AccountMate®
SOFTWARE THAT FITS

Article # 1071

Technical Note: Understanding the Bank Reconciliation Report

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 7 for SQL and Express
AccountMate 7 for LAN
AccountMate 6.5 for SQL and MSDE
AccountMate 6.5 for LAN

Module(s) Affected: BR

Posting Date: 01/28/2009

DESCRIPTION

The Bank Reconciliation Report in AccountMate provides information about the latest bank reconciliation performed on a bank account. The report gives you an overview on the status of individual accounts.

This Technical Note provides information about the Bank Reconciliation Report that can help you gain a better understanding of the report.

SOLUTION

The **Bank Reconciliation Report** function generates a set of reports showing information about the latest reconciliation for each bank account. This set of reports includes the following:

1. **Bank Reconciliation Deposits and Other Receipts Report**
   This report displays transaction details of deposits recorded using the **Record Bank Deposit** function in the Accounts Receivable (AR) module as well as deposits, other receipts and bank transfers entered in the Bank Reconciliation (BR) module. Refer to Figure1-1.

   This report shows the transaction's type, date, number, description, source module, and the status of the transaction whether it is marked Verified or Unverified in the system. A summary and the total of the values shown in this report is provided in the **Bank Reconciliation Bank Summary Report**.

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Printed By: Supervisor **Bank Reconciliation Deposits and Other Receipts Report**

Type	Transaction #	Trs Date	Reference	Description	Src	Unverified	Verified
Bank # :	BOFA (Bank of America)			Currency Code : USD (Dollars)			
Deposit	1009	01/12/08	AR Deposit	Bank Deposit	AR	0.00	1,000.00
Deposit	1010	01/14/08	AR Deposit	Check deposit	AR	0.00	1,000.00
Deposit	1011	01/25/08	AR Deposit	Deposits	AR	10,504.98	0.00
Transfer	1000000002	01/25/08	DM # 15654500012	Replenishment of funds	BR	50,000.00	0.00
BOFA: 4 Record(s)				Total for BOFA :		$ 60,504.98	$ 2,000.00

Figure 1-1. Bank Reconciliation Deposits and Other Receipts Report

2. **Bank Reconciliation Checks and Other Disbursements Report**
   This report displays transaction details of checks and other disbursements entered using the Record Checks/Other Disbursements function in BR, and checks entered in the Accounts Payable (AP) and Payroll (PR) modules.

   This report shows the transaction's date, number, description, source module, and information whether the transaction is outstanding or marked Cancelled in the system. The transactions displayed on this report are summarized and shown in the **Bank Reconciliation Bank Summary Report**. Refer to Figure 1-2.

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Printed By: Supervisor **Bank Reconciliation Checks and Other Disbursements Report**

Type	Transaction #	Trs Date	Reference	Description	Src	Unverified	Verified
Bank # :	BOFA (Bank of America)			Currency Code : USD (Dollars)			
Check	3013	01/21/08	AFF1	Aero Furniture Factory, Inc.	AP	0.00	-15,000.00
Check	3014	01/23/08	AFF1	Aero Furniture Factory, Inc.	AP	0.00	-24,461.84
Check	3015	01/25/08	UFFE4	United Furniture Emporium	AP	-4,000.00	0.00
BOFA: 3 Record(s)				Total for BOFA :		$ -4,000.00	$ -39,461.84

Figure 1-2. Bank Reconciliation Checks and Other Disbursements Report

3. **Bank Reconciliation Bank Summary Report**
   This report provides summarized information about the bank account and the latest bank reconciliation project which includes the calculated bank balance, calculated book balance, and any out-of-balance amounts. Refer to Figure 1-3.

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Bank Reconciliation Bank Summary Report

Bank # : BOFA
Bank Name : Bank of America
Bank Account # : 44795-75226
Account Description : Checking Account
GL Account # : 110100-000-00 (Cash In Bank - General)
Currency Code : USD (Dollars)

Bank Reconciliation

Previous Statement Balance on		06/30/07	93,265.05
Total of	2	Deposits/ Other Receipts Verified for	2,000.00
Total of	2	Checks Cancelled/Other Disbursements Cancelled for	(39,461.84)
Calculated Bank Balance as of		01/31/08	55,803.21
Ending Statement Balance on		01/31/08	55,803.21
Out of Balance by			0.00

Calculated Book Balance

Calculated Bank Balance as of		01/31/08	55,803.21
Plus	2	Deposits/Other receipts In-Transit for	60,504.98
Less	1	Outstanding Checks/Other Disbursements for	(4,000.00)
Calculated Book Balance			112,308.19

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Detail Report Sorted by Bank #

Filter(s):
Bank #: "BOFA "
Report Date: 01/31/08

Figure 1-3. Bank Reconciliation Bank Summary Report

The **Calculated Bank Balance** as of [date] is computed by adding to or deducting from the Previous Statement Balance the verified deposits/other receipts or cancelled checks/other disbursements, respectively. These include transactions that are marked as Cancelled or Verified in the Reconcile Bank Account function from the date in the Previous Statement Balance field to the Report Date specified in the report criteria.

The value shown on the **Previous Statement Balance on** [date] field is either the amount of the most recent reconciled bank balance; or, if the bank account has not been reconciled, the bank statement balance indicated in the **Previous Statement** area of the **Bank Account Maintenance** function. The details of these transactions are provided in the Bank Reconciliation Deposits and Other Receipts Report and the Bank Reconciliation Checks and Other Disbursements Report, as discussed in the preceding sections.

The **Calculated Book Balance as of** [date] is computed by adding the deposits/other receipts in-transit and deducting the outstanding checks and other disbursements from the **Calculated Bank Balance** amount. These transactions include deposits/other receipts in-transit, outstanding checks/other disbursements and bank transfers that are not yet marked as Cancelled in the system. The details of these transactions are provided in the **Bank Reconciliation Deposits and Other Receipts Report** and the **Bank Reconciliation Checks and Other Disbursement Report**, as discussed in the preceding sections.

An out-of-balance occurs when the **Calculated Bank Balance** does not match with the ending balance shown on the bank statement. The out of balance amount is shown in the report in the **Out of Balance by** field.

The **Calculated Book Balance** in this report should match the total unadjusted amount recorded in the GL account ID assigned to the bank account. If each bank account has its own specific GL account ID, each bank account amount will be reflected separately in the General Ledger module. If several bank accounts use the same GL account ID, you need to add all calculated book balances for the bank accounts that share the same GL account ID; then compare that amount with the total amount recorded in the GL account ID.

After completing the reconciliation of the bank account, adjust the Cash in Bank account balance recorded as necessary by creating a journal entry in the General Ledger module.

Understanding the Bank Reconciliation Report's content as discussed in this document will give you a summary on the status of your cash accounts. Use the report as reference to monitor book and bank balances of individual accounts to help you make intelligent decisions and to better manage your cash flow.