
  - Total of Standard and Primary Checking Account Interest receipts unmarked as cleared from the Receipts tab
- Memo Receipts and Investment Interest Receipts not reinvested – Input:
  - Used when a Memo or Investment Interest Receipt not reinvested has been recorded and posted, but the receipts (deposits) do not appeared on the bank statement

### Other Adjusting Factors

- Negative Other Adjusting Factors:
  - Deposits not recorded in the system
  - System investments greater than Bank investments
  - Outstanding warrants not listed in system

- Posting error (check under posted, receipt over posted) at bank
- Positive Other Adjusting Factors:
    - Charges not recorded in the system
    - System investments less than Bank investments
    - Posting error (check over posted, receipt under posted) at bank

### Reconciliation Tab

- System Balance:
  - Total Fund Cash Balance for all funds as of the 'Bank Reconciliation As Of' date recorded at the Statement tab.
- Less Investment Balance:
  - Investment Balance for all funds as of the 'Bank Reconciliation As Of' date recorded at the Statement tab.
- Less Secondary Balance:
  - Secondary Checking Balance for all funds as of 'Bank Reconciliation As Of' date record at the Statement tab.
- System Balance For Primary Account As Of:
  - Total of the System Balance, Less Investment Balance and Less Secondary Balance.
- Primary Checking Balance As Of:
  - Statement Balance from the bank statement recorded at the Statement tab
- Deposit in Transit:
  - Total of any receipts unmarked as cleared from the Receipts tab, and the total of Memo Receipts and Interest Receipt not reinvested recorded at the DIT tab.
- Outstanding Checks:
  - Total of any warrants not cleared from the Warrants tab.



# Bank Reconciliation

## Quick Tips



- Other Adjusting Factors:
  1. Total Other Adjusting Factors from the OAF tab.
- Calculated Primary Account Balance as Of:
  1. Total of the Primary Checking Balance, Deposit in Transit, Outstanding Checks, and Other Adjusting Factors

**Note:** If the balances are not reconciled, please refer to the Brief Overview at the beginning of this quick tips for guidance.