Bank Reconciliation

Note
The functionality is available in the French, German and English version of the system.
There are two distinct models of work in regard to handling of bank accounts of a business entity:

- **Registration on the basis of a received bank statement** — registration of operations related with transactions made on a bank account only after receiving a bank statement (in form of a file or paper printout). Then, transactions are registered and later posted. It is in force, for example, in Poland.
- **Registration of transactions on a regular basis and using so-called Bank Reconciliation** — registration of operations related with transactions made on a bank account on a regular basis that is, a bank transaction is registered when a bank transfer order is issued to a bank. Upon receiving a bank statement, completeness of transactions is verified on both sides — in company's registry and in a bank. It is in force, for example, in France.

The form *Bank Reconciliation* is available from the level of the menu *Accounting,* under the [**Bank Reconciliation**] button. It is created within a company and refers to its system currency.

A/P Reconciliation | A/R Reconciliation | Bank Reconciliation | Import | Manually | Print List

Bank Reconciliation · Parameters · Printouts

Bank Reconciliation ×

General		Options		Balances		Additional		Summary	
Type:	Bank Reconciliation	Unreconciled:	☑	Beginning:	90,000.00	Discrepancy:	-10,000.00 Post	Ending Bank Balance:	80,000.00
Account:	Bank of America	Reconciled:	☑	Ending:	80,000.00 Edit	Bank Service Charge:	0.00 Post	Cleared Balance:	90,000.00
Period:	January 2020					Interest Earned:	0.00 Post	Discrepancy:	-10,000.00

Journal Entries

Drag the column header here to group by that column

Date of Entry	Number	Description	Amount DR	Amount CR	Owner
30/12/2020	CD/2020/Bank of America/00002		0.00	9,000.00	Company

Edit Filter

Reconcile
Undo
Delete
Search

Total:

Name	Expenses #	Expenses	Revenues #	Revenues	Total #	Total
Unreconciled	0	0.00	1	9,000.00	1	9,000.00
Reconciled	0	0.00	0	0.00	0	0.00
Total	0	0.00	1	9,000.00	1	9,000.00

Bank reconciliation form

In the menu of the reconciliation form, there are <<standard buttons>> and, additionally:

[**A/P Reconciliation**] – button active until it is selected. Upon its selection, it becomes deactivated and in the *Type* field, the value *A/P Reconciliation* is set.

[**A/R Reconciliation**] – button active until it is selected. Upon its selection, it becomes deactivated and in the *Type* field, the value *A/R Reconciliation* is set.

[**Bank Reconciliation**] – button active until it is selected. Upon its selection, it becomes deactivated and in the *Type* field, the value *Bank Reconciliation* is set. This operation is default after opening the *Bank Reconciliation* form.

[**Import**] – button available after selecting account and period. It allows for loading a bank statement item.

[**Manually**] – button available after selecting account and period. It becomes active after loading a bank statement item. It allows for getting back to making payments for a given month in a manual manner. After selecting the button, the

message *"If you return to a Manual Reconciliation you will lose all of your progress for this month. Are you sure you would like to return to a Manual Reconciliation?"* is displayed and the user can decide whether to continue or not.

The bank reconciliation form is divided into three sections:

Section *General*

The following parameters are available in the section:

- **Type** – value set on the basis of the buttons [**A/P Reconciliation**], [**A/R Reconciliation**] and [**Bank Reconciliation**]. Depending on the option selected in sections *Journal Entries* and *Bank Statements,* CP operations, CW operations or both types are presented.
- **Account** – allows for selecting an account of *Bank* type
- **Period** – allows for defining a month of accounting period to which the user is logged-in

Section *Options*

The following parameters are available in the section:

- **Mark Manually** – parameter available after importing a bank statement. If the parameter is unchecked, after selecting an item in one of the lists, the system automatically searches and marks corresponding items on the other list. If the parameter is checked, the user needs to mark them in the other list manually.
- **Unreconciled** – if the parameter is checked, the system displays unreconciled journal entries. If unchecked, the unreconciled journal entries are hidden.
- **Reconciled** – if the parameter is checked, the system displays reconciled journal entries. If unchecked, the reconciled journal entries are hidden.

Section *Balances*

The following fields are available in the section:

- **Beginning** – this field can be completed during the first reconciliation with bank account. In successive months the beginning balance is completed on the basis of the ending balance of the previous month, without a possibility of editing it.
- **Ending** – mandatory field, completed manually. In case it is necessary to edit an entered value, it is possible to use the [**Edit**] button.

Section *Additional*

The following fields are available in the section:

- **Discrepancy** – non-editable field, calculated automatically as a difference between the beginning and the ending balance
- **Bank Service Charge** – field completed manually
- **Bank Service Charge** – field completed manually

In order to post the values of those field, it is necessary to select the [**Post**] button which is available next to the amount field. To be able to post those amounts, first it is necessary to define posting schemes for each type of discrepancy in the <<system configuration>> (*System → Configuration → Accounting → General Parameters* section). Assigned schemes should be added within the *Cash-Bank Transaction* document type. Detailed description of the functionality of posting schemes can be found in category [Document posting](#).

Section with options for assigning posting schemes for bank reconciliation

Section *Summary*

Section is composed of non-editable fields which are provided for information purposes:

- **Ending Bank Balance** – value from the field *Ending* of the *Balances* section
- **Cleared Balance** – value calculated on the basis of the beginning balance and the value of reconciled transactions
- **Discrepancy –** value calculated as a difference between the beginning balance and the cleared balance

Section *Journal Entries*

This section is divided into a list containing journal entries and a table with a summary of reconciled and unreconciled values.

Buttons related with journal entries reconciliation:

- [**Reconcile**] – allows for reconciling selected journal entry
- [**Undo**] – cancels reconciliation of a selected journal

entry

- [**Delete**] – in the case of an imported transaction, allows for deleting items which have been imported and remain unreconciled
- [**Search**] – allows for searching a journal entry which is not included in defined period. After clicking on the button, the list of c/b transaction is displayed and the user can select a journal entry which will be added to the list of journal entries in the bank reconciliation window
- [**Reconcile All**] – allows for reconciling all journal entries corresponding to the transaction at the same time. The button is visible in case of importing a transaction.

Section *Bank Statement*

Section available after importing a bank statement with the use of the [**Import**] button.

It contains information regarding loaded items of the bank statement which are supposed to be reconciled with the journal entries.

Sections *Journal Entries* and *Bank Statement* contain summaries of reconciled and unreconciled transaction with divided into the following columns:

- **Name** – reconciliation status: *Unreconciled, Reconciled, Total*
- **Expenses #, Revenues #, Total #** – number of items of a specific type and in total, divided into statuses
- **Expenses, Revenues, Total** – value of items of a specific type and in total, by status

Bank reconciliation on the basis of a paper bank statement

To reconcile the bank statement received in form of a paper printout with journal entries registered in the system, in the menu *Accounting,* it is necessary to click on the button [**Bank Reconciliation**] and then, in section *General* of the bank reconciliation form, select a bank register and a period for which the reconciliation is supposed to be made. In section *Balances,* it is necessary to complete the *Ending* field and in case it is the first reconciliation in a given account, also the field *Beginning.*

A list of journal entries registered in a given period in the account associated with the selected bank register will be displayed.
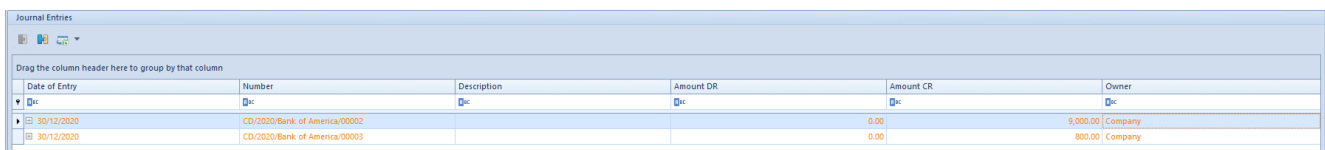
Bank reconciliation form

If data from a bank statement is consistent with journal entries displayed in Journal Entries panel, the user can select an entry and click [**Reconcile**]. In the result, color of journal entries on the list changes.

In case of mistake, it is possible to undo the reconciliation. To do so, it is necessary to mark a reconciled entry and click on the [**Undo**] button.

Note
It is impossible to unpost a cash-bank transaction which was reconciled. To unpost it, the reconciliation must be undone first.

List of reconciled journal entries

To facilitate the process of reconciling journal entries, the following parameters have been provided in the section *Options:*

- **Unreconciled** — if the parameter is checked, the system displays unreconciled journal entries. If unchecked, the reconciled journal entries are hidden.
- **Reconciled** — if the parameter is checked, the system displays reconciled journal entries. If unchecked, the reconciled journal entries are hidden.

In the section *Additional,* it is possible to post a difference between the beginning and the ending balance, bank service charges and earned interests.

# Bank reconciliation on the basis of imported bank statement

In order to reconcile the account balance with a bank statement, it is necessary to import the bank statement to the system. To do so, click on the button [**Import**] available in the *Parameters* button group

Note
It is possible to import again the same data into the selected account and period.
After the form of bank statement item import opens, in the field *File Format* it is necessary to select an import format appropriate for the loaded statement and in *Encoding* field – an appropriate coding method. Then, the user can load a statement, mark its items and import data to the system with the use of [**Import Selected**] button. The system does not generate the loaded transactions, but only retrieves them from the statement to facilitate the comparison process.

Detailed description of formats and statement importing can be found in category <<Bank Transfers>>.
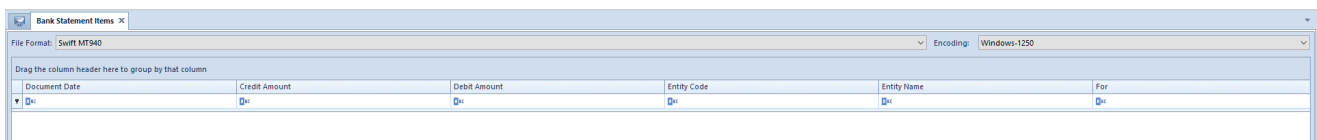
Form of bank statement import

After the import, it is possible to get back to making payments in a manual manner by clicking on the button [**Manually**].

After importing the bank statement, the bank reconciliation window is divided into two panels:

- **Journal Entries** — a list displayed in the left panel, contains information regarding posted bank transactions
- **Bank Statement** — a list displayed in the right panel, contains bank transaction imported from the statement

Below each list, there is a table providing a summary of reconciled and unreconciled values.

Bank reconciliation with an imported bank statement

To facilitate the process of reconciling, the following parameters have been provided in the section *Operations:*

- **Mark Manually** — if the parameter is unchecked, after selecting an item in one of the lists, the system automatically searches and marks corresponding items on the other list. If the parameter is checked, the user needs to mark them in the other list manually.
- **Unreconciled** — if the parameter is checked, the system displays unreconciled journal entries. If unchecked, the unreconciled journal entries are hidden.
- **Reconciled** — if the parameter is checked, the system displays reconciled journal entries. If unchecked, the unreconciled journal entries are hidden.

Hint

In *Bank Statement* panel, among the columns available for selection, there is the column *Reconciled* thanks to which it is very easy to filter reconciled transactions.

Between the section *Journal Entries* and *Bank Statement,* the following buttons are available:

- [**Reconcile**] – enables to reconcile the marked journal entry with a selected transaction from the bank statement
- [**Undo**] – cancels reconciliation between the marked journal entry and the selected transaction from the bank statement
- [**Delete**] – deletes items which have been imported and are not reconciled
- [**Search**] – allows for searching a journal entry which is not included in defined period. After clicking on the button, the list of c/b transaction is displayed and the user can select a journal entry which will be added to the list of journal entries in the bank reconciliation window
- [**Reconcile All**] – allows for reconciling all journal entries corresponding to the transaction at the same time.

Note
It is impossible to unpost a cash-bank transaction which was reconciled. To unpost it, the reconciliation must be undone first.

In the section *Additional,* it is possible to post a difference between the beginning and the ending balance, bank service charges and earned interests.