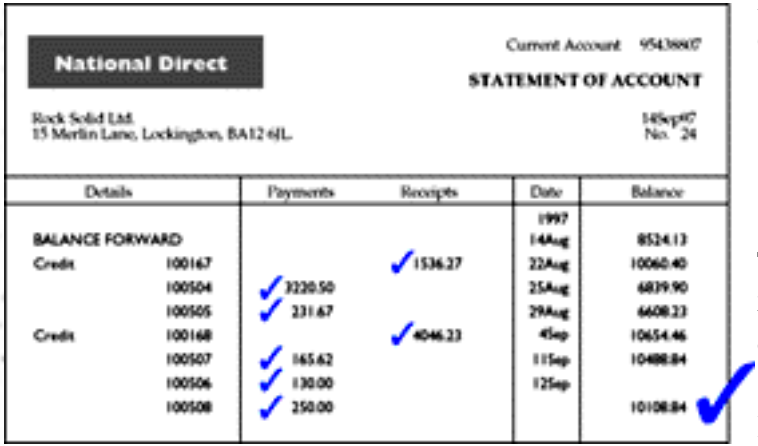
Reconciliation

17

Reconciling Accounts

You have probably, at some time checked through your bank statement — ticking off items of expenditure and receipts. You have probably also checked your transactions to find out which ones have not appeared on your statement and which items on your statement are not accounted for. You have? Well that's Reconciliation!



National Direct

Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6JL.

14Sep97
No. 24

Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		✓1536.27	22Aug	10060.40
	100504	✓3220.50		25Aug	6839.90
	100505	✓231.67		29Aug	6608.23
Credit	100168		✓4046.23	4Sep	10654.46
	100507	✓165.62		11Sep	10488.84
	100506	✓130.00		12Sep	
	100508	✓250.00			10108.84 ✓

This chapter examines **reconciliation** — or verifying that the balance of an account agrees with an independent calculation of that balance.

You can reconcile any account in the General Ledger but for auditing purposes, the most useful reconciliation is checking that the balance of your Current Account agrees with the balance shown on the statements issued by the Bank.

Your bank statement and the Current Account balance in your accounts will seldom agree and it is important to know what items make up the difference.

Bottom Line's reconciliation facility consists of two columns of dates and figures…

- A list of recent credit and debit items in the General Ledger account — the **Account Transactions**.
- A list of recent (matching) entries from your bank statement — the **Statement Transactions**.

The entries in one column can be matched against those in the other. The interesting items are those which appear in one column only — usually missing from the Statement Transactions.

In Bottom Line, the process starts when you set up a reconciliation account for the first time so that the Statement Transactions' balance matches the bank statement's balance. You may have to enter some missing, un-reconciled items to achieve this initial balance.

Reconciliation in practice

Having manually identified the un-reconciled items and once the account list and bank statement reflect the correct reconciliation, you are ready to start using the facility.

Reconciliation

Reconciliation for:

16100 Current Account

Items which correspond in both column are ticked.

		Account Record		Statement	
		Date	Transaction	Date	Transaction
	Balance Brought Forward:		8,524.13		8,524.13
✓	Sales receipt 100167	18-Aug-97	1,536.27	22-Aug-97	1,536.27
✓	Payment Cq 504	18-Aug-97	(3,220.50)	25-Aug-97	(3,220.50)
✓	Payment Cq 505	21-Aug-97	(231.67)	29-Aug-97	(231.67)
✓	SL Receipt 100168	1-Sep-97	4,046.23	4-Sep-97	4,046.23
✓	PL247 Payment Cq 506	4-Sep-97	(130.00)	12-Sep-97	(130.00)
✓	PL248 Payment Cq 507	4-Sep-97	(165.62)	11-Sep-97	(165.62)
✓	PL249 Payment Cq 508	4-Sep-97	(250.00)	12sep97	(250.00)
	PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
	SL Receipt 100169	11-Sep-97	2,620.82		
	Balance Carried Forward:		11,386.99		10,108.84

Save | Ignore | Close

In this example, the missing (un-reconciled) account items explain the difference between the account's current balance of £11,386.99 and the bank statement balance of £10,108.84.

Un-ticked items in the reconciliation list may include...

Unreconciled examples

- Cheques which you have paid into the Bank but which have not yet been credited to your account.
- Cheques which you have issued but which have not yet been presented to the Bank for payment.

Later, when you have checked your bank statements, you may end up with un-ticked items on the statement side — these may include...

- Transactions which the Bank has passed directly to your account — such as interest earned, bank charges and fees — and which you may not have entered into your accounts.
- Cheques paid into the Bank but which have since been returned dishonoured.

It is the un-ticked items that highlight the differences between the current balance in your accounts and the current balance on your bank statement. These differences are then used for verification.

At the same time, the reconciliation process exposes any **invalid** reasons for the difference — such as book-keeping errors or mistakes made by the bank — and the necessary steps can then be taken to rectify those errors.

Creating a Reconciliation Account

In the following sections, we use a worked example to illustrate the steps involved in setting up and maintaining a bank reconciliation account.

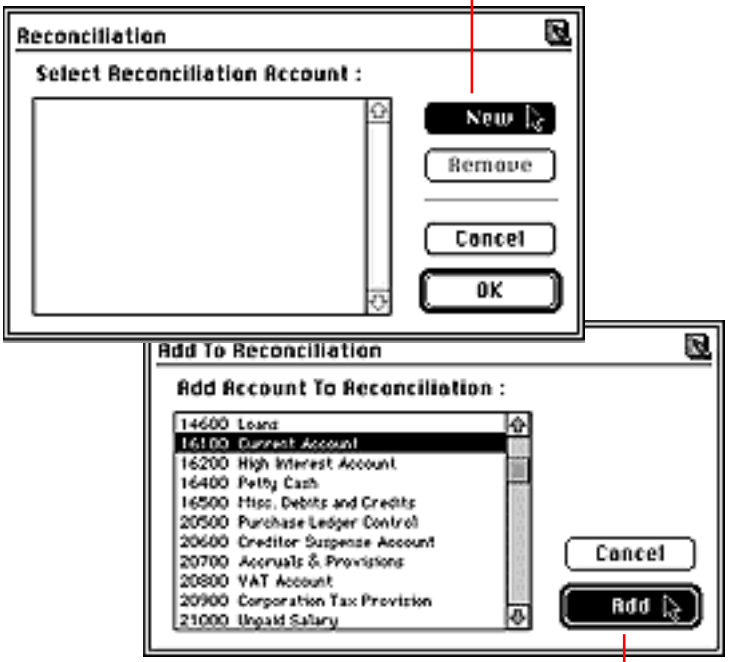
You can, of course, use the same principles outlined in this chapter to reconcile other General Ledger accounts — for example, High Interest, Petty Cash or Credit Card accounts it is also a good idea to reconcile your VAT account to ensure that the General Ledger VAT Account(s) are in line with the Detailed VAT Records.

Before creating a new account reconciliation, you should ensure that the account is up-to-date in Bottom Line. This means...

- Post all Journals and adjustments to date.
- Post the current customer transactions and supplier transactions from the Sales and Purchase Ledgers to the General Ledger.
- Do a manual reconciliation of the account. If this is your current account, go through your cheque stubs and locate items that have never appeared on your bank statements.

The next step is to select the General Ledger account that you want to reconcile like this…

Double click the Reconciliation icon on the Bottom Line desktop then, when the following dialogue appears, click the New button…



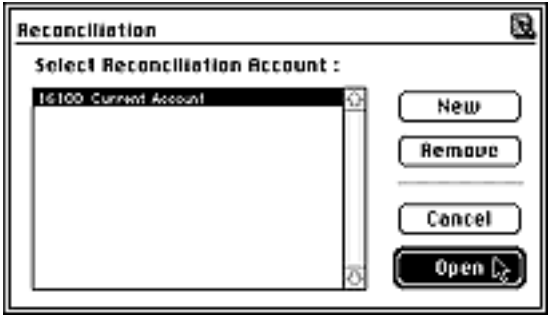
Locate and click the General Ledger account that you want to reconcile then click the Add button.

You can now open the account as shown over…

Reconciling an account for the first time

Opening an account reconciliation

Click the Open button to reveal the Reconciliation window for the selected account…



When you first open a reconciliation account you will see a list of all the debits and credits currently held in the General Ledger for that account and the date on which they were posted as in the example over the page.

The **Statement** list is preset to blank.

Drawing a blank

If you have just cleared the Transaction List, you will be greeted with an empty Reconciliation window — but don't worry ! You will see that it is a simple matter to add items into the list on either side of the reconciliation.

You are now able to examine the initial figures on the reconciliation table…

Initial reconciliation against statement

The Account Record column initially includes the **Balance Brought Forward** amount from the General Ledger account.

All monies **credited from** the Current Account are shown in brackets — as negative amounts. These represent **Payments**.

Current (un-cleared) transac-tions which have been posted to this account.

Reconciliation

Reconciliation for:

16100 Current Account

	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		6,608.23		6,608.23
SL Receipt 100168	1-Sep-97	4,046.23		
PL247 Payment Cq 506	4-Sep-97	(130.00)		
PL248 Payment Cq 507	4-Sep-97	(165.62)		
PL249 Payment Cq 508	4-Sep-97	(250.00)		
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Balance Carried Forward:		11,386.99		6,608.23

Save Ignore Close

At the end of the list, the **Balance Carried Forward** shows the current balance of the account — this figure will always equal the balance in your account.

Monies **debited to** the Current Account are shown as positive amounts representing the **Receipts** which have been paid into your bank account.

Now check this initial list against your bank statement.

As mentioned earlier, the current bank balance according to the accounts seldom agrees with the current balance on your bank statement since...

- The Current Account includes payments and receipts which have not yet been cleared by the Bank.
- The bank statement may include items — such as interest earned, bank charges or fees — which the Bank has automatically paid into or deducted from your account.

National Direct

Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6JL.

14Sep97
No. 24

Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		1536.27	22Aug	10060.40
	100504	3220.50		25Aug	6839.90
	100505	231.67		29Aug	6608.23
Credit	100168		4046.23	4Sep	10654.46
	100507	165.62		11Sep	10488.84
	100506	130.00		12Sep	
	100508	250.00			10108.84

Items which have been posted to the account and also appear on the bank statement.

Items which have already been cleared from the accounts.

Reconciliation

Reconciliation for:

16100 Current Account

Reconciliation

	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		6,608.23		6,608.23
SL Receipt 100168	1-Sep-97	4,046.23		
PL247 Payment Cq 506	4-Sep-97	(130.00)		
PL248 Payment Cq 507	4-Sep-97	(165.62)		
PL249 Payment Cq 508	4-Sep-97	(250.00)		
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Balance Carried Forward:		11,386.99		6,608.23

Save | Ignore | Close

Items which do not appear on the bank statement.

Adding bank statement items

Before going any further, you should check through the bank statement for items which have not yet been entered into the accounts. If you find any, close the Reconciliation window in the usual way and enter the item(s) into the accounts. On re-opening the Reconciliation window, Bottom Line will have added the newly posted items to the list.

Only a copy

At this stage it is important to realise that the figures in the reconciliation list are only copies of the figures in the actual account. Any changes, additions or deletions that you make to a reconciliation list will not be passed back to the real accounts.

Notice also that, in the above example, the statement from your bank includes transactions which have already been cleared from the account. However, the Balance Brought Forward figure will reflect them.

Furthermore, there may also be items which have been cleared from the account but have still not appeared on a statement. Evidence of these missing transactions will have come to light amongst your cheque book stubs...

Before you attempt to reconcile the two closing balances, you should first ensure that the opening balances agree. This means adding any missing transactions so that the transaction history is brought into line with the initial bank statement as described overleaf.

Adding Reconciliation Items

National Direct

Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6JL.

14Sep97
No. 24

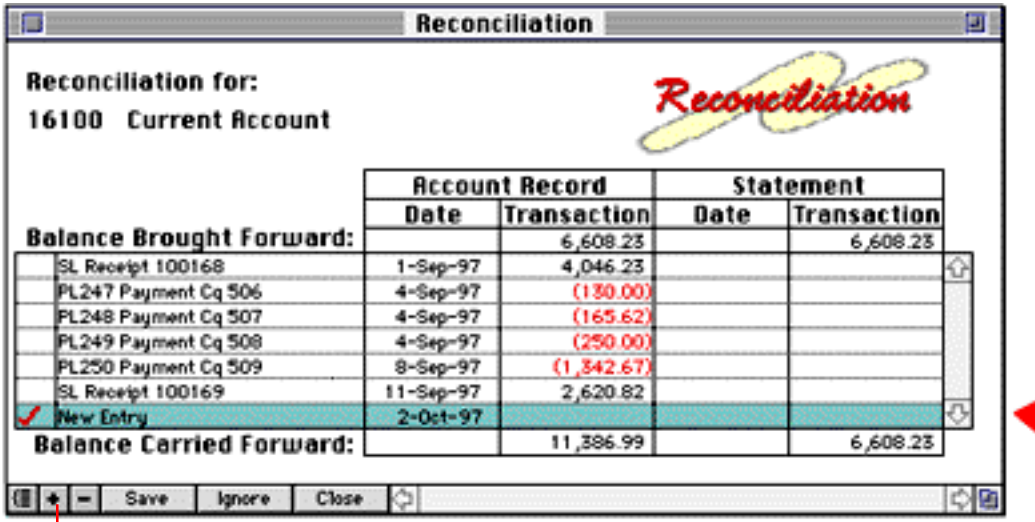
Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		1536.27	22Aug	10060.40
	100504	3220.50		25Aug	6839.90
	100505	231.67		29Aug	6608.23

In our example, the bank statement includes three entries which have been entered into Bottom Line but have since been cleared from the Transaction List so they do not appear in the list.

What you can do now is add them to the reconciliation list. Don't forget that, according to your cheque book stubs, you may also need to add transactions which have been cleared from the accounts but which have not appeared on the current bank statement.

Referring to your bank statement and cheque book, add the missing transactions, one by one like this…

Add a new reconciliation item



EITHER: Click here to add a new row to the end of the reconciliation list.

OR: Choose Add Item from the Reconciliation menu.

Complete the new entry like this…

	Sales receipt 100167	18-Aug-97	1,536.27		

Click inside the description cell then replace the preset text with a description of the transaction.

Tab to or click inside the Date cell then enter the date on which the transaction was posted to the account.

Tab to or click inside the Transaction cell to enter the value of the transaction — either as a negative amount (bank payments) or as a positive amount (bank receipts).

Matching up the balance brought forward

Bear in mind that when you add account records to the Reconciliation window, it does not mean that you are cooking the books! The transaction details that you enter here only affect the Reconciliation listing — they are not posted to the actual account and, therefore, do not affect the account's current balance.

AFTER...

	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		8,524.13		8,524.13
SL Receipt 100168	1-Sep-97	4,046.23		
PL247 Payment Cq 506	4-Sep-97	(130.00)		
PL248 Payment Cq 507	4-Sep-97	(165.62)		
PL249 Payment Cq 508	4-Sep-97	(250.00)		
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Sales receipt 100167	18-Aug-97	1,536.27		
Payment Cq 504	18-Aug-97	(3,220.50)		
Payment Cq 505	21-Aug-97	(231.67)		
Balance Carried Forward:		11,386.99		

Consequently, if you compare our sample reconciliation before and after the addition of the historic transactions, you will see...

National Direct

Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6JL.

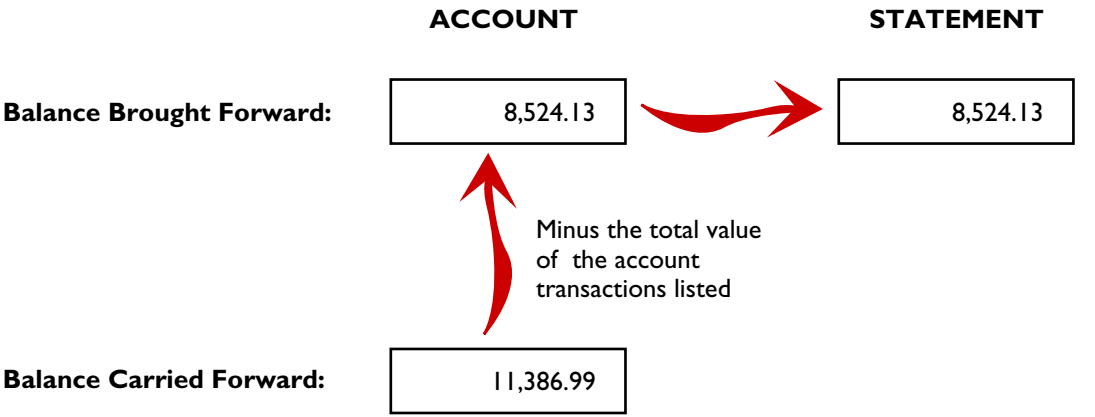
14Sep97
No. 24

Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		1536.27	22Aug	10060.40
	100504	3220.50		25Aug	6839.90
	100505	231.67		29Aug	6608.23
Credit	100168		4046.23	4Sep	10654.46
	100507	165.62		11Sep	10488.84
	100506	130.00		12Sep	
	100508	250.00			10108.84

Previously cleared items added back to the list.

Current balance remains constant - whatever you add to the list.

Adjusting the Balance Brought Forward



- The account's Balance Carried Forward has not changed.
- Bottom Line has adjusted the account's Balance Brought Forward figure (the sum total of previously cleared transactions) to reflect the value of the missing historic transactions that you have just added back into the list.
- The Balance Brought Forward for the account, in turn, becomes the Balance Brought Forward for the statement.
- This figure matches the opening balance shown on your bank statement — signifying that the account transactions and bank statement are starting from the same datum.

Re-organising Transactions

Having added the required historic transactions, you may want to change the order in which the account records are listed — for example, to match the order in which they appear on the bank statement.

You can re-position an account transaction using the OPTION key and mouse like this…

Sales receipt 100167	18-Aug-97	1,536.27		

EITHER: Position the mouse pointer over the item that you want to move then hold down the Option key.

Notice that the pointer changes to this: ⇨

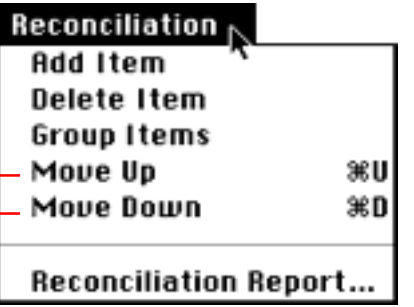
Balance Brought Forward:		8,524.13		8,524.13
SL Receipt 100168	1-Sep-97	4,046.23		
PL247 Payment Cq 506	4-Sep-97	(130.00)		
PL248 Payment Cq 507	4-Sep-97	(165.62)		
PL249 Payment Cq 508	4-Sep-97	(250.00)		
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Sales receipt 100167	18-Aug-97	1,536.27		
Payment Cq 504	18-Aug-97	(3,220.50)		
Payment Cq 505	21-Aug-97	(231.67)		
Balance Carried Forward:		11,386.99		8,524.13

While holding down the Option key, click and drag the pointer to the item's new position in the list — then release the mouse button.

The selected item moves to its new position.

OR: Alternatively, you can select the transaction you want to move then...

...select either the Move Up or Move Down commands from the Reconciliation menu.



Reconciling Account Records

Having recreated the missing history and organised the account records in the required order, you can begin reconciling items against the bank statement. To do this...

For each payment or receipt listed on the bank statement, locate the matching transaction entry in the reconciliation list. Once matched, reconcile the account record like this…

National Direct

Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6IL.

14Sep97
No. 24

Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		✓1536.27	22Aug	10060.40
	100504	✓3220.50		25Aug	6839.90
	100505	✓231.67		29Aug	6608.23
Credit	100168		✓4046.23	4Sep	10654.46
	100507	✓165.62		11Sep	10488.84
	100506	✓130.00		12Sep	
	100508	✓250.00			10108.84

Check that the bank's figure matches the figure in the accounts then double click here to reconcile the entry…

Reconciliation for:

16100 Current Account

		Account Record		Statement	
		Date	Transaction	Date	Transaction
	Balance Brought Forward:		8,524.13		8,524.13
✓	Sales receipt 100167	18-Aug-97	1,536.27	22-Aug-97	1,536.27
✓	Payment Cq 504	18-Aug-97	(3,220.50)	25-Aug-97	(3,220.50)
✓	Payment Cq 505	21-Aug-97	(231.67)	29-Aug-97	(231.67)
✓	SL Receipt 100168	1-Sep-97	4,046.23	4-Sep-97	4,046.23
✓	PL247 Payment Cq 506	4-Sep-97	(130.00)	12-Sep-97	(130.00)
✓	PL248 Payment Cq 507	4-Sep-97	(165.62)	11-Sep-97	(165.62)
✓	PL249 Payment Cq 508	4-Sep-97	(250.00)	12sep97	(250.00)
	PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
	SL Receipt 100169	11-Sep-97	2,620.82		
	Balance Carried Forward:		11,386.99		10,108.84

Save Ignore Close

…then enter the statement date on which this amount was paid into or out of the account.

Notice that Bottom Line enters the Statement amount for you and ticks the item to show that it agrees —

or **reconciles** — with the amount posted to the account. All you have to enter is the date on which this transaction was processed by the Bank.

Repeat this process until all items on the bank statement have been reconciled to the existing account records.

The Statement Reconciliation's Balance Carried Forward should now match the figure on the statement from the bank. If it does not match then you must search for the missing item(s) and add them until it does match.

More about reconciling account records

If you find that you have reconciled the wrong item, double click the reconciliation box again to remove the tick and the Statement amount entered for that item.

You can also reconcile an item by typing the bank statement date and amount directly into relevant entry boxes. If you enter a Statement amount that matches the Account Record amount then Bottom Line ticks the item for you, indicating that it is reconciled.

Spotting mistakes

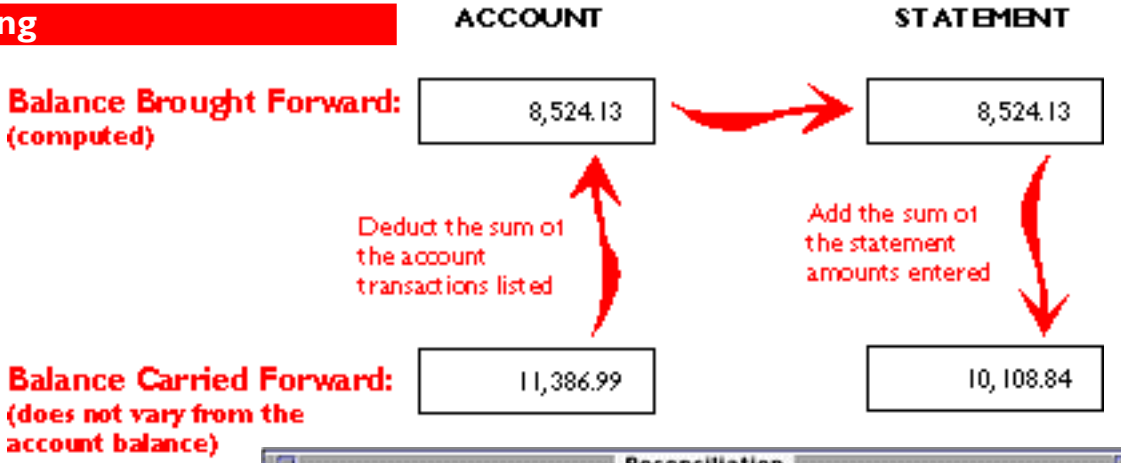
There will be times when the value of an item on the bank statement **does not agree** with the amount posted to the account. In these circumstances, you should overwrite the pre-supplied Statement amount with that shown on the bank statement and Bottom Line automatically **un-reconciles** the item. The transaction then remains unreconciled until the reason for the discrepancy has been identified.

If the error is your fault, close the reconciliation list then post the relevant adjustment to the accounts. On returning to the reconciliation window, the adjustment can then be grouped with the original transaction and reconciled as described later in the next section entitled Maintaining a Reconciliation Account.

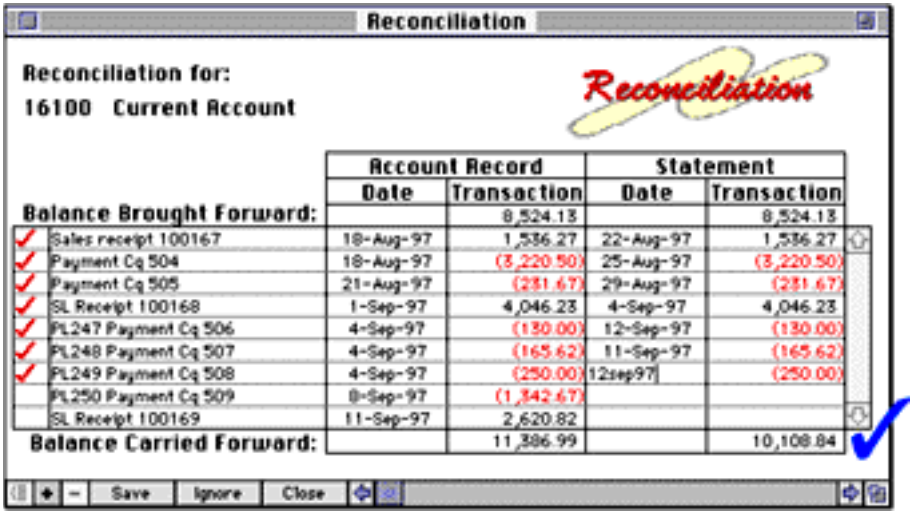
If the Bank is the culprit, you should notify them of the error then await the relevant correction in the next bank statement.

The Final Reckoning

Each time you ‘ tick’ an account record, Bottom Line re-calculates the bank statement balance taking account of the statement amount entered. It works like this...



As you reconcile items, Bottom Line adds each statement amount entered to the statement’s Balance Brought Forward figure to arrive at the statement’s Balance Carried Forward...



Reconciliation

Reconciliation for:
16100 Current Account

	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		8,524.13		8,524.13
✓ Sales receipt 100167	18-Aug-97	1,536.27	22-Aug-97	1,536.27
✓ Payment Cq 504	18-Aug-97	(3,220.50)	25-Aug-97	(3,220.50)
✓ Payment Cq 505	21-Aug-97	(231.67)	29-Aug-97	(231.67)
✓ SL Receipt 100168	1-Sep-97	4,046.23	4-Sep-97	4,046.23
✓ PL247 Payment Cq 506	4-Sep-97	(130.00)	12-Sep-97	(130.00)
✓ PL248 Payment Cq 507	4-Sep-97	(165.62)	11-Sep-97	(165.62)
✓ PL249 Payment Cq 508	4-Sep-97	(250.00)	12sep97	(250.00)
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Balance Carried Forward:		11,386.99		10,108.84

Save Ignore Close

…and, it is this figure which should eventually match the balance on your bank statement.

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Current Account 95438807

STATEMENT OF ACCOUNT

Rock Solid Ltd.
15 Merlin Lane, Lockington, BA12 6JL.

14Sep97
No. 24

Details		Payments	Receipts	Date	Balance
				1997	
BALANCE FORWARD				14Aug	8524.13
Credit	100167		✓1536.27	22Aug	10060.40
	100504	✓3220.50		25Aug	6839.90
	100505	✓231.67		29Aug	6608.23
Credit	100168		✓4046.23	4Sep	10654.46
	100507	✓165.62		11Sep	10488.84
	100506	✓130.00		12Sep	
	100508	✓250.00			10108.84 ✓

Notice that, in the above example, two account items remain un-reconciled...

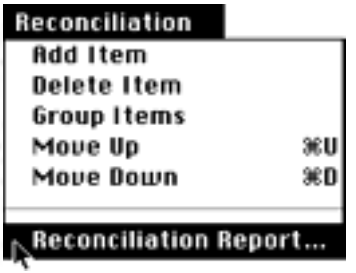
- A cheque for £1,342.67 which, according to the bank statement, has not yet been presented to the Bank for payment.
- A receipt for £2,620.82 which has not been cleared.

It is the un-reconciled items which form the basis of your reconciliation since it is these items which fully explain the difference between the account balance and the bank statement balance.

Generating a Reconciliation Report

Having completed the reconciliation, you should print a permanent copy for your audit records.

Do it like this…



Choose Reconciliation Report from the Reconciliation menu to display this dialogue…

Click Show un-reconciled only to exclude all reconciled items from the report then click OK to display the preview on screen…

If you leave the **Show Un-reconciled Only** check box deselected, the program selects all items (reconciled and un-reconciled) for inclusion in the report and presents all the entries as they appear in the Reconciliation window.

Reconciliation Report

Rock Solid Limited Date : 18-Sep-97

Reconciliation
16100 Current Account

Description	Account Record Date	Account Record Transaction	Statement Date	Statement Transaction
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Unreconciled Totals		**1,278.15**		**0.00**

Options Fonts

Once you have previewed the report on screen, you can print it by choosing the Print command from the File menu in the usual Macintosh way.

On completion, click the close box in the top left corner of the Report window to return to the Reconciliation window.

Before you print...

If you are unfamiliar with the chooser or Page Setup, either turn to Chapter 5 or to your Macintosh User's Guide for more information.

Saving a Reconciliation Account

Having completed your first reconciliation and printed the report, you can now save the information as shown here…

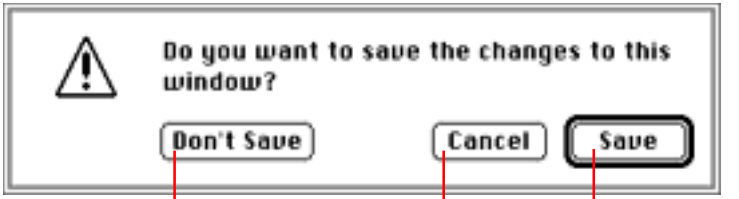
			12-Sep-97	(130.00)
	4-Sep-97	(165.62)	11-Sep-97	(165.62)
PL249 Payment Cq 508	4-Sep-97	(250.00)	12-Sep-97	(250.00)
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Balance Carried Forward:		11,386.99		10,108.84

Save | Ignore | Close

Click **Save** to accept the information entered.

…OR, click **Ignore** to erase the un-saved changes.

…OR, click here to close the window. If any un-saved details are detected, you will see this alert…



Click here to ignore the un-saved changes…

…OR, click here to return to the Reconciliation window.

…OR, click here to save the changes.

On saving, the Reconciliation window closes.

Behind the scenes

While the reconciliation window is closed, Bottom Line constantly updates the Reconciliation window to include all subsequent transactions posted to this account. When the next bank statement arrives, these new transactions can be reconciled as described in the next section.

Maintaining a Reconciliation Account

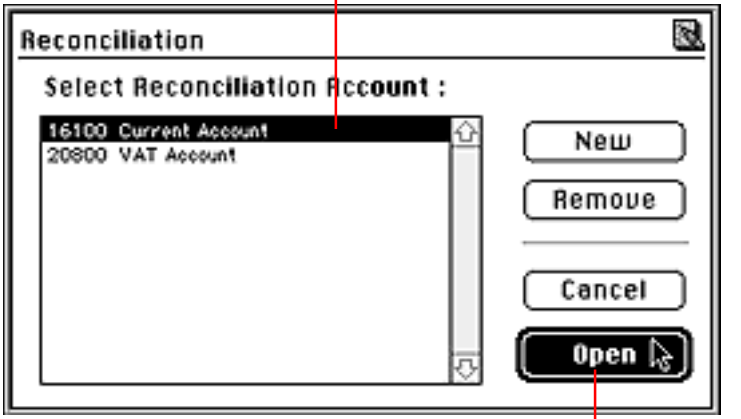
Once you have set up and completed the initial reconciliation, all that remains is to carry out the routine task of updating and reconciling this account with each subsequent bank statement received — but, before you reconcile an account ensure that it is up-to-date. This means…

- Posting all Journals and adjustments to date.
- Posting the current customer transactions and supplier transactions from the Sales and Purchase Ledgers to the General Ledger.
- Checking the bank statement for any un-posted items — bank charges, fees, direct debits or interest earned — which the Bank has deducted or paid into your account. If you notice one of these items, use the Journal facility to post the amount to the relevant accounts.

Having done this, re-open the reconciliation account…

From the Bottom Line desktop, double click the Reconciliation icon to open it.

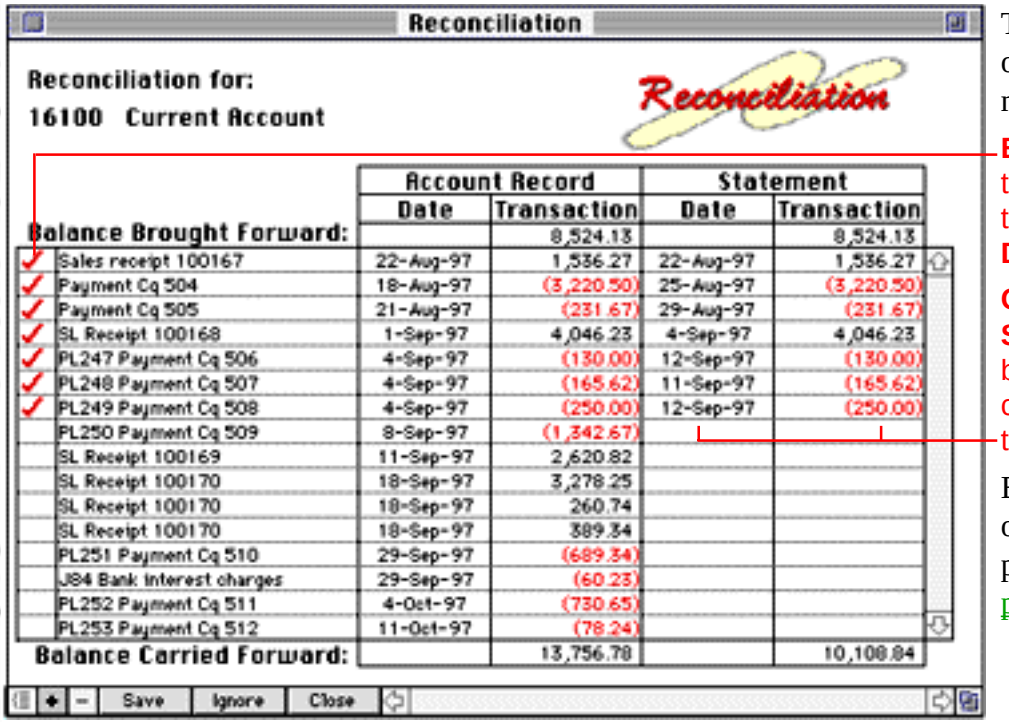
Click the account that you want to reconcile then…



Click the Open button to display the updated Reconciliation window…

Notice that Bottom Line has maintained the Account Record entries by adding all transactions that have been posted to this account since the previous reconciliation was saved. All you have to do, is supply the bank statement entries as described in the previous section — to briefly recap...

Reconciliation as you go



		Account Record		Statement	
		Date	Transaction	Date	Transaction
	Balance Brought Forward:		8,524.13		8,524.13
✓	Sales receipt 100167	22-Aug-97	1,536.27	22-Aug-97	1,536.27
✓	Payment Cq 504	18-Aug-97	(3,220.50)	25-Aug-97	(3,220.50)
✓	Payment Cq 505	21-Aug-97	(231.67)	29-Aug-97	(231.67)
✓	SL Receipt 100168	1-Sep-97	4,046.23	4-Sep-97	4,046.23
✓	PL247 Payment Cq 506	4-Sep-97	(130.00)	12-Sep-97	(130.00)
✓	PL248 Payment Cq 507	4-Sep-97	(165.62)	11-Sep-97	(165.62)
✓	PL249 Payment Cq 508	4-Sep-97	(250.00)	12-Sep-97	(250.00)
	PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
	SL Receipt 100169	11-Sep-97	2,620.82		
	SL Receipt 100170	18-Sep-97	3,278.25		
	SL Receipt 100170	18-Sep-97	260.74		
	SL Receipt 100170	18-Sep-97	389.34		
	PL251 Payment Cq 510	29-Sep-97	(689.34)		
	J84 Bank interest charges	29-Sep-97	(60.23)		
	PL252 Payment Cq 511	4-Oct-97	(730.65)		
	PL253 Payment Cq 512	11-Oct-97	(78.24)		
	Balance Carried Forward:		13,756.78		10,108.84

To **reconcile** an account item with one that appears on the bank statement:

EITHER: Double click inside the cell to the left of the item's description to tick it then enter the **Statement Date.**

OR: Type the **Statement Date** and **Statement Amount** in the relevant boxes then, if statement and account record amounts agree, Bottom Line ticks the item for you.

Bottom Line also provides a number of other facilities to help you complete your reconciliation — turn the page to find out more...

Changing descriptions

You can change the description supplied by Bottom Line to something more meaningful — just click inside the relevant description cell then edit the text in the usual way.

Grouping Transactions

There may be times when a number of individual account transactions appear as a single entry on the bank statement. For example, you may have paid a number of customer cheques into your account using a single bank credit slip.

In these circumstances, you would select and group the individual account transactions to be reconciled. You can do this in a number of ways…

Grouping adjacent items

If the transactions are positioned together in the list, use the SHIFT key as shown in Step 1 to select the items then group them as shown in Step 2.

STEP1: SELECTING THE ITEMS TO BE GROUPED

	SL Receipt 100169	11-Sep-97	2,620.82		
	SL Receipt 100170	18-Sep-97	3,278.25		
	SL Receipt 100170	18-Sep-97	260.74		
	SL Receipt 100170	18-Sep-97	389.34		
	PL251 Payment Cq 510	29-Sep-97	689.34		

Click the first item in the group then, while holding down the SHIFT key, click the last item in the group to be selected.

STEP 2: GROUPING THE SELECTED ITEMS

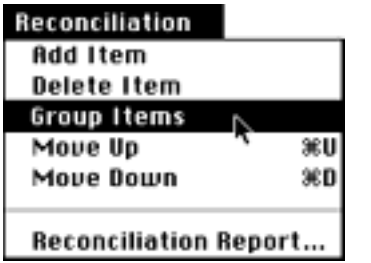
	SL Receipt 100169	11-Sep-97	2,620.82		
	SL Receipt 100170	18-Sep-97	3,278.25		
	SL Receipt 100170	18-Sep-97	260.74		
	SL Receipt 100170	18-Sep-97	389.34		
	Group Total		3,928.33		
	PL251 Payment Cq 510	29-Sep-97	689.34		
	J84 Bank interest charges	29-Sep-97	60.23		
	PL252 Payment Cq 511	4-Oct-96	730.65		
	Balance Carried Forward:		13,756.78		10,108.84

Save | Ignore | Close

Group total row.

EITHER, Click here to group the selected items, inserting a Group Total row.

OR, Choose Group items from the Reconciliation menu.



Bottom Line inserts a Group Total for the selected items. If this total matches the amount shown on the bank statement, carry out Step 3 to reconcile the group.

STEP 3: RECONCILING THE GROUP

	SL Receipt 100169	11-Sep-97	2,620.82		
	SL Receipt 100170	18-Sep-97	3,278.25		
	SL Receipt 100170	18-Sep-97	260.74		
	SL Receipt 100170	18-Sep-97	389.34		
	Group Total		3,928.33	21sep97	3,928.33
	PL251 Payment Cq 510	29-Sep-97	689.34		

Double click the reconciliation cell for any item in the group…

…then enter the Statement Date in the Group Total line.

Grouping non-adjacent items

If the relevant transactions are scattered throughout the list, you can hand pick the items to be grouped like this…

Hold down the COMMAND key, then click each item in turn to select it. Once all items have been selected, group them as in Step 2.

Bottom Line re-organises the selected items into a single adjacent block and inserts a Group Total line. The Group Total can then be reconciled against the bank statement as shown in Step 3.

	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		0.00		0.00
PL287 Invoice 95/10/1826	6-Oct-97	8.96		
PL288 Invoice 000172653	6-Oct-97	71.23		
PL289 Invoice TD/95/1436	6-Oct-97	8.01		
PL290 Invoice 8365HD	6-Oct-97	43.42		
SL327 Sales Invoice	11-Oct-97	(488.25)		
SL328 Sales Invoice	11-Oct-97	(1,818.04)		
PL291 Invoice 95/10/2341	31-Oct-97	24.66		
SL330 Sales Invoice	31-Oct-97	(150.85)		
SL329 Sales Invoice	31-Oct-97	(965.13)		
PL292 Invoice 1847T-73	31-Oct-97	98.00		
Balance Carried Forward:		(3,167.99)		0.00

Removing an item from the group

If you have inadvertently included an unwanted transaction in the group, click that transaction then, while holding down the OPTION key, drag it out of the group to another location in the list.

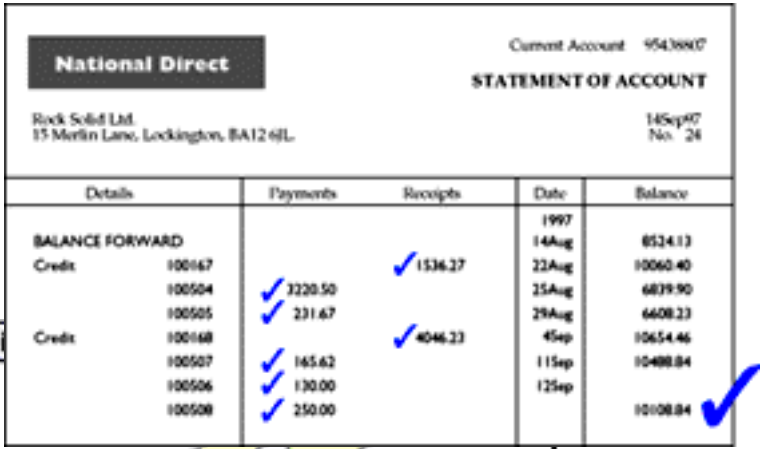
Un-grouping Items

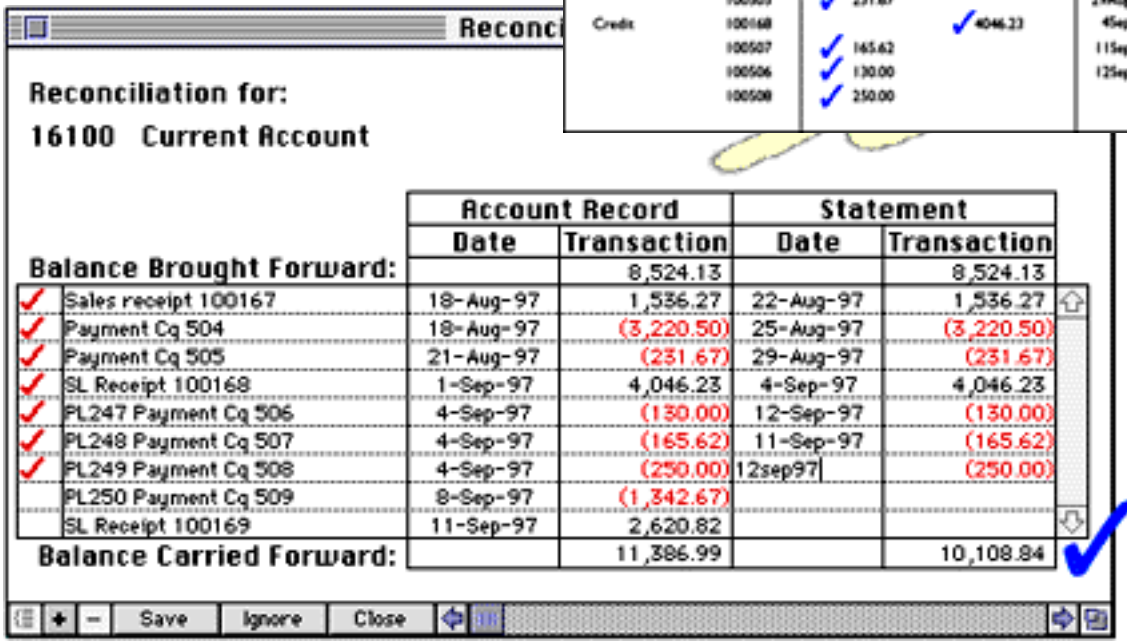
If you have grouped the wrong items, click the group then click the Group button again to ungroup the items and remove the Group Total.

Completing the Reconciliation

Once you have reconciled all items on the bank statement with the corresponding account transactions, check the Balance Carried Forward at the foot of the right hand column against the final balance shown on the bank statement.

If these two figures agree, print a Reconciliation report as described a few pages back.





	Account Record		Statement	
	Date	Transaction	Date	Transaction
Balance Brought Forward:		8,524.13		8,524.13
Sales receipt 100167	18-Aug-97	1,536.27	22-Aug-97	1,536.27
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SL Receipt 100168	1-Sep-97	4,046.23	4-Sep-97	4,046.23
PL247 Payment Cq 506	4-Sep-97	(130.00)	12-Sep-97	(130.00)
PL248 Payment Cq 507	4-Sep-97	(165.62)	11-Sep-97	(165.62)
PL249 Payment Cq 508	4-Sep-97	(250.00)	12sep97	(250.00)
PL250 Payment Cq 509	8-Sep-97	(1,342.67)		
SL Receipt 100169	11-Sep-97	2,620.82		
Balance Carried Forward:		11,386.99		10,108.84

Deleting Reconciled Items

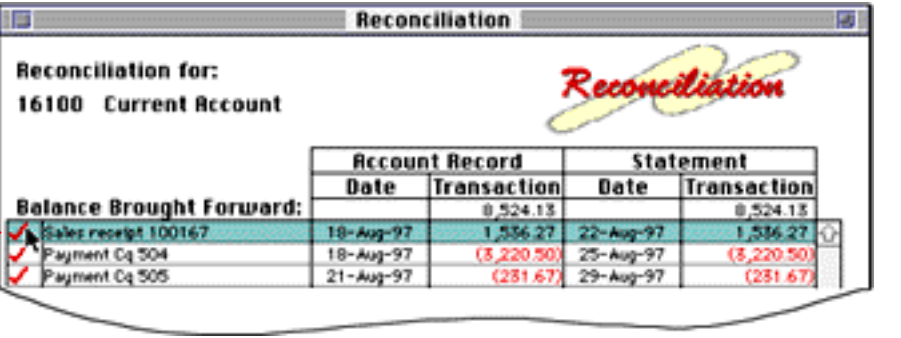
Having completed the reconciliation, you are now ready to save and close the window.

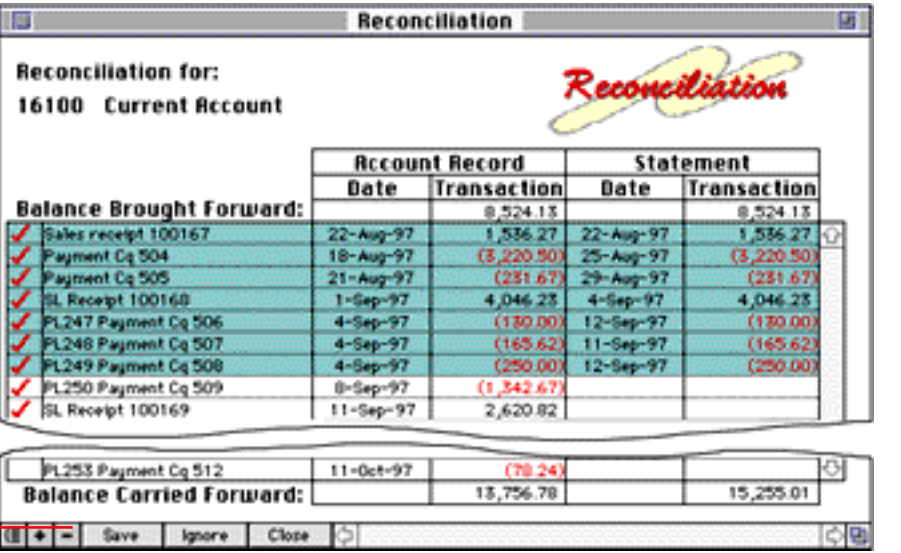
However, before you do this, you may want to weed out previously reconciled transactions to help reduce the clutter that is beginning to accumulate in the window.

To delete a reconciled transaction…

Click the tick box for the first reconciled item to be deleted then, to select additional items…

…group the selected items as described above.





EITHER, choose Delete Item from the Reconciliation menu…

…OR, click here to remove the selected item(s).

More about deleting items

This process only removes transactions from the Reconciliation window — it does not delete them from the actual accounts! Notice that when you remove reconciled items, the Balance Carried Forward totals do not change — it is the Balance Brought Forward figures which adjust themselves.

Deleting un-reconciled items

If you have manually entered an item in error, you will find that the only way to remove it is to **reconcile** the item then delete it. It is important not to delete an item which is genuinely un-reconciled.

next chapter