

How to Reconcile a Bank Account

Last Modified on 01/10/2023 3:50 pm EST

If the number of items to reconcile is quite lengthy and there is not enough time to finish the reconciliation, the User may click the Finish Later button located at the lower right of the form and continue at a later date. All payments and deposits marked as cleared will be saved when clicking the Finish Later button.

1. Navigate to the General Ledger module from the Main Application Menu and select the Reconcile Bank Account option.

2. The Reconcile Bank Account form will be displayed. This form is divided into three major areas. Along the left side of the form are data entry fields and totals at the bottom that are automatically calculated as payments and deposits are marked as reconciled. The Payments area will display a list of all credits posted to the bank account; A/P Checks and any journal entries manually posted. The Deposits area displays a list of all debits posted to the bank account; payments deposited and any journal entries manually posted.

Make the appropriate entries and selections according to the instructions on the following pages.

□

Data Entry Fields

3. On the left side of the form make the appropriate selections.

Account - Select the bank account being reconciled from the drop-down list.**Activity As of Date** - Enter the closing date from your bank statement.

Last Ending - This field will automatically fill in the the last ending balance from the previous Bank Reconciliation. If this is the first month the bank account has been reconciled, this amount will default to zero. This field cannot be modified.**Prior Cleared** - This field will default to the same amount as the last ending value. If the amounts in Last Ending and Prior cleared do not match, contact the SedonaOffice Support desk for assistance.

Ending Statement - Enter the amount your bank statement ending balance less any checks that have not cleared plus any deposits that did not display on the bank statement.

Service Fees - If your bank has charged a service fee for maintaining your bank account, fill in the information into the fields of this section; otherwise do not make any entries into this section.

- Amount - Enter the amount of the service fees charged by your bank listed on your bank statement.
- Date - Enter the date of the service fee; typically this is the statement ending date.
- GL Account - Select the GL Account from the drop-down list for the expense.
- Category - Select the appropriate Category from the drop-down list; typically this is G & A.

Interest - If your bank has credited your bank account for an interest payment, fill in the information into the fields of this section; otherwise do not make any entries into this section.

- Amount - Enter the amount of the interest listed on your bank statement.
- Date - Enter the date the interest was applied to your bank account; typically this is the statement ending date.

- GL Account - Select the GL Account from the drop-down list for the interest income.
- Category - Select the appropriate Category from the drop-down list; typically this is G & A.

□

Marking Payments as Cleared

4. In the Payment section on the right side of the form the User will select the checkbox to the left of each Payment cleared on the bank statement. If the list of payments is quite lengthy, click the Check All button located at the bottom of the form to mark all payments, then go back and un-check the items that do not appear on the bank statement.

□ If you find a check on your bank statement that was processed for an amount that is different than the payment amount listed in the Bank Reconciliation form, [stop here](#) and refer to the directions under the topic [Correcting Payments](#).

Marking Deposits as Cleared

5. In the Deposits section on the right side of the form the User will select the checkbox to the left of each Deposit cleared on the bank statement.

□ If you find a deposit on your bank statement that was processed for an amount that is different than the deposit amount listed in the Bank Reconciliation form, [stop here](#) and refer to the directions under the topic [Correcting Deposits](#).

□

6. Once all Payments and Deposits have been marked, the Difference at the lower left of the form should be zero. Click the Done button located at the lower right of the form.

If the amount is not zero, re-check the amount entered in the Ending Stmt field to make certain this amount is correct. Re-check to make certain all payments and deposits have been marked. If the amount of the difference is nominal and you do not want to take the time to find the variance, you may continue to finalize the bank reconciliation; the software will make an adjusting Journal Entry to the bank account to bring it into balance.

□

7. After clicking the Done button, a message will be displayed asking the User if they want to print a copy of the reconciliation. This is highly recommended; click the Yes button on this information form.

If you do not print a copy of the reconciliation now, you will not have another opportunity to do so.

□

8. The Print form will be displayed; the default windows printer for the workstation is automatically filled into the printer name field. If this is not the correct printer, select the desired printer from the drop-down list.

□