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# GLE031 Bank Statement Reconciling Entry

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## Overview

This program is used to reconcile outstanding bank transactions as part of manual bank reconciliation. The bank reconciliation panel will list the current outstanding bank transactions for the specified date range.

The user will manually select the outstanding bank related transactions that appear on the bank statement. The selected transactions will need to balance to the change in the bank balance. This is a manual process.

The user will select each transaction on the screen that appears on the bank statement. After pressing enter (or page up/down), the "Selected Amount" and "Remaining Amount" values will be updated.

Transactions on the bank statement that are not in Bookmaster will need to be manually entered. These will primarily represent bank charges, but could be any valid bank transaction type. The information entered will be the same as entered during Bank Statement Entry (GLE030). New lines are available at the bottom of the list. This newly entered transaction will be automatically "selected" so the user will not need to manually select the transaction as being on the bank statement. The fact that the user entered it indicates it is on the bank statement. The user will enter the following information:

- Date
- Bank reconciliation group, from TMSGL/BNK-BKGR
- Bank key
- Amount
- Debit or credit
- GL account number
- Narrative

After balancing and completing the bank reconciliation process, the transactions that were flagged as being on the bank statement will be updated as no longer outstanding. This will prevent them from appearing on this screen in the future.

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## Follow up

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### Printouts

There is printout program available with this routine.

A Bank Statement Entry list is printed on completion of Bank Statement Page Entry.

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## Explanation

**Note** Following is the bank statement use for the purpose of bank statement entry.

1. National Australia Bank				
TMS Tailor Made Systems Level 4, 51 Phillip Street PARRAMATTA NSW 2150		200 George Street PARRAMATTA NSW 2150		
Account no:00000.2020-CSL.A				
	<i>Particulars</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>
			<b>Opening Balance</b>	100000.00
<b>Date</b>				
02/04/04	Accounting fees	30.00		
08/04/04	Deposit		40000.00	
10/04/04	Deposit		500.00	
12/04/04	Chq no. 1142	500.00		
12/04/04	Credit tax	10.00		
14/04/04	Refund on lease repayment		5000.00	
16/04/04	Debit tax	5.00		
17/04/04	Chq no. 1143	1100.00		
19/04/04	Deposit		3600.00	
21/04/04	Chq no. 1144	900.00		
22/04/04	Electronic fees	45.00		
23/04/04	Deposit		400.00	
26/04/04	Chq no. 1145	1500.00		
28/04/04	Deposit		2500.00	
			<b>Closing Balance</b>	142910.00

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## Examples

This section illustrates examples concerning:

[Example 1: To Create a Bank Statement Entry](#)

[Example 2: Reverse Bank Statement Entry](#)

[Example 3: To Add Journal Detail Text](#)

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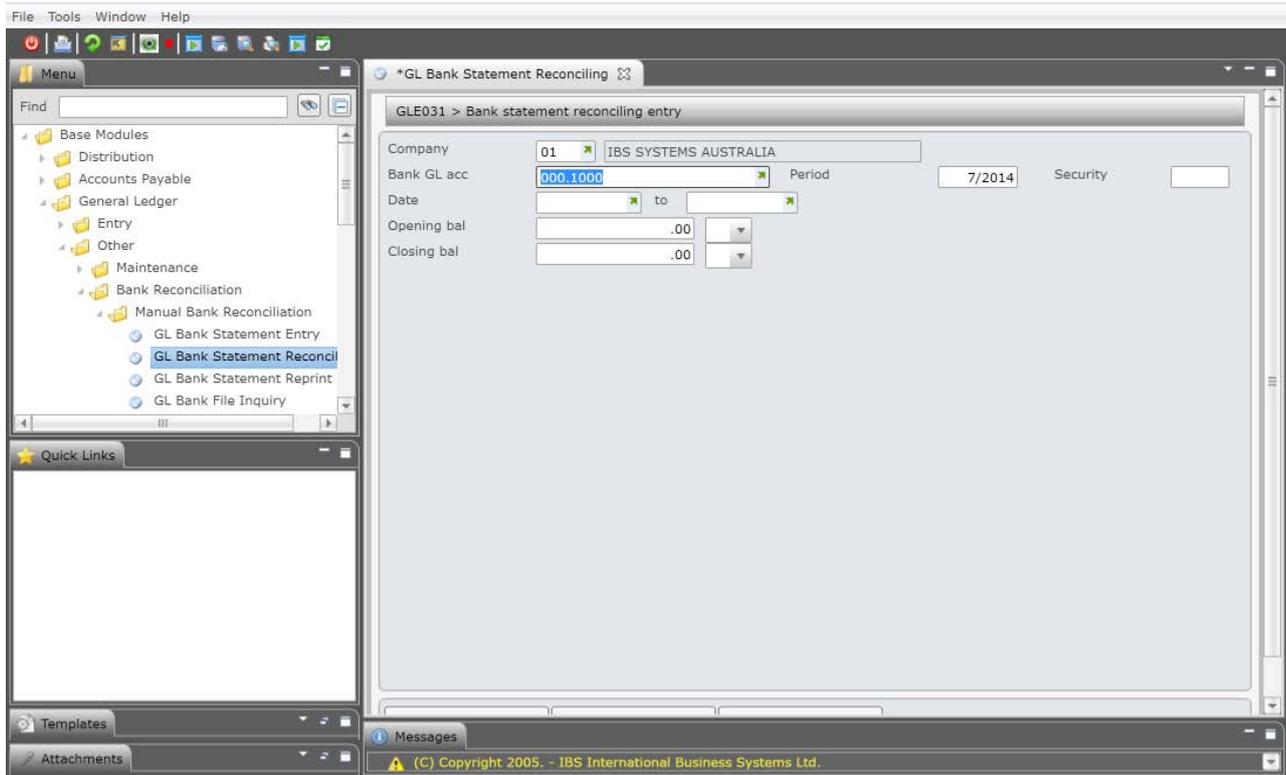
### Example 1: To Create a Bank Statement Entry

During Bank Statement Entry, the type of Bank Reconciliation Group selected determines the entry requirements in the Bank key field. The Bank Reconciliation Group refers to the

bank entry transaction type. If for example, Bank Rec Group '1' CHQ Cheques is selected the entry required in the Bank key field will be a cheque number.

When entering a deposit listed on the Bank Statement, entry is made to the bank file through Accounts Receivable (may be Cash Entry, etc) and is automatically checked against the General Ledger via the Bank Clearing Option. Each deposit is checked and marked off, those remaining are ones that do not match up. This example describes how to enter a deposit or cheque.

1. Select menu **Bank Reconciliation>Manual Bank Reconciliation** from menu **General Ledger**. Select menu option **GL Bank Statement Reconciling Entry**. Following panel is displayed.



## Relevant Fields

### Company

This field defaults to your company but may be overridden if necessary.

### Bank GL acc

This is account which is debited when Bank Charges, Miscellaneous Charges and Deposits are entered via bank statement entry.

### Period

The current accounting period defaults. Posting to a previous period or future period is possible by entering the General Ledger security password.

### Security

A Security Password may be entered to bypass the General Ledger safeguards that prevent duplicate journal numbers as well as postings to a Period other than the current Period. A separate password is required for posting to previous period as specified in control file TMSG/SEC.

The error message ***Duplicate journal in period... Valid security rqd*** displays if a journal has already been posted

and no Security Password has been entered.

### Date range

All outstanding bank transactions for the entered date range will be displayed in date order from oldest to newest.

### Opening bal

The opening balance according to bank statement being processed is entered. Indicate whether this balance is credit or overdraft using CR or OD.

### Closing bal

This is the closing balance according to bank statement being processed. Indicate whether this balance is credit or overdraft using CR or OD.

2. Key in all the required fields and click **OK** to confirm the selection. The current outstanding bank transactions for the entered date range will display.

Option	Date	Gr	Bank key	Amount	C D	Account	Narrative
	8/20/2010	1	11111111	1,000,200.00	D		
	9/7/2010	4	G1001591	8,888,888.00	C		
	9/13/2010	4	00001344	125.00	C		
	10/12/2010	1	08888888	200.00	C		
	10/13/2010	4	E0000091	5,104.42	D		

### Options

#### Text

Access APM909 Journal Detail Text to add information about particular journal entry.

#### Select

Use this option to select the corresponding transaction, thus identifying it as being on the bank statement.

### Functions

#### By bank key/date

This function key toggles how the transactions are sequenced. It toggles between sequence by date, by bank key or by amount.

#### Select

Use this option to select the corresponding transaction, thus identifying it as being on the bank statement.

### Relevant Fields

Selected	The total value of the transactions selected for balancing.
Remaining	<p>This is remaining balance that's needs to be selected in order to balance. The difference between the opening and closing balance is calculated and displayed as the remaining amount initially. Then as the transactions are selected for balancing the difference is reduced and/or increased accordingly.</p> <p>E.g. say the opening balance is 10,000 CR and the closing balance is 2,000 CR. The difference is a DR of 8,000. After the user has selected 3,000 DR of transactions, the following figures will be displayed:</p> <p>The current value of selected transactions: 3,000 DR</p> <p>The difference between the two: 5,000 DR. This indicates that 5,000 worth of debits still needs to be selected in order to balance.</p>
Date	Date of the transaction.
Group Code	Group code relating to the transaction. This group code determines the transaction type. 1=Cheque, 2=Deposit, 3=Bank Charges, 4=Miscellaneous charges, 5=Electronic payments, 6=Direct payments. <b>TMSG/BNK-JTIF</b> defines what type of journal must be created for a bank reconciliation group code.
Bank key	Cheque number, journal number or deposit reference depending upon the group code.
Amount	Amount of the transaction. For credits do not use minus sign as the next field indicates a debit or credit balance.
D/C	Indicate whether the transaction amount is a debit or credit.
Account	The general ledger account number may default. For a cheque, no general ledger account is required as the bank account is updated when the cheque is processed in AP. Deposits should be setup with a bank clearing general ledger account to ensure the posting from accounts receivable is reversed. As part of bank reconciliation process, the balance of the clearing account should determine the value of un-presented deposits.
Narrative	There is a facility for notes or explanations for each accounting entry. Enter any information relating to the transaction.

3. Select transactions on the screen that appears on the bank statement. As you select transactions and page down or press <Enter> the Remaining and Selected amounts will update. Bank charges etc. that are in the statement but not in IBS Bookmaster will have to be entered manually. Click **OK** to confirm the entry. Bank statement is generated. A Bank Statement Entry list prints automatically on completion of Bank Statement Page Entry.

The closing balance is calculated by totaling the statement entries and adding this total to the Opening balance. The result is compared to the Closing balance entered from the bank statement. Discrepancies will be highlighted.

The same field requirements are used when entering Deposits, Cheque, Miscellaneous Debits and Credits, Electronic Cash Payments, Electronic Cash Receipts, Amex Transfer and Bank Charges.

When entering a Cheque from the Bank Statement, the Cheque you draw from the bank through Accounts Payable automatically checks against the general ledger by matching up the cheque number.

Cancelled cheques, cheques that have bounced or voided cheques can be entered via the Accounts Payable Option, the Payment cycle. For cancelled cheques, select the Cancel Cheque entry and enter the Creditor Code, Cheque Number and Cheque Amount. This flags entry on bank file as cancelled and leaves outstanding amounts against the customers to be paid.

When entering a Refund from the Bank Statement, the Refund amount paid to the Customer from the bank through Accounts Payable is automatically checked against the General Ledger. An example of a Refund is: A company leases out equipment and pays installments to the Bank monthly. If the installments are to last for 18 months but the bank takes out an extra installment by mistake, they need to give you a refund.

When entering Bank Charges from the Bank Statement into the system such as Government Debit Tax, FID Interest and Account Keeping Fees etc the Bank Charges amount is automatically entered into the General Ledger Account. As an example enter accounting fees of \$30.00

#### Making Entry Adjustments

When items are unmatched on your bank rec report or they are posted to different groups, it is possible to make 'adjustment' entries to the bank entries only.

To make correcting entries, enter a new statement for zero opening and zero closing.

On the detail lines, enter the transaction **EXACTLY** the same as you have done previously, except the amount is credit. The second line should be keyed in with the correction made. The most common corrections are to change the bank key or bank group.

If the correction is because of an amount discrepancy, you can correct by entering in three correcting lines.

The first line should always be the reversing of the original line. The second will be the first correcting line for the amount of the G/L transaction and the third line entered with the difference and journal directly against a bank fee account or small adjustment account.

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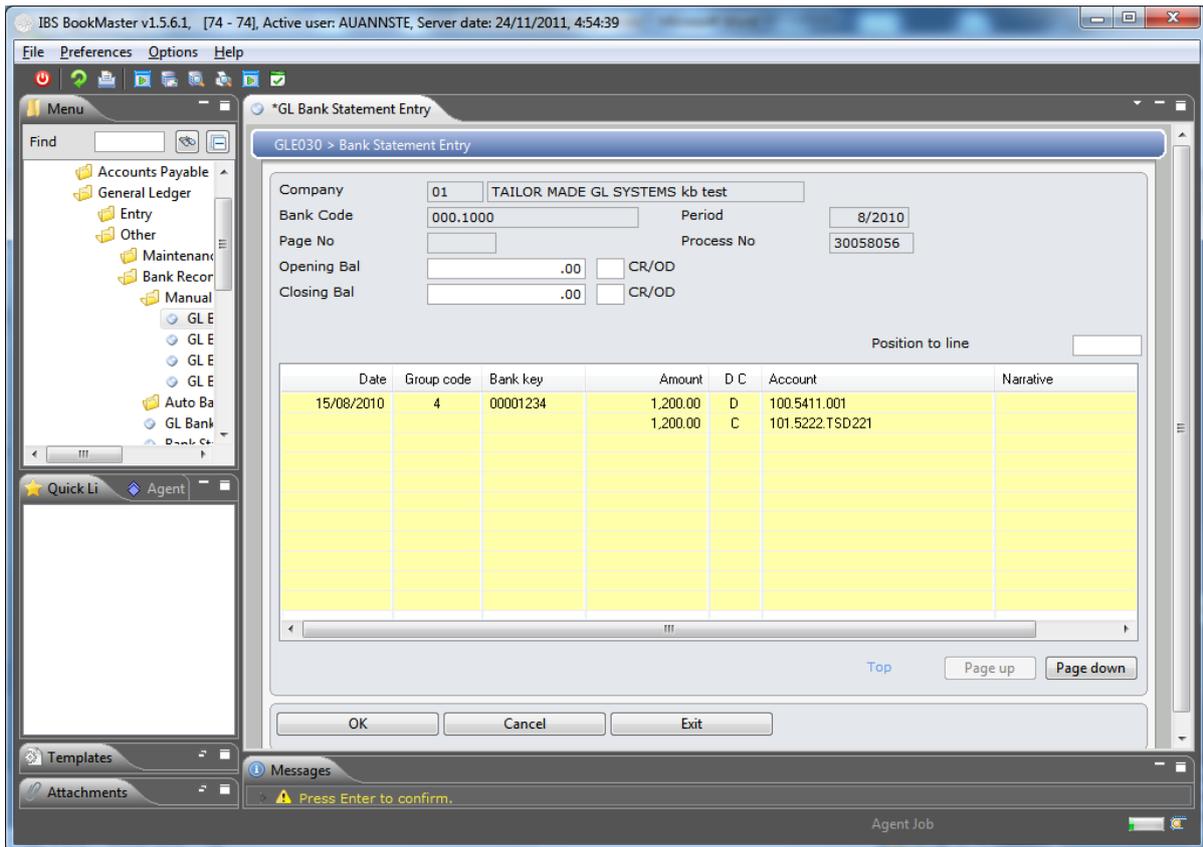
## Example 2: Reverse Bank Statement Entry

This example describes how to reverse bank statement entry.

This function is useful if you have entered an amount into the wrong General Ledger Account. You are able to remove the entry from the G/L Account and enter the amount in the correct account.

When reversing an entry, there is no need to enter an Opening Balance or Closing balance.

1. Repeat steps 1 and 2 from [Example 1: To Create a Bank Statement Entry](#).



## Relevant Fields

**Gr**

When reversing an entry select a Miscellaneous group code type.

**Amount**

The amount of the entry to be reversed on the first line of the transaction. On the second line enter the amount that is to be allocated to the correct account.

**D/C**

For this example enter C = credit for the first line of the transaction to credit the original allocation. Enter D = Debit for the second line to allocate to the correct account.

**Account**

On the first line of the transaction enter the account number to which the transaction was originally allocated. On the second line of the transaction enter the account to which the transaction should have been allocated.

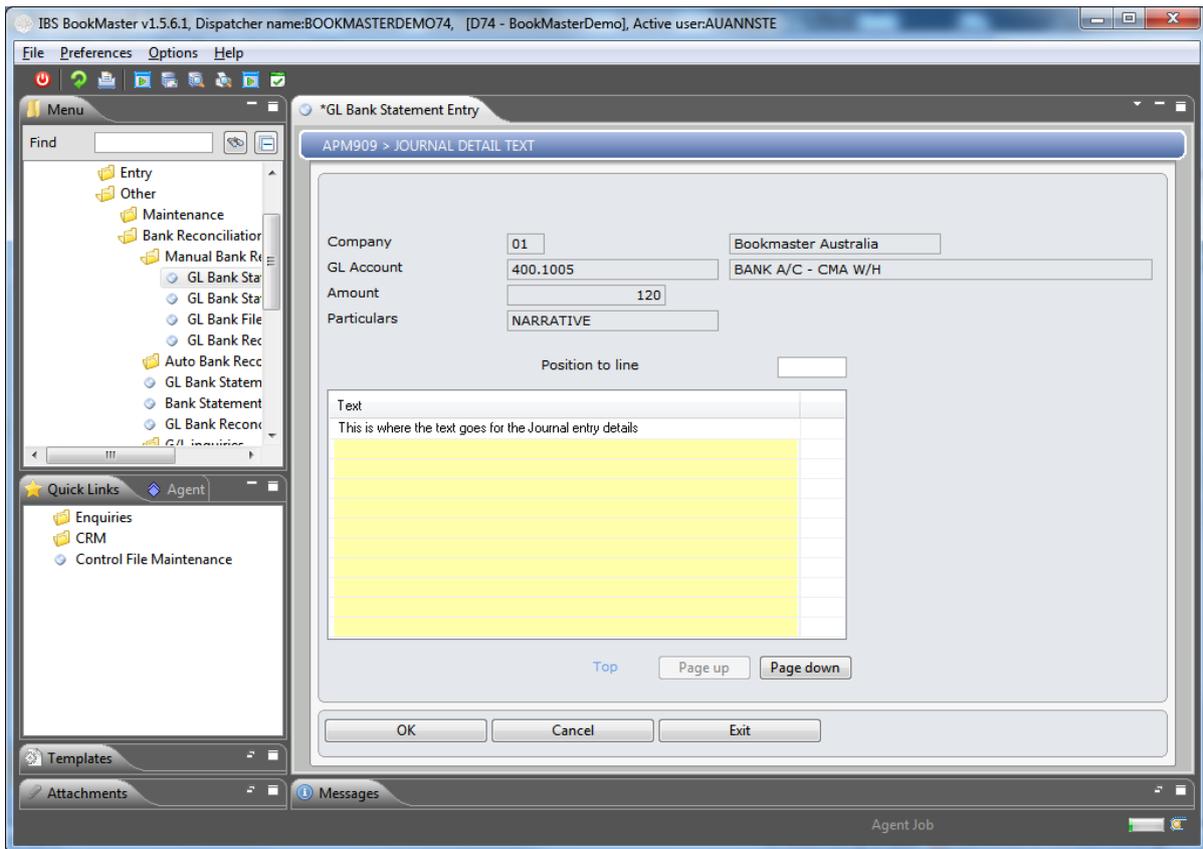
2. Key in all the required fields and click **OK** to confirm. The original entry will be reversed and the correct account will be updated. Bank statement is generated.

## Example 3: To Add Journal Detail Text

This example describes how to add text information giving more details about particular journal entry.

1. Repeat steps 1 and 2 from [Example 1: To Create a Bank Statement Entry](#). Select journal entry and right click for the option **Text**.

**APM909 Journal Detail Text** panel is displayed.



Please refer to **APM909 Journal Detail Text** for further information.