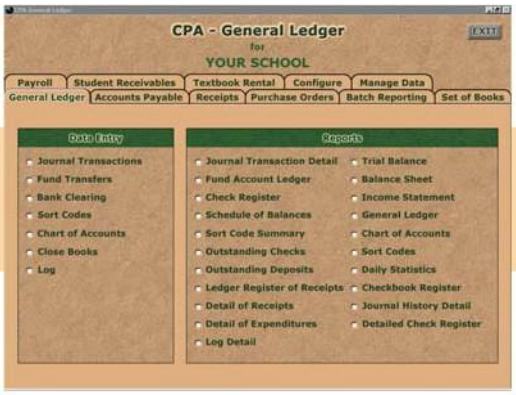
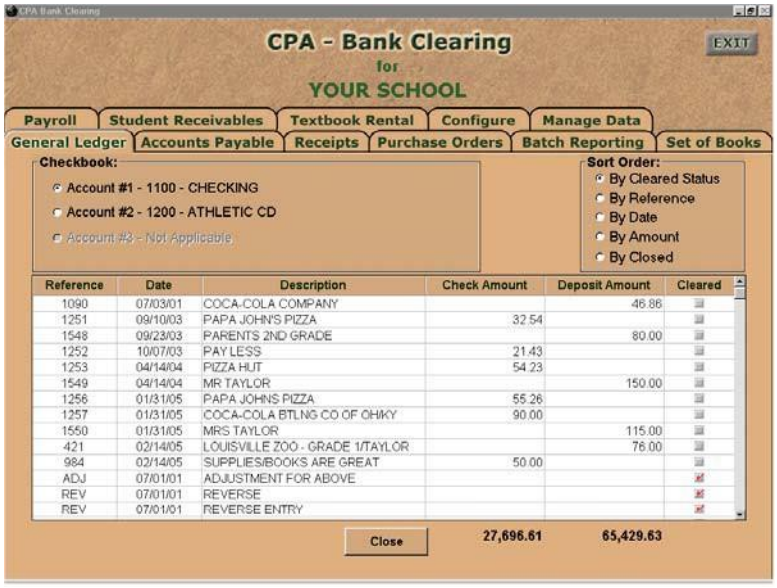


Questions & Answers about Your CPA Software:
BANK RECONCILIATION PROCESS

Q. What are the main steps to proper Bank Reconciliation?

1) **Record interest** - either write a receipt or make a manual entry in the Journal Transactions. (If making manual entry - use the 4000 account number, make the amount a credit, put INT in the reference and press F2 to offset the transaction to the checkbook.)

2) **Bank Clearing** -On the General Ledger screen - mark all the transactions, both checks and receipts that appear on the bank statement. Also mark as cleared any bank adjustments, fees, etc.



3) **Outstanding checks** - Print this report with the ending date as the last date of the bank statement.

4) **Outstanding deposits** - Print this report with the ending date as the last date of the bank statement. The only time you should have deposits in transit is if you took a deposit to the bank the last day of the month but it was after the bank cut-off time for that day.

5) **Fund Account Ledger** - Use the same dates as the bank statement, type in the 1100 account number for both beginning and ending account.

6) **Schedule of Balances** - Use the same dates as the bank statement, type in the bank balance at the close of the month, the outstanding checks and deposits in transit should come in automatically (if you need to change this number, you may type in a new amount). Type in any investments and make sure you change the default from No to Yes for recapitulation. Line 13 Total expendable cash should match the ending balance under total all funds & line 5. If you do not have investments, line 6 checking account balance should also match line 5 & 13. If you do have investments, line 6 and line 11 added together should match line 5 & 13.