

Company: _____

Bank reconciliations are prepared and reviewed on a regular basis to ensure that errors in the cash account are detected, all cash transactions are recorded (ex adjustments such as bank service charges), and bank and book balances agree.

Cash per Bank Statement \$ _____ (A) How much money is currently in your bank account?

Cash per Books (General Leger) \$ _____ (B) How much money is recorded in your IT System?

The bank account balance (A) and the general ledger balance (B) rarely agree at any one point in time due to time lags (deposits in transit or outstanding cheques), errors (bank or depositor errors), or unknown information that requires journal entries (bank charges, bank credits [interest], or NSF fees). Reconciling items are items that are recorded on either the bank statement or general ledger, but not the other.

| | | |
|------------------------------------|--------------|--|
| Write all Reconciling Items Below: | | <u>Terminology to use for Reconciling Items:</u> Outstanding Cheque - A cheque that has been written, but not cashed. Include the cheque number. DEDUCT these from the bank account balance. Deposits in Transit - Cash deposits you have recorded that have not been deposited. Include the date you recorded the money from your IT System. ADD these to the bank account balance. Monthly Service Charges - ADD these to your bank account balance. Record these in your IT System AFTER finishing the reconciliation. *If you encounter an addition/deduction of cash that does not fall under one of the above categories, ask a program manager. |
| Bank Balance | \$ _____ (A) | |
| Reconciling Items: | | |
| Adjusted Bank Balance | \$ _____ (C) | |
| Does C = B? | YES/NO | |

VP Finance Signature _____

Business Advisor Signature: _____

Date: _____