

S3: Bank Reconciliation Start to Finish

Agenda:

1. Walking through the reconciliation process
 2. Printing the Bank Rec Report and updating
 3. Understanding Adjustment entries
 4. Month End Processing
 5. Troubleshooting a variance
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1. Using the Bank Reconciliation Screen – Found on Period End Menu/Bank Reconciliation
 - a. Single vs Multiple School
 - Single – one school uses this bank account.
 - Multiple – multiple schools use the same bank account (usually at district level).
 - b. Balances and Dates
 - Enter the **BEGINNING BALANCE** directly from your bank statement.
 - Enter the Ending Balance directly from your bank statement.
 - Enter the statement ending date. Even if your statement ends on the 29th of the month or another date close to the end of the month, we recommend you always balance to the LAST DAY of the month. Do this unless otherwise advised by your auditor/district.

S Bank Reconciliation - Entering Cleared Items from the Bank Statement

Please enter 'cleared' items from the bank statement, and press 'Next' to complete the process.

Bank Code: A Opening Bal: 15,000.12 Ending Bal: 29,072.23 Diff: -623.32

Closing Statement Date	07/31/05	Deposits In Transit	623.75
Opening Bank Balance	15,000.12	Outstanding Checks	.00
Cleared Deposits	15,300.00	Outstanding Adjustments	-.43
Cleared Checks/Charges	1,851.21	Calculated Book Balance	29,072.23
Cleared Adjustments	.00	Actual Book Balance	29,072.23
Calculated Bank Balance	28,448.91	Variance	.00

Date	Type	Ref No	Description	Amount	Cld
07/20/05	A	4	NSF Check# 432	-13.00	
07/30/05	A	5	Interest Earned -	12.57	
07/01/05	M	3280	Bob's Yearbook Pro	500.00	C
07/03/05	M	3281	State Board of Equ	251.45	C
07/05/05	M	3282	Green Photography	125.00	C
07/20/05	M	3283	Harper Office Prod	62.62	C
07/25/05	M	3284	Mary Smith	12.14	C
07/25/05	M	3286	Shirts Forever Who	900.00	C
07/30/05	D	2	BANK DEPOSIT	3,000.00	C
07/16/05	D	3	BANK DEPOSIT	3,600.00	C

Sort By: Checks Grouped

Clear/Unclear Back Next Cancel ?

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2. Balancing your bank statement with SchoolBooks

a. Clearing transactions - Compare your bank statement to the SchoolBooks Bank Reconciliation.

- Clear all checks that cleared the bank this month.
- Clear all deposits that cleared the bank this month.
- Screen Options:
 - i. Keyboard - use the arrow keys to move up and down through the list. The ENTER key clears/unclears the items and moves the cursor down to the next item.
 - ii. Mouse - double click on the item to clear or unclear.
 - iii. Windows Shortcuts
 - To select a group of items to clear all at once: select the first item then hold the shift key while clicking on the last item.
 - To select various items throughout the group: click on the first item and hold the CTRL key while you continue selecting items.

b. Screen displays the **DIFFERENCE** – the amount you are out of balance.

c. Good is green! Your goal is to get the Calculated Bank Balance and the Ending Balance to match. They turn **GREEN** when you are in balance!

3. Printing and Updating - Once you are in Balance (In the Green):

a. Print the Bank Reconciliation Report

- NEW! – ability to add notes to your reports.
- You can change the report title. We recommend adding Month/Year to the title.
- Verify that it printed correctly.

Bank Reconciliation Report - Play School High School

Notes to be printed on the first page

Note:

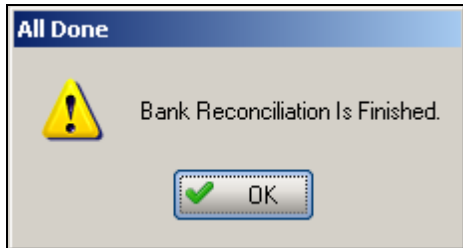
There was a problem with the deposit on 7/16/05 because the temp who was here made a mistake. The \$4500.00 deposit on 7/16 should have been combined with the \$64.23 from 7/8. If you add those together, you get the actual 7/16 deposit of \$4564.23 per the bank statement.

EPSON Stylus C86 Series (Copy 1) on Ne08: [Print] [Preview] [Cancel] [Setup] [?]

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b. Update

- After you have printed the Bank Reconciliation Report, the bank reconciliation process is not complete until you click the “Finish” button and receive this message.



c. Filing your work – our recommendation – should be stapled together.

- **BANK STATEMENT**
- **BANK RECONCILIATION**
- **ACCOUNT ANALYSIS DETAIL REPORT FOR THE CASH ACCOUNT FOR THE MONTH THAT WAS RECONCILED**
- **TRIAL BALANCE**

d. Balance your bank statement promptly – within days of receiving your statement.

4. Adjusting Entries - Before making any adjustments, you might want to consult the Help files for direction.

a. Ask two questions:

- Does this transaction increase or decrease the balance in my cash account?
 - i. Make a Positive adjustment = More \$\$
 - ii. Make a Negative adjustment = Less \$\$
- Income vs Expense – What column do you want the adjustment to appear in?
 - i. Income: Was the original transaction a deposit or interest earned?
 - ii. Expense: Was the original transaction a check you wrote or a bank fee you are being charged?

b. Try Session S2: Adjustments and Transfers for more help with Adjustments.

5. Clearing Voids and Incorrect Deposits

a. Void checks appear on the Bank Reconciliation as two transactions:

- The original check.
- The void check.
- When you void a check, SchoolBooks marks both the original check and the void as cleared.

Date	Type	Ref No	Description	Amount	Cld
08/30/05	A	6	Interest Earned -	11.56	
08/15/05	M	909	Move money	34.00	
08/10/05	M	3287	Western Athletic S	600.00	C
08/15/05	V	3287	Western Athletic S	-600.00	C
08/10/05	M	3288	Bob's Yearbook Pro	500.00	

- You must clear both of them on the same Bank Reconciliation in order to balance.
 - The date on the void check must fall before the bank statement ending date in order for both the original check and the void to show correctly.
- b. Original Voids do not show on the Bank Reconciliation.
- c. Incorrect Deposits can be reversed by using the Deposit Reversal feature.
- Unlike Voids, Reversed Deposits are not automatically cleared on the Bank Reconciliation. You need to clear both of them manually.
 - Make sure to get the correct date on the reversal.
 - If you need to reenter a Deposit, make sure you enter it with the correct date.

6. What's next? For details on Month End Processing reference S4 Period End Processing.

a. Month End Processing

- Removes Temporary Vendors with no open purchase orders or invoices.
- Clears out all paid invoices.
- Clears out all received purchase orders.
- Changes the Last Closed Period date so you can't enter transactions in the prior month.

b. Month End Reporting – Additional report selections now available for automatic printing of month end reports.

- Account Analysis Detail Report for the Cash Accounts.
- Account Analysis Summary Report for all Accounts.
- AA Summary with Encumbrances.
- Encumbrance Report for the club advisors.
- Trial Balance and Balance Sheet.
- Cash Disbursement Report.

c. Month End Backup

7. What if you have a variance? So you've cleared all your transactions and you try to print the Bank Reconciliation Report, BUT you get the message telling you that you are not in balance.
 - a. What does a variance mean?
 - a. It could mean you have corrupted data.
 - b. What causes a non-zero amount in the Variance Field?
 - You've entered a wrong Beginning Balance from bank statement.
 - Your cash balance in Beginning Balances/Opening Entries is wrong.
 - a. Data Corruption – something has damaged a file.
 - b. Or it could mean that a transaction that exists in your GL history file does not exist in the bank reconciliation file.
 - c. What should you do?
 - Print the Account Analysis Detail Report for the Cash Account for this month. Compare it to the Bank Reconciliation Report. Are any transactions showing on one and not on the other?
 - Investigate: Is there a Check or Deposit for the wrong amount?
 - Call Blue Bear Support. There is nothing you can do to fix it. Blue Bear has to fix it.
 - d. How to prevent getting a variance.
 - NEW! – The program will not allow you to enter a transaction PRIOR to the date of the last reconciled statement date for this account.
 - Good hardware/networking means no computer failures and helps to avoid data corruption.

S Bank Reconciliation - Entering Cleared Items from the Bank Statement

Please enter 'cleared' items from the bank statement, and press 'Next' to complete the process.

Bank Code: A	Opening Bal: 15,000.12	Ending Bal: 29,072.23	Diff: 0.00
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Closing Statement Date	07/31/05	Deposits In Transit	.00
Opening Bank Balance	15,000.12	Outstanding Checks	.00
Cleared Deposits	15,923.75	Outstanding Adjustments	.00
Cleared Checks/Charges	1,851.21	Calculated Book Balance	29,072.23
Cleared Adjustments	-.43	Actual Book Balance	29,124.23
Calculated Bank Balance	29,072.23	Variance	52.00

- e. If you have a variance due to data corruption, Blue Bear has to fix it. Have reports and backups to help facilitate Blue Bear Support.
- Bank Statement from last month.
 - Bank Reconciliation Report from last month.
 - Account Analysis Detail Report for last month.
 - Trial Balance from last month.
 - A backup of your data from Month End.
 - Bank Statement for this month.
 - Current Backup (with your Bank Reconciliation in balance = GREEN).

NOTES:
