

Bank Reconciliation Help Sheet

Manual Bank Reconciliation – Sage Accounting

Reports and forms you will need to complete a bank reconciliation:

1. Paper Bank Statement mailed by the bank every month or printout from online banking site.
2. Printout of the bank account transactions from the accounting system. Report is called “General Ledger” or “Transactions by Account”.
3. Bank Reconciliation Form. Below are steps to complete the form referenced by letters A to E. (Bank Reconciliation can also be done in Sage Accounting. See Help Sheet for Reconciliation in Sage Accounting System.)

[A] Ending Bank Balance on Bank Statement: In Section A, Enter month end balance from the bank statement or the online bank printout on bank rec form.

Note: some banks use a cutoff date for their statements that may not be the last day of a calendar month. In those cases, use the ending balance that appears on the following month’s statement or get the ending balance from the online banking site.

[B] Outstanding Deposits: Compare deposits between bank statement and bank transaction record from the accounting system.

- Place a check mark on bank statement and transaction record beside each deposit that matches.
- Circle deposits that show in accounting system but not on the bank statement.
- In Section B, enter outstanding deposits date and amounts on the bank rec form.

Deposits in Transit: When deposits are made at the end of the month, the bank may not post the deposit to your account until the next month. This is particularly true if you make deposits using a bank’s ATM or night drop. Deposits made on a Friday night that happens to also be the last day of the month will not be credited to your account until the next business day and the start of the next month.

[C] Outstanding Cheques: Compare cheques on bank statement with the bank transaction record from the accounting system.

- Place a check mark on bank statement and transaction record beside each cheque that matches.
- Circle cheques that show in accounting system but not on the bank statement.
- In Section C, enter outstanding cheque numbers and amounts on the bank rec form.

Outstanding Cheques: represent checks written by the church and recorded in the general ledger but not cleared by the bank. For example, if you mailed a payment to a vendor near the end of the month, the vendor may not deposit the check into their account for a few days. If a check does not clear the bank by the end of the month, it is outstanding.

[D] Ending Bank Balance in Sage Accounting System: In Section D, enter the month ending balance from the accounting system on bank rec form.

[E] Reconciling to Zero: In Section E, the form will automatically calculate the difference between the reconciled bank statement balance and the balance reported in the accounting system.

- Differences can be due to unrecorded bank charges and fees, cheques or deposits in the accounting system.
- Differences should be adjusted in the accounting system to reconcile to zero.