

Bank Reconciliation Presentation

Gustafson & Rydberg
Sept 29, 2022





Why Do A Bank Reconciliation: 5 Reasons to Reconcile Monthly

- Catch Errors. Misread receipts, transposed numbers and forgotten entries in the check register are common accounting errors and are easily rectified.
- Avoid Surprises.
- Save Money.
- Verify Cash Flow.
- Prevent Fraud.

Materials Needed

- ❖ Bank Statement
- ❖ Check/EFT Register
- ❖ General Ledger Detail Report
- ❖ Spreadsheet Template

Step 1 - Gather the Account Summary from the Bank Stmt

SILVER BUSINESS CHECKING

U.S. Bank National Association

Account Summary

	# Items		
Beginning Balance on Jun 1		\$	89,886.20
Other Deposits	5		400,494.75
Card Withdrawals	15		11,707.52-
Other Withdrawals	16		338,248.45-
Checks Paid	19		31,105.44-
Ending Balance on Jun 30, 2022		\$	109,319.54

Step 1b - Enter the Bank Totals onto the Bank Rec Spreadsheet

	ACCT						
1							1
2							2
3		Beginning				Ending	3
4		Balance	Deposits	Checks	Other	Balance	4
5							5
6		Balance per Bank	89,886.20	400,494.75	381,061.41	109,319.54	6
7							7
8							8

Step 2 - Deposits in Transit

- ❖ Enter any deposits in transit for the prior month and the current month
 - These are fairly unusual nowadays
 - These are deposit that have been booked into the General Ledger at the end of the month but have not been received by the bank
 - Sometimes they are deposits sitting in a safe at the district

Step 3a - Outstanding Checks



- ❖ Check Bank Statement
- ❖ Look for Gaps in Check Number Order

Checks Presented Conventionally

<i>Check</i>	<i>Date</i>	<i>Ref Number</i>	<i>Amount</i>
2824	Jun 7	8312350459	305.86
2833*	Jun 13	8017556356	119.52
2834	Jun 9	8915131262	1,024.44
2835	Jun 13	8017019123	419.96
2836	Jun 6	8017337682	36.49
2837	Jun 6	8017688956	31.50
2840*	Jun 22	8615597968	751.10
2842*	Jun 28	8314962969	741.96
2843	Jun 23	8913852688	1,250.00
2844	Jun 28	8316863005	9,090.00

<i>Check</i>	<i>Date</i>	<i>Ref Number</i>	<i>Amount</i>
2847*	Jun 22	8616745850	945.00
2848	Jun 27	8013751707	532.53
2849	Jun 22	8616630835	543.00
2851*	Jun 21	8318369429	12.00
2852	Jun 21	8318386658	120.74
2853	Jun 22	8615260484	1,074.05
2854	Jun 17	9214670803	6,645.29
2855	Jun 30	8910207233	425.00
2857*	Jun 30	8914352571	7,037.00

* Gap in check sequence

Conventional Checks Paid (19) \$ 31,105.44-



Step 3b - List Outstanding Checks on the Bank Rec Spreadsheet

Outstanding Check	
2743	36.00
2839	1,437.85
2841	12.28
2845	12.88
2846	259.04
2850	132.92
2856	2,900.00
758	3,644.57
	8,435.54



Step 3C - Make Sure O/S Checks show in the Bank Rec Spreadsheet

14	Outstanding Checks						14
15	- May	-1,973.77		-1,973.77			15
16	- Jun			8,435.54		-8,435.54	16
17							17
18							18



Step 3D - Let's look at the Spreadsheet

	Balance	Deposits	Checks	Other	Balance	
						4
						5
Balance per Bank	89,886.20	400,494.75	381,061.41		109,319.54	6
						7
						8
Deposits in Transit						9
- May		0.00				10
- Jun		0.00			0.00	11
						12
						13
Outstanding Checks						14
- May	-1,973.77		-1,973.77			15
- Jun			8,435.54		-8,435.54	16
						17
						18
Other						19
- Bank Charges						20
						21
						22
						23
						24
						25
						26
						27
Total per Books	\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28



Step 4 - Make Sure Deposits Column Equals Revenues from G/L (Except for Accruals)

Journal Source:AJ	Batch #	Posted	Amount	Transaction#
VISA PAYMENT 6_17 ADJUSTMENT	17	06/17/2022	(0.06)	565
6/1 STRIPE DEPOSIT	12	06/30/2022	48.25	573
LINDAMOOD TRAINING -	12	06/30/2022	(750.00)	573
LINDAMOOD TRAINING - LIPS	12	06/30/2022	(950.00)	573
APPLE STAFF COMPUTERS	12	06/30/2022	(4,395.00)	573
APPLE STAFF COMPUTERS	12	06/30/2022	(745.00)	573
AMAZON - PE ORDER - FUN RUN	12	06/30/2022	(1,459.63)	573
AMAZON - PE ORDER - FUN RUN	12	06/30/2022	(125.47)	573
PS TUITION - BRIGHTWHEEL 6/8	12	06/30/2022	350.00	573
ANALYSIS SERVICE CHARGE	12	06/30/2022	(235.45)	573
CH# 2842 GFL - BANK PROCESSED	12	06/30/2022	0.02	573
PAYROLL/CASH MANAGEMENT 6/7	12	06/30/2022	400,000.00	573
AMAZON - PE ORDER - FUN RUN	12	06/30/2022	(498.52)	573
GENERAL FUND 11 ADJ	13	06/30/2022	0.05	573
HEALTH ROOM SUPPLIES - AMAZON	12	06/30/2022	(33.99)	573
AMAZON - (JENN) GROUNDBREAKING	12	06/30/2022	(44.97)	573
HEALTH ROOM SUPPLIES - AMAZON	12	06/30/2022	(13.98)	573
HEALTH ROOM SUPPLIES - AMAZON	12	06/30/2022	(1,051.00)	573
HEARTLAND FEE 6/1	12	06/30/2022	(212.00)	573
6/1 TAGG SUBSTITUTE	12	06/30/2022	(162.01)	573
LINDAMOOD TRAINING - SEEING	12	06/30/2022	(750.00)	573
6/14 STRIPE DEPOSIT	12	06/30/2022	48.25	573
LINDAMOOD TRAINING - ON CLOUD	12	06/30/2022	(750.00)	573
JE TO ADJ 6/17 VISA PAYMENT &	12	06/30/2022	(0.54)	573
PERA - RETIREE - CFO CONTRACTOR	12	06/30/2022	(267.51)	573
AMAZON-PE ORDER-FUN RUN	12	06/30/2022	(74.97)	573
CIGNA HEALTH BENEFIT ADJ.	12	06/30/2022	171.96	573
CO DEPT OF REV PROCESSING FEE	12	06/30/2022	(1.00)	573
COLORADO PERA ADJ. - JUNE	12	06/30/2022	(0.04)	573



Step 4 - Deposits = Revenues on Bank Rec

27							27
28	Total per Books	\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28
29	Total per GL	87,912.43	400,494.75	387,523.18		100,884.00	29
30		Diff	0.00	(0.00)	See Other WD	0.00	30

Step 5 - Make Sure Disbursements Column Equals Expenditures from G/L (Except for Accruals)

Journal Source:AJ	(Continued)	Batch #	Posted	Amount	Tran
AMAZON - PE ORDER - FUN RUN		12	06/30/2022	(64.99)	573
6/30 STRIPE DEPOSIT		12	06/30/2022	48.25	573
Total Journal Source:AJ				\$388,080.65	
Journal Source:AP		Batch #	Posted	Amount	Tran
Checks(s) on 6/7/2022		0	06/07/2022	(134,085.75)	0
Checks(s) on 6/17/2022		0	06/17/2022	(52,122.18)	0
Total Journal Source:AP				(\$186,207.93)	
Journal Source:PR		Batch #	Posted	Amount	Tran
Payroll Cash		7	06/15/2022	(188,901.10)	549
Total Journal Source:PR				(\$188,901.10)	
Account Balance				\$100,884.00	



Step 5b - Check your Check Register (and other Disbursements and Payroll)

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
00370	CIGNA	99	06/07/2022	753	0.00	25,800.96	25,800.96
00003	COLORADO DEPARTMENT OF REVENUE	99	06/07/2022	754	0.00	7,303.00	7,303.00
00001	COLORADO PERA	7	06/07/2022	755	0.00	75,151.70	75,151.70
00002	EFTPS	99	06/07/2022	756	0.00	18,972.57	18,972.57
00458	EMPPOWER	7	06/07/2022	757	0.00	2,312.95	2,312.95
00371	GIS BENEFITS	99	06/07/2022	758	0.00	3,644.57	3,644.57
00179	OPTUM BANK	99	06/07/2022	759	0.00	900.00	900.00
00049	COLORADO SPRINGS UTILITIES	17	06/17/2022	760	0.00	11,721.05	11,721.05
00457	COMCAST HOLDING CORPORATION	17	06/17/2022	761	0.00	2,093.63	2,093.63
00423	MARLIN BUSINESS BANK	17	06/17/2022	762	0.00	0.00	0.00
Void by mhillborn on 6/17/2022							
00213	VERIZON	17	06/17/2022	763	0.00	145.91	145.91
00107	VISA	17	06/17/2022	764	0.00	3,698.36	3,698.36
00423	MARLIN BUSINESS BANK	17	06/17/2022	765	0.00	540.57	540.57
00112	ACADEMY DISTRICT TWENTY	17	06/17/2022	2839	1,437.85	0.00	1,437.85
00012	AXIS BUSINESS TECHNOLOGIES	17	06/17/2022	2840	751.10	0.00	751.10
00247	BROOKER, MEGAN A	17	06/17/2022	2841	12.28	0.00	12.28
00220	GFL ENVIRONMENTAL	17	06/17/2022	2842	741.98	0.00	741.98
00454	GLENN E GUSTAFSON CPA	17	06/17/2022	2843	1,250.00	0.00	1,250.00
00195	JAN-PRO OF SOUTHERN COLORADO	17	06/17/2022	2844	9,090.00	0.00	9,090.00
00476	JENNINGS, TARA	17	06/17/2022	2845	12.88	0.00	12.88
00051	MCCLELLAND, KIM	17	06/17/2022	2846	259.04	0.00	259.04
00027	MILLER FARMER LAW LLC	17	06/17/2022	2847	945.00	0.00	945.00
00399	MONARCH LANDSCAPING	17	06/17/2022	2848	532.53	0.00	532.53
00058	MORNING STAR ELEVATOR	17	06/17/2022	2849	543.00	0.00	543.00
00068	RODERICK, AMANDA	17	06/17/2022	2850	132.92	0.00	132.92
00424	SPRINGS MOUNTAIN WATER	17	06/17/2022	2851	12.00	0.00	12.00
00376	TEACHER'S DISCOVERY	17	06/17/2022	2852	120.74	0.00	120.74
00411	WAXIE SANITARY SUPPLY	17	06/17/2022	2853	1,074.05	0.00	1,074.05
00194	GUILLERMO HERNANDEZ	17	06/17/2022	2854	6,645.29	0.00	6,645.29
00477	HELPING HANDS MOVING INC	17	06/17/2022	2855	425.00	0.00	425.00
00422	RAVETTI, JAMES R	17	06/17/2022	2856	2,900.00	0.00	2,900.00
00429	AMAZING 7 LLC	17	06/17/2022	2857	7,037.00	0.00	7,037.00
Report Totals					\$33,922.66	\$152,285.27	\$186,207.93



Step 5C - Make Sure your Disbursements = your G/L

27							27
28	Total per Books	\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28
29	Total per GL	87,912.43	400,494.75	387,523.18		100,884.00	29
30		Diff	0.00	(0.00)	See Other WD	0.00	30

Step 5D - You May Need to go Item by Item from Bank to G/L

		Per Bank	Per GL	Diff	Ref#
6/30/2022	TaggEd	162.01	162.01		
6/30/2022	Heartland	212.00	212.00		
6/30/2022	Visa	3,698.96	3,698.96		
6/7/2022	GIS Benefits	3,644.57	0.00		
6/10/2022	Colo Spgs Utilities	11,721.05	11,721.05		
6/15/2022	IRS	18,972.57	18,972.57		
6/17/2022	Optum Bank	900.00	900.00		
6/21/2022	Comcast	2,093.63	2,093.63		
6/22/2022	Marlin Bank	540.57	540.57		
6/30/2022	CDR	7,304.00	7,304.00		
6/30/2022	Cigna	25,629.00	25,628.03		
6/30/2022	PERA	77,464.69	77,464.69		
6/22/2022	PERA 2	267.51	267.51		
6/30/2022	FSB VISA	145.91	145.91		
6/30/2022	US Bank Analysis	235.45	235.45		
6/30/2022	Other		0.95		
6/30/2022	Payroll	188,901.10	188,901.10		
	Subtotal	341,893.02	338,248.43	3,644.59	

Step 6 - Make AJEs for each Discrepancy (either not in G/L or not in Bank)

Created By:														
Entered By: (Operator ID)								Period _____	Entry Date:	12/19/2000				
Approved By:								Fiscal Year _____	Release Date	06/30/21				
Journal ID	Account Number							DESCRIPTION - CHARTFIELDS & JOURNALS Account/Program/Project	DEBIT	CREDIT				
	Fund	Loc	SRE	Prog	Obj	JobCode	Grant							



Step 7 - Check to make sure G/L = Bank Rec

Account									
Description	General Fund 11 Cash Account			Account Balance	\$100,884.00	Budget	0.00	Budget	0.00
Account Number	11-951-00-0000-8101-000-0000					Budget Balance	86,822.89	Budget Proposed	0.00
						Encumbrance	0.00	Budget Approved	0.00
						Next Mo. Bills	(\$143,563.93)		
						Ecumb. Balance	\$230,386.82		
Journal Source:AJ	(Continued)	Batch #	Posted	Amount	Transaction#	Vendor Name	PO#/Misc Ref	Invoice#	Invoice
AMAZON - PE ORDER - FUN RUN		12	06/30/2022	(64.99)	573				
6/30 STRIPE DEPOSIT		12	06/30/2022	48.25	573				
Total Journal Source:AJ				\$388,080.65					
Journal Source:AP		Batch #	Posted	Amount	Transaction#	Vendor Name	PO#/Misc Ref	Invoice#	Invoice
Checks(s) on 6/7/2022		0	06/07/2022	(134,085.75)	0		Auto Cr		
Checks(s) on 6/17/2022		0	06/17/2022	(52,122.18)	0		Auto Cr		
Total Journal Source:AP				(\$186,207.93)					
Journal Source:PR		Batch #	Posted	Amount	Transaction#	Vendor Name	PO#/Misc Ref	Invoice#	Invoice
Payroll Cash		7	06/15/2022	(188,901.10)	549		NT		
Total Journal Source:PR				(\$188,901.10)					
Account Balance				\$100,884.00					

27									27
28		Total per Books		\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28
29		Total per GL		87,912.43	400,494.75	387,523.18		100,884.00	29
30		Diff			0.00	(0.00)	See Other WD	0.00	30



What About Pooled Cash?



- ❖ Make sure the total for all funds matches
 - Make sure you are making any needed interfund AJEs

26							26
27							27
28	Total per Books	\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28
29	Total per GL						29
30	General Fund	62,651.43	373,490.75	362,574.18		73,568.00	30
31	Food Svc Fund	5,280.00	10,128.00	6,817.00		8,591.00	31
32	DPGF Fund	19,981.00	16,876.00	18,132.00		18,725.00	32
33		87,912.43	400,494.75	387,523.18	0.00	100,884.00	33
34							34
35		Diff	0.00	0.00		100,884.00	35

Step 8 - Your Bank Rec is Finished!



1							1
2							2
3		Beginning				Ending	3
4		Balance	Deposits	Checks	Other	Balance	4
5							5
6	Balance per Bank	89,886.20	400,494.75	381,061.41		109,319.54	6
7							7
8							8
9	Deposits in Transit						9
10	- May		0.00				10
11	- Jun		0.00			0.00	11
12							12
13							13
14	Outstanding Checks						14
15	- May	-1,973.77		-1,973.77			15
16	- Jun			8,435.54		-8,435.54	16
17							17
18							18
19	Other						19
20	- Bank Charges						20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28	Total per Books	\$87,912.43	\$400,494.75	\$387,523.18	\$0.00	\$100,884.00	28
29	Total per GL	87,912.43	400,494.75	387,523.18		100,884.00	29
30		Diff	0.00	(0.00)	See Other WD	0.00	30
31							31



What if I can't get it too balance?



The Bank Rec will always balance:

- ❖ You just have to find the differences between the bank statement and the General Ledger.
- ❖ It's like a puzzle, but it always works out

If nothing else, make sure that EVERY transaction on your bank statement is recorded in your General Ledger (either as a deposit, expenditure or journal entry)

Congratulate Yourself!



Questions?

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