
Sage 300 – Bank Reconciliation Checklist

Reconciling Bank Statements

Step 1: Gather Bank Information

If this is the first time you have reconciled a bank statement for this company, you must prepare your bank accounts.

- Post all transactions in the subledgers that affect the bank account for the fiscal period you are reconciling (for example, cheque batches in Accounts Payable or deposit batches in Accounts Receivable).
- Gather the bank statement and related source documents, such as canceled cheques, credit card receipts, credit memos, debit memos, etc.
- Print the Transaction Listing Report. (Optional)
- Compare the source documents to your bank statement and the bank statement to the Transaction Listing Report. (Optional)
- If you find any errors or discrepancies, mark the incorrect item on the bank statement, and make a note of the error on the source document. Notify the bank of their errors. (Optional)
- If you are reconciling an electronic statement:
 - For an OFX statement:
 - Import the statement into Sage 300.
 - Use the Reconcile E-Statements screen to match transactions, enter bank transactions, and manually clear or write off any unmatched transactions.
 - Use the Reconcile Statements screen to ensure that the bank account is reconciled, for a final check or review.
 - For transactions downloaded from your bank feed, use the Reconcile E-Statements screen to download transactions, match transactions, enter bank transactions, and manually clear or write off any unmatched transactions.

Follow the next eight steps to reconcile bank statements.

Step 2: Fill in Header and Summary Information

- Open the Reconcile Statements icon and enter the bank code for the bank account you are reconciling.
- Fill in the following fields on the Summary tab:
 - Statement Date - enter the bank statement date.

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- Statement Balance - enter the ending balance from the bank statement.
 - Reconciliation Date - specify the date to which to post the reconciliation. You can reconcile outstanding transactions posted up to and including this date.
 - Click Save.

The Out of Balance by field may display a non-zero amount that you need to reconcile. You use the Reconciliation tab to reconcile the balances and record adjustments.

Step 3: Withdrawals - Clear Cheques, Data Entry Errors, and Bank Errors

You use the Reconciliation tab to reconcile the balances and record adjustments. The following instructions explain how to clear individual items in the order they appear on the bank statement, a range of items sorted in numerical order, and how to clear outstanding items.

In this step, you clear cheques that appear on the bank statement, and clear any data entry and bank errors.

1. On the Reconciliation tab:
 - a. Use the Display, Transaction Type, and Sort By fields to filter outstanding withdrawals, and sort them by date or transaction number.

Tip: You can save your selections for these fields, so they appear automatically the next time you use the Reconcile Statements screen. To save your selections, click Save Settings as Defaults on the Settings menu.

- b. Reconcile balances and record adjustments:
 - Clear individual withdrawals, and reverse withdrawals.
 - Clear entire ranges of withdrawals that your bank has processed.
2. Click Save.

Clear items from the list

- In the **Transaction Type** field select the **Withdrawal** option on the Reconciliation tab.
- Depending on whether the transaction amount shown on the bank statement matches the amount in the Withdrawals field, do one of the following:

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- If the amounts match, double-click the Reconciled field to mark the transaction (X) Cleared.
 - If the amounts do not match, enter the transaction amount shown on the bank statement in the Cleared Amount field.

Note: The Difference field displays the difference between the amount that cleared the bank and the amount in the Deposits or Withdrawals field.

- Change the Reconciliation Status, if needed.
- Enter a comment in the Reconciliation Description field for any unusual transactions.
- Click Save.

- To update the summary, click the Calculate button on the Summary tab (if it did not update when you saved).
- Repeat to clear other withdrawals.

After clearing withdrawals, go to Step 4. (To clear data entry or bank errors, see the next two sections.)

Clear a range of withdrawals items

- Select the Quick Clearing option on the Reconciliation tab.
- On the Quick Clearing screen:
 - In the Mark field, specify the type of transactions to mark (Withdrawals or Deposits).
 - In the As field, specify the reconciliation status to assign (Cleared, Outstanding, or Reversed).
 - Specify the range of transactions to mark:
 - In the From Transaction Number field, specify the first payment in the range.
 - In the To Transaction Number field, specify the last payment in the range.
- Click Process to mark the transactions.
- Click Close to return to the Reconcile Statements screen.

- To update the summary, click the Calculate button on the Summary tab (if it didn't update when you saved).
- Repeat these steps to reverse another range of withdrawals.

After clearing withdrawals, go to Step 4. (To clear data entry or bank errors, go to page 3 of this checklist.)

Clearing Data Entry Errors

If the bank statement shows a different amount than the amount in the Withdrawal Amount field because of a data entry error in the originating subledger, and the error is too large to post to the Clearing Errors account, you can use one of the following methods in Reconcile Statements to correct the error.

Reverse Checks

To reverse a transaction:

- Open Common Services > Bank Services > Bank Transactions > Reverse Transactions.
- Enter information for the reversal in the following fields:
 - Bank Code
 - Source Application
 - Reverse Document
 - Reverse Multiple Transactions
- If you are reversing a single transaction, identify it by filling in the following fields:**
 - Reason for Reversal.
 - Reversal Date.
 - Customer Number, Vendor Number, or Employee Number. (The field that appears depends on the source application.)

Note: Filling in this field is optional, but it may help you select the transaction more quickly.

- Check/Receipt No., Check/Payment No., or Bank Entry Number. (The field that appears depends on the source application and the type of document you are reversing.)

Once you specify a payment, receipt, or bank entry, the program displays the date and the amount of the transaction.

Tip: To view the transaction in the original transaction entry screen, click the Drilldown button.

- Post.
- If you are reversing a range of transactions:**
 - Specify selection criteria to identify the transactions to reverse.

Use the From and To fields to specify ranges of document numbers, dates, amounts, currencies, and vendors, customers, or employees. (The criteria you can specify depend on the source application.)

- Click the Go button to list the transactions that meet the criteria.
 - On the table, specify the transactions to reverse:
 - Select a transaction on the table, and then double-click the Reverse column in that line to change the entry to Yes.
 - If you are certain that you need to reverse all the transactions in the list, click Select All.
 - If you want to change your selections all at once, click Go to refresh the list.
 - Click Post to update the bank account balance, and send the reversal information to the subledger
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- Display Withdrawals in the Reconciliation tab, by selecting Withdrawals in the Transaction Type field.
 - Scroll the list of withdrawals, highlight the item you want to reverse, place the cursor in the Reconciliation Status field, and change the Reconciliation Status to Reversed.
 - The check information is returned to the originating subledger, the check is reversed, and the amount the check paid is restored (when the reconciliation is posted).
 - Choose Save, then close Reconcile Statements.
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- Re-enter the check with the correct amount and post it in the subledger where it originated. **DO NOT PRINT THE CHECK.**
 - Re-open Reconcile Statements and display Withdrawals in the Reconciliation tab, by selecting Withdrawals in the Transaction Type field.
 - The new check appears in the list.
 - Change the status of the corrected withdrawal to Cleared, then click Save.
 - Display the Summary tab and click the Calculate button to update the summary (if it did not update when you saved).

Make Adjustments

- Make an adjustment using the Entries button for the amount of the error.
- Make a corresponding adjustment in the originating subledger.
- Change the check's status to Cleared, then click Save.

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- Display the Summary tab and click the Calculate button to update the summary (if it did not update when you saved).

Clearing Bank Errors

Bank accepts responsibility

- Clear the withdrawal or deposit by changing the Reconciliation Status to Cleared. (You do not need to adjust the book balance.)

Bank does not accept responsibility

- When the bank does not accept responsibility for an error, you clear the withdrawal or deposit by changing its Reconciliation Status to Cleared or to Cleared With Write off. (You could also choose Cleared With Exchange Rate Difference, Cleared With Bank Error, or Cleared With Credit Card Charge.)
 - If you selected a reconciliation status of Cleared, you must make a bank entry for the error to adjust the book balance.
 - If you selected a reconciliation status of Cleared with write-off, Cleared With Exchange Rate Difference, Cleared with bank error, or Cleared With Credit Card Charge, the book balance is adjusted when you post the bank reconciliation.

After clearing withdrawals and bank errors, go to Step 4.

Step 4: Deposits - Clear Deposits and Deposit Errors

- On the Reconciliation tab, in the **Transaction Type** field select **Deposits** to deal with only with deposits. Scroll through the list of deposits until you reach the line for the same deposit as on the bank statement, then change the Reconciliation Status to Cleared.

Clearing Deposit Errors

Deposits may have cleared through the bank in a different amount than the amount posted in the subledger. Follow the appropriate steps below, then display the Summary tab and click Calculate.

If deposit cleared with a different amount than posted

- Enter the bank statement amount in the Cleared Amount field on the Reconciliation tab.
- To write off the difference if it is greater than the allowed error spread, change the Default Reconciliation Status to one of the following:
 - Cleared with bank error
 - Cleared with write-off

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- Reconcile by deposit details

When bank deposit amount is lower

- To record the receipt of the difference, create and post a new batch in A/R.
- Change the Reconciliation Cleared Amount status to "Cleared" for both the original and new deposit batches.

When bank deposit amount is higher

- Make an adjustment for the amount of the error on the Entries tab of the Reconciliation Statements form.
- Change the deposit's status to Cleared, then click Save.

Clear checks from a deposit

When clearing deposits, you can also clear one or more checks in a deposit. To do so, see the following instructions.

Using the Deposit Details Form to Clear Individual Checks in a Deposit

You can clear individual items from a deposit.

- Highlight the deposit line, then click the Details button to open the Deposit Details form.
- Highlight the line that displays the item that cleared the bank, then enter the amount from the bank statement into the Cleared Amount field.
- Repeat for each item, click Save, then click Close to return to the Deposits tab of the Reconcile Statements form.
- Click the Calculate button on the Summary page to update the reconciliation (if it didn't update when you saved).

How to handle NSF Cheques

If any of your customer's checks were returned NSF during the fiscal period, or their credit card payments were not honored by their financial institution, and they appear on your bank statement, you must clear them.

Use the Return Customer Checks form to record an NSF check or a returned credit card payment. Before doing so, make sure you post all open batches in the subledger that pertain to the period in question.

- On the Return Customer Checks form, select the code for the bank into which you deposited the check or credit card payment.

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- Select the Source Application.
 - Use the Finders or the Calendar icons or enter values in the following From/To fields:
 - Customer Number
 - Deposit Number
 - Receipt Amount
 - Deposit Date
 - Check/Receipt Number
 - Receipt Currency
 - Bank Receipt Amount
 - Click the Go button to display the query results in the grid.
 - Scroll through the list to locate each returned item.
 - Change the Return field to Yes for returned items.
 - Click Post to send information about returned items to the application that produced the receipts, then click Close.
 - Display the Returns tab in Reconcile Statements and scroll to the returned NSF check in the grid.
 - Reconcile each returned item to the bank statement by scrolling through the list, then changing the Reconciliation Status to Cleared for those items.
 - Click Save, then click the Calculate button on the Summary tab to update the summary (if it didn't update when you saved).

After clearing returned items, you balance the reconciliation. Go to Step 6.

Step 5. Record Bank Entries

Click the Entries tab to enter transactions that originated at the bank.

- Fill in the following fields:
 - Transaction Date
 - Transaction Type (indicates the account to post the offsetting entry to)
 - Debit/Credit Amount (from the bank statement)
 - Reference (optional)
 - Description (optional)
 - Comments (optional)
 - Indicate whether the entry is taxable by changing the Taxable field to Yes and then clicking the Zoom button to select the tax group.
 - Select the payment currency if the payment is in a different currency than the functional currency.
 - Select an exchange rate type for a multicurrency transaction, then enter the exchange rate.
- Click Save to add each new transaction.

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- Click the Calculate button on the Summary tab to update the bank summary (if it didn't update when you saved).
 - Click the Withdrawals tab and continue with Step 3.

Step 6. Balance the Reconciliation

- Leaving Reconcile Statements open, double-click the Reconciliation Status icon in the Bank Transaction Reports folder and print a record of your reconciliation entries.
- Return to the Summary tab and click Calculate.
 - The left field should now display the bank account's Statement Balance, plus deposits in transit, less outstanding withdrawals, plus or minus deposit bank errors, plus or minus withdrawal bank errors.
 - The Adjusted Statement Balance (made up of the book balance, plus or minus bank entries and write-offs, minus credit card charges and exchange losses, plus exchange gains) should equal the Adjusted Book Balance for the bank account, leaving an Out Of Balance amount of zero.
 - If the two amounts are equal, you have balanced the reconciliation.
- If the two amounts are not equal, compare your printout of the Bank Reconciliation Status report to the bank statement. Make any necessary corrections.
- When the Adjusted Statement Balance on the Summary tab equals the Adjusted Book Balance for the bank account, click Save, then click Close.

You must now follow the procedures in Step 7 to post the reconciliation.

Step 7. Post the Reconciliation

After reconciling and balancing bank statements, you can post reconciliations for several banks at once.

- Double-click the Post Reconciliation icon in the Bank Transactions folder.
- Select Range, then enter the bank code(s) in the From and To fields (or choose the All Banks option).
- Click Post to post the reconciliation for the bank account.

You now print reports and check data integrity. Go to Step 8.

Step 8. Print Reports and Check Data Integrity

- Double-click the Reconciliation Posting Journal icon in the Bank Transaction Reports folder.
- Enter the Posting Sequence number in the From and To fields.
- To reprint posting journal records for bank reconciliations that have not been deleted, select Reprint Previously Printed Journals.

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- Select Clear All Printed Journals to clear bank reconciliation information.
 - Select Print Deposit Details to view each individual receipt on each deposit.
 - Select Print Entry Tax Information if you want the taxes you added in the Entries tab to be printed on the report.
 - Select Print G/L Summary to view the G/L entries posted by this posting sequence.
 - Click Print.
 - Print a list of outstanding withdrawals and deposits by double-clicking the Withdrawals Status icon or the Deposits Status icon in the Bank Transaction Reports folder.

Create G/L Transactions on Request

If, during G/L Integration setup, you selected to create G/L transactions on request using the create G/L batch icon:

- Double-click the G/L Transactions icon in the Bank Transaction Reports folder.
- Choose Print to print the Bank G/L Transactions report using the default settings.

If you now want to send reconciliation transactions to G/L:

- Double-click the Create G/L Batch icon from the Bank Periodic Processing folder.
- Enter a figure in the Through Posting Sequence field.
- Click Process to transfer the bank reconciliation entries to General Ledger.

Create G/L Transactions During Posting

If, during setup, you selected the option to create G/L transactions during posting:

- Print the Bank Services transaction batches in General Ledger by choosing the Batch Listing report in G/L Reports.
- Post the batches in General Ledger using the Post Batches function.
- File the reconciliation records and reports together.

You have now completed a manual bank reconciliation. Repeat these steps for each bank account that you are reconciling.

Data Integrity Check

Double-click the Data Integrity icon in Administrative Services to check that your data is sound, then make a backup copy of it. (See Chapter 11 in the System Manager User Guide for instructions.)

If you are reconciling a statement downloaded from your bank's Web site, see the following instructions.

Downloading and Importing OFX Statements

You can automate much of account reconciliation by importing bank and credit card statements that you have downloaded from your financial institution's Web site.

You must have "Import Bank Services Data" and "Reconcile Bank Statements" security rights to perform these functions.

See the next sections for instructions about importing and reconciling downloaded OFX statements.

A. Downloading OFX Statements

You can download statements from your bank if it offers online services and supports the Open Financial Exchange (OFX) data format. Follow the bank's instructions on their Web site for the download. You must activate Bank Services in order to use the Import Downloaded Bank Statements feature.

Enter correct account and transit numbers

- Before downloading statements, open the Banks dialog box to confirm that you have entered the correct numbers in the Bank Account Number field (with no punctuation, no dashes, and no spaces) and in the Transit Number field (if it isn't a credit card account) for each bank that has statements you will download. The account number can be up to 22 characters.

Currency concerns

- The default currency for your downloaded bank statement must be the same as the bank statement currency for that bank in your company database (or at least one of the source currencies in the records for that bank).

B. Importing OFX Statements

Once your statement has been downloaded, you import it into your company database.

- Click the Import OFX Statements icon in the Bank Transactions folder (or, in the Reconcile Statements form, click File, Import, then select Downloaded Bank Statements and click OK).
- In the Import OFX Statements form, select the range of banks in the From and To Banks fields.
- Click the Browse button to select the file you downloaded from your bank's Web site. (The filename and path will appear in the Downloaded Bank Statement File field.)
- Click the Import button.

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- Read the messages you receive. They inform you of the number of transactions imported, saved, and ready for matching.
 - Close Import OFX Statements.

You now reconcile the imported OFX transactions.

C. Reconciling OFX Transactions

After importing bank transactions, you reconcile them.

- Open the Reconcile OFX Statements form in the Bank Transactions folder.
- Enter your bank code, or use the Finder to select it.
- Use the Calendar icon to select the Reconciliation Date (the last date on your bank statement).
- Select the Reconciliation Posting Date (the year/period field is filled in automatically).
- Use the calendar icon to select the Reconciliation Cutoff Date. Transactions that cleared the bank on or before this date will be the only transactions displayed in the grid.
- Select the "Automatically Clear Reconciled Transactions" option to allow only unmatched transactions to be displayed after you click the Reconcile button.
 - The grid displays the transactions that were imported from the OFX file.
 - All records display "No" in the Cleared column until you click the Reconcile button.
- Click the Reconcile button.

You receive a message telling you how many transactions were processed, matched, and cleared.

Reconciled transactions that match Bank Services entries will display Yes in the Cleared column. (You can either click the Process button now, and then click Refresh to move these items to Bank Services, or wait while you manually clear other items.)

You now manually clear transactions that did not match (for example, bank interest).

Clear bank entries

- To clear entries that originated with the bank (for example, service charges), highlight the entry, then click the Bank Entry button.
- In the Bank Entries dialog box, select the transaction type, or select the G/L Account.

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- If the bank entry is a taxable item, select the Taxable option, then click the Zoom button to open the Taxes form. Select the tax group for this item, change the entries in the grid if required, then click Close to return to the Bank Entry dialog box.
 - Enter a description, reference, and a comment, if needed.
 - Click the Process button in the Bank Entries form, then answer Yes to the message asking if you want to add the transaction to bank entries.
 - Click Close. The status in the Cleared column for this transaction changes to "Yes."

Clear other entries

- Double-click the unmatched transaction, or highlight the item, then click the Clear button.
The Reconcile OFX Statements Detail dialog box appears. (If there are no records that match, you receive a message that none matched, and the Detail box does not appear.)
The entries that appear in the Detail dialog box are entries that match the selected record, showing the transaction details for payee, receipt amount etc. If more than one matching record is in the list, be sure you select the correct entry before clearing it.
- Click the Clear button to clear the transaction, then exit from the Detail form and return to the Reconcile OFX Statements form.
- Check that the status in the Cleared column of the Reconcile OFX Statements form for this item has changed to "Yes."
- Click the Process button to process all manually-cleared items. (Processing moves cleared items to Bank Services.)
Cleared items continue to be displayed in the list until you take the next step.
- Click Refresh to leave only uncleared items in the grid.
- Close Reconcile OFX Statements.
- Open the Reconcile Statements form.
- Select the bank that you downloaded transactions for; select the statement date, the reconciliation date, the reconciliation posting date, then go to the Entries, Deposits, and Withdrawals tabs to view the results.
- Continue with the bank reconciliation process, as described at the beginning of this checklist.