Understanding the Bank Reconciliation in A2000 ERP system

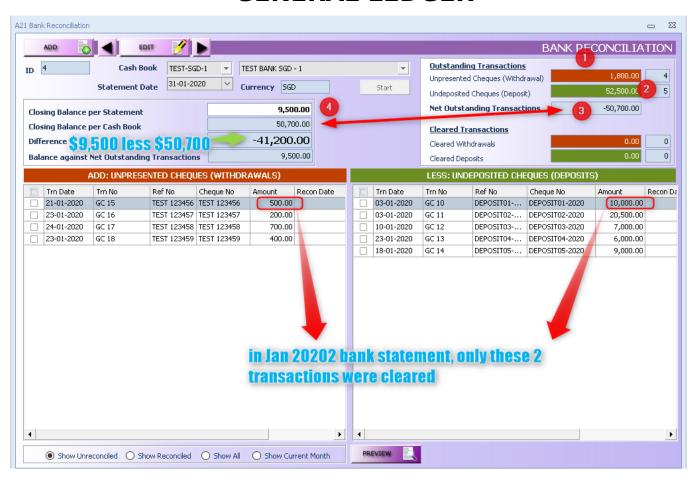
What is Bank Reconciliation Statement?

in simple term, it is a Statement that shows the reconciliation of Balance in the Bank Statement with the Balance in the Cash Book on a specific date. This date is usually the month-end date.

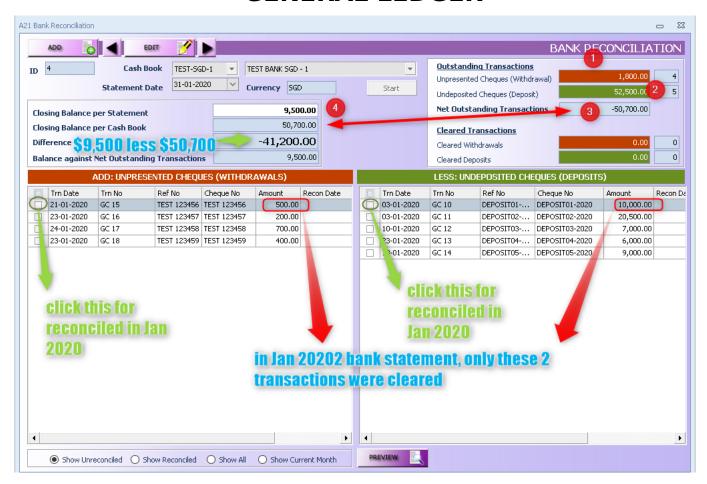
Here goes an example of a Test Bank Account

- 1. Test Bank is a newly opened bank in SGD with no brought forward balance from previous month. Its first bank transaction is in Jan 2020
- 2. During the month Jan 2020, the bank transactions in accounts book were as follows:
- item (1) Total Credited in Test Bank \$1,800 (Payments) which consisted of 4 transactions
- Item (2) Total Debited in Test Bank \$52,500 (Receipts) which consisted of 5 transactions
- Item (3) Total Net Changes in Test Bank (Balance as per Cash Book) \$50,700 which was \$52,500 les \$1,800
- Item (4) Total Balance as per Bank Statement was \$9,500. On 31 Jan 2020, only 2 transactions were cleared by the bank => 3 Jan 2020 Receipts \$10,000 and 21 Jan 2020 Payments \$500.

At above Point 2, no bank reconciliation was done yet at this point and it looks as follows (before reconciliation starts):

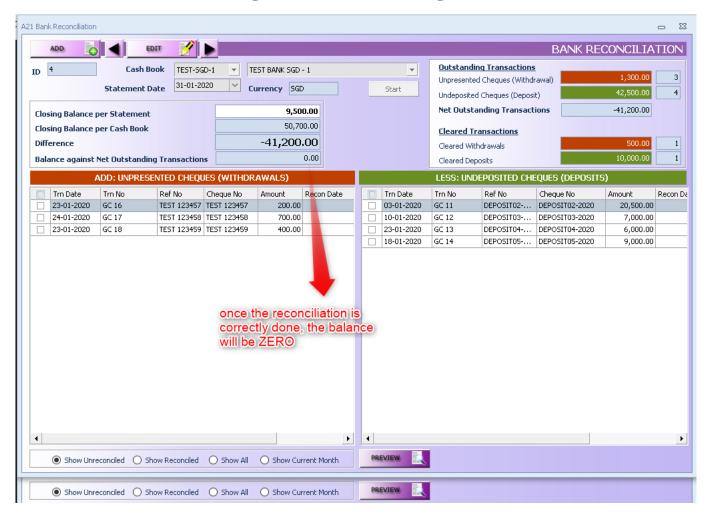


3. On 31 Jan 2020, click "tick" on the 2 reconciled transactions cleared by Test Bank



4. After reconciliation, it will look like this:

The field "Balance against Net Outstanding Transaction" will be zeroed off. If the reconciliation is not completely done up, there will be a outstanding balance in the field.



Unique solution ID: #1067

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Last update: 2020-03-23 11:47