Reconciliation step by step

(using a paper bank statement)

Bank Reconciliations are designed to highlight differences between your bank's records and those entered on SortMyBooks.

The key goal is to match your screen with your bank statement exactly and in the same order.

In what cases do you need to use manual reconciliation:

If you do not have a statement for an account (petty cash, cash account, contra account, director's loan account, drawings account).

In all other cases, it is better to use automatic reconciliation and go to **Accounts, Statement.**

Performing a Reconciliation

To perform a bank reconciliation manually on SortMyBooks, follow these steps:

1.   Ensure you have your paper bank statement ready for reference.

2.   If this is your FIRST bank reconciliation, set your opening balance first under **Accounts, Bank.**

3. **To perform reconciliation manually,** go to **Accounts, Reconciliation** within SortMyBooks.

4. **Enter Key Details**: Set the ending balance and date to match your bank statement, then click **Update**. Your transactions will appear on the right side of the screen.

5. **Match Transactions**: Compare and match each transaction with your bank statement. If the order of transactions differs, you can rearrange them. Once all transactions are matched and the difference is zero, click **Reconcile Matched**.

6. The box "Locking reconciliation" will appear. Press OK if you are ready to finish the reconciliation.

Link to the video: https://vimeo.com/1026570383

Checking Reconciliation

1. Review Outstanding Transactions: After reconciliation, it is essential to review any outstanding transactions that didn't appear on your bank statement, such as uncashed cheques or errors, by generating a bank reconciliation report.

2. Click **Reports, Accounts Reports, and Bank Reconciliations.** Select the desired bank reconciliation from the list. To narrow the selection, click the account drop-down on the left side and limit it to one bank account only.

3. If the **Ending Balance** does not match the **Reconciled Balance**, click on a link under the **Starting date** to see outstanding transactions.

4. At the end of the Report, you will see **Outstanding Transactions.** These are Transactions in SortMyBooks but did not appear on the bank statement. Each of these need to be resolved.

Bank Reconciliation Report

UA Great Gifts Heorhina Kampo

Statement start date: 01/01/2013
Statement end date: 31/01/2013
Account: Current account 2

Statement Opening Balance: 0.00
Statement Closing Balance: -900.00
Outstanding: -230.00
Reconciled Balance: -1,130.00

Reconciled Transactions

Opening Balance (01/01/2013): 0.00

Name	Reference	Cheque/Slip	Date	Link	Debit	Credit	Balance
Landlord			04/01/2013	link	0.00	900.00	-900.00
-	-	-	-	-	0.00	900.00	-900.00

Outstanding Transactions

Name	Reference	Cheque/Slip	Date	Link	Debit	Credit	Balance
Landlord			03/01/2013	link	0.00	200.00	-200.00
Mainline Toll Station			08/01/2013	link	0.00	30.00	-230.00
-	-	-	-	-	0.00	230.00	-230.00

Transactions Reconciled after this Period

Name	Reference	Cheque/Slip	Reconciled Date	Doc Date	Lodged (Credit)	Paid (Debit)	Link	Balance
				No records!				

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0.0312s

5. Click on a link and return to the main SortMyBooks page to see outstanding transactions.

Link to the video: https://vimeo.com/1026844005

6. If you see any **Outstanding Payments,** Carefully question any item on this list. No transactions should be on this list unless you use cheques in your business. So if you wrote a cheque and the recipient didn't cash it before your year-end, it legitimately belongs on this list. Nothing else does. If you see direct debits here, they are likely to be errors.

7.   Please check that all accounts are reconciled at the end of the year. Check that the period displayed matches the Accounting Year you're working on and the Account matches the Bank Account you are checking. If the period doesn't match, click Select Range on the left-hand side. You can choose Previous Accounting Year or Next Accounting Year or scroll down to Date Range and choose your starting and ending period. Statement Closing Balance should match the closing balance on the bank statement you got from the bank covering the last day of your accounting year.

Troubleshooting Reconciliation

If there is a transaction on your bank statement that is not on your screen, this could be for a few reasons:
1. You have not entered the transaction yet. Go ahead and enter it now.
2. The transaction has been entered but with the wrong date. Correct the date. (Use **Accounts, Transaction search** to find it)

3. The transaction has been assigned to the wrong bank account. Fix the account. (Use **Accounts**, **Transaction search** to find it)

Then click on **Reconciliation** again to continue with your bank reconciliation.

If there is a transaction that is on your screen but not on your bank statement, this could be for a few reasons:

1. This is a cheque that has not been cleared yet. Do not tick it off, and you can reconcile it on a future statement. It will appear as an outstanding transaction on your bank rec report.

2. A duplicate transaction was entered. Delete it. (Use **Accounts**, **Transaction search** to find it)

3. The transaction was entered with the wrong date. Correct the date. (Use **Accounts, Transaction search** to find it)

4. The transaction was assigned to the wrong bank account. Correct the account. (Use **Accounts, Transaction search** to find it)

Then click on Reconciliation again to continue with your bank reconciliation.

Reopen a Bank Reconciliation

1.   If you need to reopen a bank reconciliation, go to **Tools** and **Locks**. Under Reconciliations, select the **I Understand Please Proceed** button.

2.   A list of bank accounts and dates for your bank reconciliations will appear, so select the date you want to open.

Reconciliations

Account reconcile is designed to protect transactions on account, which are verified against bank statement. However if you need to un-do reconciliation, you may do that here. This action is not reversable. This action will not affect any payments or invoices.

Account Name	Starting Date	Ending Date	Starting balance	Ending balance	Closed
Current account	01/01/2013	31/01/2013		-1331.66	Y
Current account	01/02/2013	28/02/2013	-1331.66	-9891.15	Y
Current account	01/03/2013	31/03/2013	-9891.15	-7046.63	Y
Current account	01/04/2013	30/04/2013	-7046.63	23275.56	Y
Current account	01/05/2013	31/05/2013	23275.56	-1935.25	Y
Current account	01/06/2013	30/06/2013	-1935.25	-7838.73	Y
Current account	01/07/2013	31/07/2013	-7838.73	45541.49	Y
Current account	01/08/2013	31/08/2013	45541.49	52612.88	Y
Current account	01/09/2013	30/09/2013	52612.88	33820.46	Y
Current account	01/10/2013	31/10/2013	33820.46	-13158.74	Y
Current account	01/11/2013	30/11/2013	-13158.74	52140.63	Y
Current account	01/12/2013	31/12/2013	52140.63	42348.4	Y
Current account 2	01/01/2013	31/01/2013		-900	Y
VehicleLoan	01/01/2013	31/01/2013		-3282.87	Y
VehicleLoan	01/02/2013	28/02/2013	-3282.87	-3141.46	Y
VehicleLoan	01/03/2013	31/03/2013	-3141.46	-3018.43	Y
VehicleLoan	01/04/2013	30/04/2013	-3018.43	-2877.02	Y

3. The "**Are you sure**" box will open; click the **OK** button to re-open.

Reconciliations

Account reconcile is designed to protect transactions on account, w... ...ciliation, you may do that here. This action is not reversable. This action will not affect any payments or invoices.

Are you sure? ✕

⚠ You are about to release transactions made during **01/12/2013 – 31/12/2013 on Current account.**

Reopening this bank rec will cause your start date or start balance for this rec to change in line with the previous rec. Do you wish to proceed? ❓

[Ok] [Cancel]

Account Name	Starting Date			Ending balance	Closed
Current account	01/01/2013			-1331.66	Y
Current account	01/02/2013		1.66	-9891.15	Y
Current account	01/03/2013		1.15	-7046.63	Y
Current account	01/04/2013		6.63	23275.56	Y
Current account	01/05/2013	31/05/2013	23275.56	-1935.25	Y
Current account	01/06/2013	30/06/2013	-1935.25	-7838.73	Y
Current account	01/07/2013	31/07/2013	-7838.73	45541.49	Y
Current account	01/08/2013	31/08/2013	45541.49	52612.88	Y
Current account	01/09/2013	30/09/2013	52612.88	33820.46	Y
Current account	01/10/2013	31/10/2013	33820.46	-13158.74	Y
Current account	01/11/2013	30/11/2013	-13158.74	52140.63	Y
Current account	01/12/2013	31/12/2013	52140.63	42348.4	Y

4.   Make your adjustment and close the Reconciliation right away.

Please Note: You can only have one bank reconciliation open at a time. Once you have made changes, you need to close them before you can open a second reconciliation.