

# GENERAL LEDGER

## Understanding the Bank Reconciliation in A2000 ERP system

What is Bank Reconciliation Statement?

In simple terms, 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 less \$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):

# GENERAL LEDGER

A21 Bank Reconciliation

**BANK RECONCILIATION**

ID: 4 Cash Book: TEST-SGD-1 TEST BANK SGD - 1  
Statement Date: 31-01-2020 Currency: SGD Start

**Closing Balance per Statement:** 9,500.00  
**Closing Balance per Cash Book:** 50,700.00  
**Difference:** \$9,500 less \$50,700 = -41,200.00  
**Balance against Net Outstanding Transactions:** 9,500.00

**Outstanding Transactions**

Unpresented Cheques (Withdrawal)	1,800.00	4
Undeposited Cheques (Deposit)	52,500.00	5
<b>Net Outstanding Transactions</b>	<b>-50,700.00</b>	<b>3</b>

**Cleared Transactions**

Cleared Withdrawals	0.00	0
Cleared Deposits	0.00	0

**ADD: UNPRESENTED CHEQUES (WITHDRAWALS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
<input type="checkbox"/> 21-01-2020	GC 15	TEST 123456	TEST 123456	500.00	
<input type="checkbox"/> 23-01-2020	GC 16	TEST 123457	TEST 123457	200.00	
<input type="checkbox"/> 24-01-2020	GC 17	TEST 123458	TEST 123458	700.00	
<input type="checkbox"/> 23-01-2020	GC 18	TEST 123459	TEST 123459	400.00	

**LESS: UNDEPOSITED CHEQUES (DEPOSITS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
<input type="checkbox"/> 03-01-2020	GC 10	DEPOSIT01-...	DEPOSIT01-2020	10,000.00	
<input type="checkbox"/> 03-01-2020	GC 11	DEPOSIT02-...	DEPOSIT02-2020	20,500.00	
<input type="checkbox"/> 10-01-2020	GC 12	DEPOSIT03-...	DEPOSIT03-2020	7,000.00	
<input type="checkbox"/> 23-01-2020	GC 13	DEPOSIT04-...	DEPOSIT04-2020	6,000.00	
<input type="checkbox"/> 18-01-2020	GC 14	DEPOSIT05-...	DEPOSIT05-2020	9,000.00	

**in Jan 20202 bank statement, only these 2 transactions were cleared**

☒ Show Unreconciled ☐ Show Reconciled ☐ Show All ☐ Show Current Month

PREVIEW

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

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A21 Bank Reconciliation

**BANK RECONCILIATION**

ID: 4 Cash Book: TEST-SGD-1 TEST BANK SGD - 1  
Statement Date: 31-01-2020 Currency: SGD

**Outstanding Transactions**

Unpresented Cheques (Withdrawal)	1,800.00	4
Undeposited Cheques (Deposit)	52,500.00	5
<b>Net Outstanding Transactions</b>	<b>-50,700.00</b>	

**Cleared Transactions**

Cleared Withdrawals	0.00	0
Cleared Deposits	0.00	0

**Closing Balance per Statement** 9,500.00  
**Closing Balance per Cash Book** 50,700.00  
**Difference** \$9,500 less \$50,700 -41,200.00  
**Balance against Net Outstanding Transactions** 9,500.00

**ADD: UNPRESENTED CHEQUES (WITHDRAWALS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
21-01-2020	GC 15	TEST 123456	TEST 123456	500.00	
23-01-2020	GC 16	TEST 123457	TEST 123457	200.00	
24-01-2020	GC 17	TEST 123458	TEST 123458	700.00	
23-01-2020	GC 18	TEST 123459	TEST 123459	400.00	

**LESS: UNDEPOSITED CHEQUES (DEPOSITS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
03-01-2020	GC 10	DEPOSIT01-...	DEPOSIT01-2020	10,000.00	
03-01-2020	GC 11	DEPOSIT02-...	DEPOSIT02-2020	20,500.00	
10-01-2020	GC 12	DEPOSIT03-...	DEPOSIT03-2020	7,000.00	
23-01-2020	GC 13	DEPOSIT04-...	DEPOSIT04-2020	6,000.00	
27-01-2020	GC 14	DEPOSIT05-...	DEPOSIT05-2020	9,000.00	

**in Jan 2020 bank statement, only these 2 transactions were cleared**

click this for reconciled in Jan 2020

click this for reconciled in Jan 2020

click this for reconciled in Jan 2020

PREVIEW

Show Unreconciled Show Reconciled Show All Show Current Month

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.

# GENERAL LEDGER

A21 Bank Reconciliation

**BANK RECONCILIATION**

ID: 4 Cash Book TEST-SGD-1 TEST BANK SGD - 1  
Statement Date: 31-01-2020 Currency: SGD Start

Closing Balance per Statement: 9,500.00  
Closing Balance per Cash Book: 50,700.00  
Difference: -41,200.00  
Balance against Net Outstanding Transactions: 0.00

**Outstanding Transactions**

Unpresented Cheques (Withdrawal)	1,300.00	3
Undeposited Cheques (Deposit)	42,500.00	4
<b>Net Outstanding Transactions</b>	<b>-41,200.00</b>	

**Cleared Transactions**

Cleared Withdrawals	500.00	1
Cleared Deposits	10,000.00	1

**ADD: UNPRESENTED CHEQUES (WITHDRAWALS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
23-01-2020	GC 16	TEST 123457	TEST 123457	200.00	
24-01-2020	GC 17	TEST 123458	TEST 123458	700.00	
23-01-2020	GC 18	TEST 123459	TEST 123459	400.00	

**LESS: UNDEPOSITED CHEQUES (DEPOSITS)**

Trn Date	Trn No	Ref No	Cheque No	Amount	Recon Date
03-01-2020	GC 11	DEPOSIT02-...	DEPOSIT02-2020	20,500.00	
10-01-2020	GC 12	DEPOSIT03-...	DEPOSIT03-2020	7,000.00	
23-01-2020	GC 13	DEPOSIT04-...	DEPOSIT04-2020	6,000.00	
18-01-2020	GC 14	DEPOSIT05-...	DEPOSIT05-2020	9,000.00	

once the reconciliation is correctly done, the balance will be ZERO

Show Unreconciled Show Reconciled Show All Show Current Month PREVIEW

Show Unreconciled Show Reconciled Show All Show Current Month PREVIEW

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