



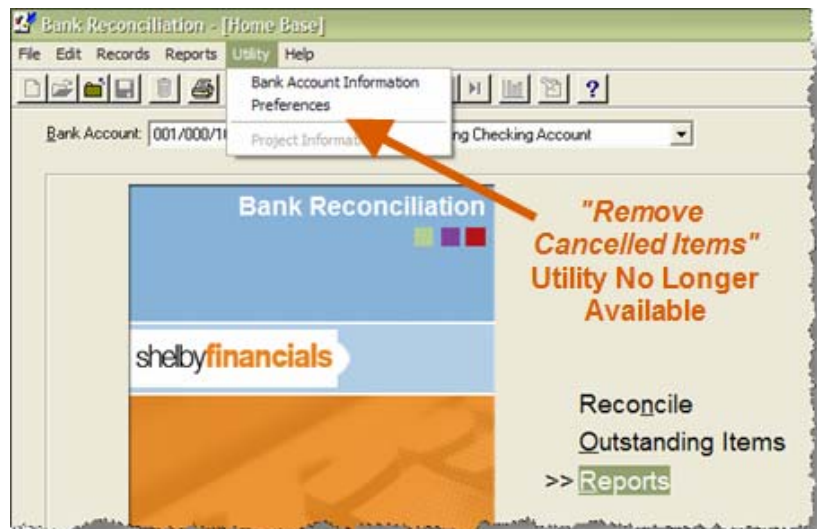
Bank Reconciliation:

Improvements for the Shelby v5 Spring 2006 Release

After loading the spring 2006 release, you will notice a few major improvements to the Bank Reconciliation module that will assist you in reconciling your bank statement.



In previous versions, many users used the *Remove Cancelled Items* utility to remove cleared items from the reconciliation screen. This removed all items cleared by your bank, making the reconciliation screen easier to read. However, once cleared, these items were removed completely from Shelby, and could not be retrieved in the future.

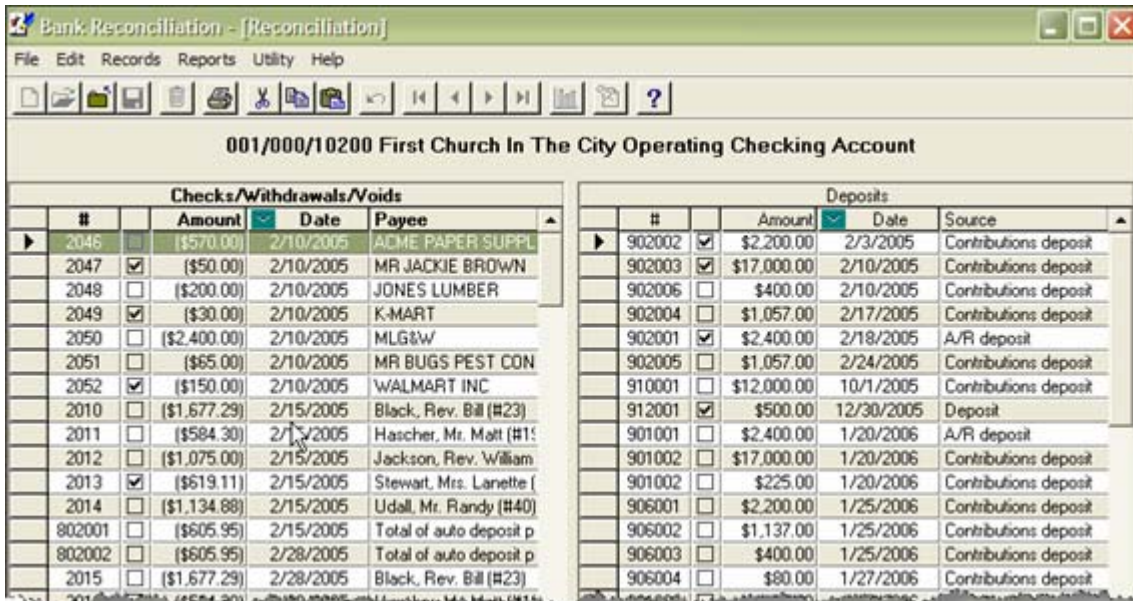


The spring 2006 release no longer includes the *Remove Cancelled Items* utility.

Instead, Bank Reconciliation now prompts you for a reconciliation date upon entering the Reconciliation area. Using this date, only items from the selected month, plus all additional outstanding items, will display.



A new look has been added to the interface to reduce clutter in the Reconciliation area. Checks, withdrawals, and voids appear in a separate column from deposits making it easier to mark cleared items.



Are You Ready to Use Bank Reconciliation?

If Bank Reconciliation is in agreement with your checking account balance in General Ledger, you can begin using the new Bank Reconciliation module right away. However, if the two modules do not currently reconcile, you will first need to get Bank Reconciliation and General Ledger in balance.


Verifying Bank Reconciliation and General Ledger Balance

The following steps demonstrate how to obtain the balance of your bank account in General Ledger and compare it against the ending balance on your Bank Reconciliation Outstanding Items report.

- 1) Start **General Ledger**.
- 2) Click the **Inquiries** link.
- 3) Enter the checking account's detail line number in the **From Acct #** and **To Acct #** fields by either typing in the number or by selecting it from your chart of accounts using the pick-button.

Note: Leave the *Fund* and *Department* fields blank.

- 4) Click the **OK** button.



General Ledger Inquiry Criteria

First Church In The City - Fiscal Year Beginning 1/1/2006

Fund (all)

Department (all)

From Acct # Operating Checking Account

To Acct # Operating Checking Account

For All Accounts

Bank Account Detail Line in Your Chart of Accounts

Filters for Detail Inquiry

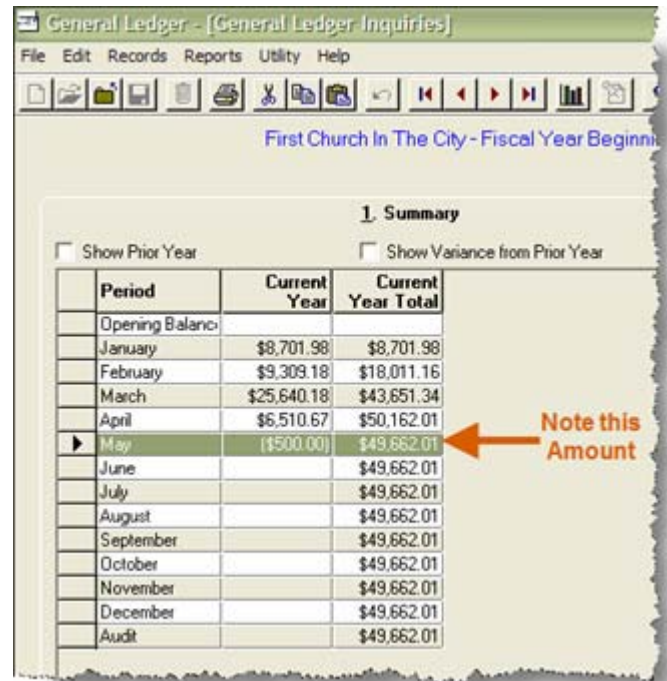
Period Start Date End Date

Type JV. # Project

From To

Amount

- 5) Note the balance of your checking account in the **Current Year Total** column next to the current month.



General Ledger - [General Ledger Inquiries]

File Edit Records Reports Utility Help

First Church In The City - Fiscal Year Beginning

1. Summary

Show Prior Year Show Variance from Prior Year

Period	Current Year	Current Year Total
Opening Balance		
January	\$8,701.98	\$8,701.98
February	\$9,309.18	\$18,011.16
March	\$25,640.18	\$43,651.34
April	\$6,510.67	\$50,162.01
▶ May	(\$500.00)	\$49,662.01
June		\$49,662.01
July		\$49,662.01
August		\$49,662.01
September		\$49,662.01
October		\$49,662.01
November		\$49,662.01
December		\$49,662.01
Audit		\$49,662.01

Note this Amount

- 6) Close General Ledger and start **Bank Reconciliation**.

- 7) If you have more than one checking account, select the appropriate account at the top of the Bank Reconciliation Home Base screen.



- 8) Click the **Reports** link.

- 9) Select the **View Outstanding Items** radio button.
- 10) Select all options under the **Include What Types of Items** button group.
- 11) Leave the date fields blank.
- 12) Click the **OK** button.



- 13) Compare the Ending Balance figure at the bottom of the report to the figure you noted in step 6). If the figures match, then Bank Reconciliation balances with General Ledger.

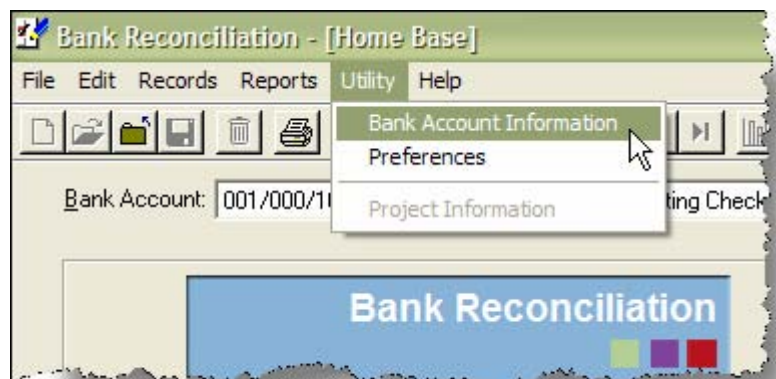
<u>Item #</u>	<u>Type</u>	<u>Date</u>	<u>Payee</u>	<u>Amount</u>
903003	Deposit	3/3/2006	Contributions deposit	2,200.00
903003	Deposit	3/16/2006	Contributions deposit	1,600.00
903004	Deposit	3/10/2006	Contributions deposit	17,000.00
903004	Deposit	3/16/2006	Contributions deposit	3,500.00
903005	Deposit	3/17/2006	Contributions deposit	17,000.00
903006	Deposit	3/10/2006	Contributions deposit	400.00
903007	Deposit	3/31/2006	RG deposit	750.00
904001	Deposit	4/7/2006	Contributions deposit	1,886.00
904002	Deposit	4/14/2006	Contributions deposit	1,057.00
904003	Deposit	4/21/2006	Contributions deposit	17,000.00
904004	Deposit	4/28/2006	Contributions deposit	2,200.00
904005	Deposit	4/14/2006	Contributions deposit	400.00
904006	Deposit	4/30/2006	RG deposit	650.00
904009	Deposit	4/30/2006	RG deposit	200.00
907002	Void	7/11/2006	A/R voided payment	-200.00
908001	Check	4/30/2006	Check	-1,446.06
Ending Balance				49,662.01
Total Outstanding				2,200.00

Starting Over Using Bank Reconciliation

If you have not used Bank Reconciliation for a while and you want to “start from scratch” with the current month, follow the steps below to get on track. An example scenario is included below for further clarification:

“Today is June 3rd and you just received your May bank statement in the mail. The statement ending date is May 31st. You want to start reconciling Bank Reconciliation starting with the month of May. Several items written at the end of April had not cleared the bank in time to be included on the April statement, so you wrote those items down on the back of the April bank statement. In March, you wrote several employee checks, but the employees have not yet cashed their paychecks.”

- 1) Gather your list of known outstanding items (*the items written on the back of the April statement*).
- 2) Note the ending balance on the previous month’s statement (*the ending balance on the April statement*). This figure will be your new opening balance.
- 3) Start **Bank Reconciliation**.
- 4) Choose the appropriate bank account on the Bank Reconciliation Home Base screen.
- 5) Click **Utility** on the menu bar at the top of the screen and select **Bank Account Information**.



6) Double-click on the appropriate bank account.



7) Enter the amount noted in step 2) in the **Opening Balance** field and click the **OK** button.



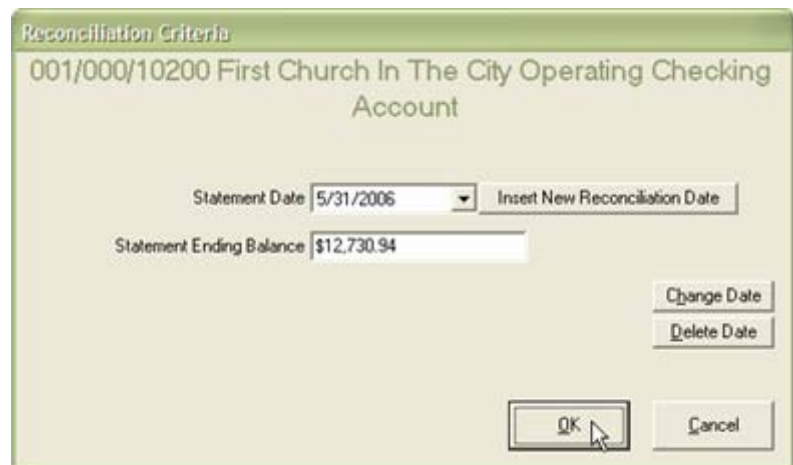
8) Click the **Close** icon on the toolbar at the top of the screen.

9) Click on the **Reconcile** link.

10) Click the **Insert New Reconciliation Date** button.

11) Choose the statement ending date of the current month (*May 31st*)

12) At this point, the figure in the *Statement Ending Balance* field is irrelevant. Click the **OK** button.





13) You will see green arrows in both the *Date* columns. Click these arrows so that they point up. This will sort the items in the columns so that the most recent item displays in the first row, the next most recent item displays in the second row, etc.



14) Place a checkmark by the following items:

- a) All outstanding items collected in step 1) (*on the back of the April bank statement*).
- b) Any other items from previous months that have not cleared the bank (*the outstanding March employee checks*).
- c) All items created after current Statement End Date (*in June, July, etc.*).

Tip: You can use the space bar on your keyboard to mark an item and the arrow keys on your keyboard to highlight items in the list.

15) Click the **Apply** button at the bottom of the screen.

16) Click the **Finished** button at the bottom of the screen.

17) Click the **Outstanding Items** link.

18) Delete all items in this *Outstanding Items* grid.

Tip: To delete items quickly, click the trashcan icon on the toolbar with the mouse and press the “Y” key on your keyboard when the confirm deletion message box appears. Rapidly repeat as necessary.

19) Click the **Close** icon on the toolbar at the top of the screen.



- 20) Click the **Reconcile** link.
- 21) Select the date you created in step **11**) (*May 31st*) and click the **Delete Date** button. Then, click **Yes** on the confirmation message.
- 22) **You are now ready to reconcile your current period (*May*) bank statement. Proceed to the “*Reconciling*” section on the following page.**

Have You Been Reconciling Every Month?

If you have been reconciling every month, but find that Bank Reconciliation and General Ledger do not balance and you do not know why, see the following section titled “***Bank Reconciliation and General Ledger Still Does Not Agree***”.

Reconciling

If Bank Reconciliation and General Ledger balance, use the following steps to reconcile your current month:

- 1) Locate the statement you received in the mail from your bank.
- 2) Start **Bank Reconciliation**.
- 3) Choose the appropriate bank account on the Bank Reconciliation Home Base screen.
- 4) Click the **Reconcile** link.
- 5) Select the current period ending date, or click the **Insert New Reconciliation Date** button to create a new ending date.
- 6) Enter the selected month's ending balance in the **Statement Ending Balance** field (the statement ending date found on the hardcopy statement from your bank).
- 7) Click the **OK** button.



Date	Amount
10/20	\$ 738.97
10/21	526.82
10/22	590.53
10/23	524.21
10/26	382.24
10/27	398.42



Reconciliation Criteria

001/000/10200 First Church In The City Operating Checking Account

Statement Date: 5/31/2006

Statement Ending Balance: \$12,730.94

Note: If this is the first time you are reconciling this bank account, you will immediately be prompted to enter a reconciliation date upon clicking the Reconcile link on the Home Base screen. Furthermore, an additional field named "Opening Balance (Balance Forward)" will appear on the Reconciliation Criteria window. Enter the opening balance listed on your bank statement in this field. When later return to the Reconciliation window, you will also notice a reconciliation date one month prior to the initial entered date was created under the Statement Ending Date pull-down field.



Statement Date: 5/17/2006

Statement Ending Balance: \$10,000.00

Opening Balance (Balance Forward): \$12,730.94

8) Select each item that appears on your bank statement.

9) At the bottom of the screen, you will notice six fields. A description of these fields is listed below:

2015	<input type="checkbox"/>	(\$1,677.29)	2/28/2005	Black, Rev. Bill (#23)	906004	<input type="checkbox"/>	\$80.00	1/27/2006	Contributions deposit
2016	<input type="checkbox"/>	(\$584.30)	2/28/2005	Hascher, Mr. Matt (#15	901003	<input type="checkbox"/>	\$800.00	1/27/2006	Contributions deposit
2017	<input type="checkbox"/>	(\$1,075.00)	2/28/2005	Jackson, Rev. William	902004	<input type="checkbox"/>	\$700.00	2/14/2006	Contributions deposit
2018	<input type="checkbox"/>	(\$619.11)	2/28/2005	Stewart, Mrs. Lanette (902006	<input type="checkbox"/>	\$1,100.00	2/15/2006	Contributions deposit
		\$0.00		0 transaction(s)			\$0.00		0 transaction(s)

Statement Date	5/31/2006	Apply	Opening Balance	\$12,730.94
Ending Balance	\$5,043.00	Finished	Net Activity	\$0.00
Difference	(\$7,687.94)		Ending Balance	\$12,730.94

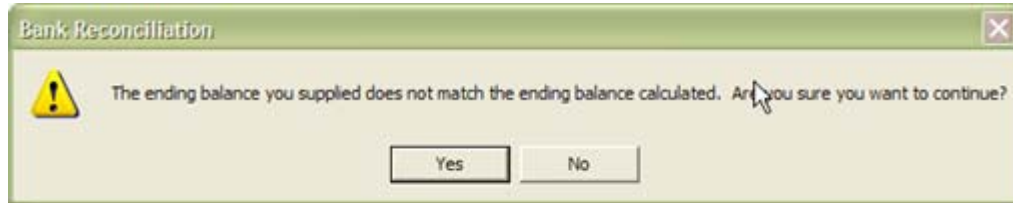
Ready May 17, 2006 10:31 AM

- The **Statement Date** field displays the statement date entered on the *Reconciliation Criteria* window.
- The **first Ending Balance** figure (on the left) should match the ending balance on your bank statement. This figure was entered in the Ending Balance field on the Reconciliation Criteria window.
- The **Difference** figure is the dollar difference between the items you have selected above and the sum of the deposits and checks/withdrawals/voids on your bank statement. When this figure reaches zero, you have successfully selected all items that appear on the bank statement.
- The **Opening Balance** figure should match the opening balance of your bank statement. If it does not, then you did not reconcile from a previous month, or you entered an incorrect dollar figure for the opening balance during the initial month for this bank account.
- The **Net Activity** figure shows the net dollar amount of all selected items.
 - **Tip:** Manual journal entries created in General Ledger do not automatically post to Bank Reconciliation. If you conclude that an item should show in the reconciliation area and does not, add the item in the *Outstanding Items* area found on the Home Base screen.
- The **second Ending Balance** figure (on the right) is the calculated ending balance based on which items are reconciled above. This figure should match the Ending Balance figure on the left. If it does not, then you have not checked all items that appear on the bank statement, or you have accidentally checked too many.



- 10) To save the selected entries, click the **Apply** button at the bottom of the screen. Then, click the **Finished** button to return to the Home Base screen.

Note: A warning message will appear notifying you that you are not in balance if the *Difference* field is not zero. Make sure to click the **Yes** button if you wish to save the changes.



- 11) Follow the steps outlined in the “**Verifying Bank Reconciliation and General Ledger**” above. If the Bank Reconciliation balance matches the General Ledger checking account balance, then you are reconciled for the month.

Bank Reconciliation and General Ledger Do Not Balance

If you find that Bank Reconciliation and General Ledger do not reconcile, follow the checklist below for possible actions you may have skipped.

- Make sure you used the correct Statement Date when reconciling.
- Make sure you used the correct Statement Ending Balance when reconciling.
- Examine voided checks to make sure that the check date and the void date fall within the same period.
- Look for unposted journal entries in the Journal Entries area of General Ledger (do not to forget to set the *Users* criteria field to **All Users**).
- Manual journal entries do not automatically post to Bank Reconciliation. If you locate a manual journal entry that should have been included in Bank Reconciliation, and was not, go to the Outstanding Items area of Bank Reconciliation and add a manual item to the list.
- If you still can not locate the problem, then as a last resort you can create a balancing entry in the Outstanding Items area of Bank Reconciliation, or create a correcting entry in General Ledger..