

Check Reconciliation Resolution Worksheet

This worksheet can be used to help find the cause of a difference in the Check Reconciliation option. The difference amount shown on the check reconciliation screen is a simple calculation that takes the Statement Balance entered and then adds in any outstanding cash receipts and manual journal entries. The outstanding checks, automatic payments, voids and direct deposits are then subtracted. This amount is then compared to the ending cash account balance for the accounts being reconciled. This calculation can be viewed by clicking the **Go To** button next to the Difference field on the Check Reconciliation screen. See **Diagram A** for an example of the difference calculation.

To find the difference on your check reconciliation, follow the steps below to locate the issue. Read each step in detail and complete the step even if it is thought that the item being verified is not the culprit. Continue with each step until the difference is found.

Entity ID	Void Processing Month
ULLERTONE	
TT	
MERICANAS	
HOMRIC	
DAMSBOKC	
MERICANMU	
TT	
OPOILCOM	
RANKLINEQ	
ULLERTONE	
IMAC	

Statement Balance	4,273,220.01
+ Outstanding Cash Receipts and Manual Journal Entries	555.00
- Outstanding Checks, Automatic Payments and Voids	220,535.29
- Outstanding Direct Deposits	.00
- Cash Account Balance	4,053,277.32
= Difference	-37.60

Chart of Account Number	Chart of Account Description	Balance
10 1111	Cash In Bank	4,109,382.91
20 1111	Cash In Bank	-33,605.59
40 1111	Cash In Bank	-22,500.00
		4,053,277.32

Diagram A

1. Verify the appropriate cash accounts are selected for this checking account. The cash account(s) can be found by going to the General Ledger screen, selecting the **Maintenance** menu and then **Checking Accounts**. The account number(s) selected in the Reconciliation Accounts section of the screen are the ones being reconciled.
2. Review the month prior to this one and verify if the difference on the Statement Transactions screen is zero. If the prior month is not balancing, go back to the first month in which there is a difference and use this worksheet to balance that month.
3. Ensure that all items that would affect the check reconciliation have been entered (i.e. interest, fees, etc.) and all items on your bank statement have been accounted for and entered into the School Accounting System.
4. Print the Check Reconciliation Report from within the current check reconciliation batch. Totals can be found at the end of the report. Verify each of the following totals match back to the totals on your bank statement.
 - Cleared Checks Total = total of cleared checks on the bank statement
 - Cleared Automatic Payment Total = total of automatic debits on the bank statement
 - Cleared Direct Deposit Total = total of ACH debits on the bank statement
 - Cleared Cash Receipt Total = total of deposits on the bank statement
 - Cleared Manual Journal Entries Total = total of transfers and other miscellaneous items on the bank statement

If there are any discrepancies in the items above, adjust for those appropriately and verify if the check reconciliation is now balancing.
5. Verify that voided checks are selected if the Void Month is in the month listed for the month being reconciled. To verify this, resort (or filter) the checks by the Void Processing Month column. Only checks that have a Void Processing Month in the month being reconciled should be selected. After selecting the appropriate void checks, verify if the check reconciliation is now balancing.

Note: The checks, automatic payment stubs or direct deposit stubs that were voided will be automatically selected as cleared and will be highlighted in gray and cannot be changed. Typically, voided items will only need to be manually selected when first starting to use the Check Reconciliation option in the School Accounting System.
6. Verify the fund on the checks being reconciled.
 - To verify this, from the General Ledger screen, select the **Reports** menu, **Check Reports** and then **Check Register by Checking Account**.
 - Select the month being reconciled for the **Processing Month** parameter.
 - Select **True** for the **Prepaid** parameter.
 - Select **all the funds for the cash accounts listed in Step 1** for the **Fund Number from AP Invoice** parameter.
 - Select **all checking accounts except the one being reconciled** for the **Checking Account ID** parameter. If the only checking account appearing in the parameter search is the one being reconciled, skip to the next step.

If there are any checks listed on the Check Register by Checking Account when running it with the above settings, they are due to checks written from the checking account's cash account that is being reconciled but were not written from the checking account being reconciled. Research why these checks were written from the checking account listed on the report. If the checks have an incorrect

checking account, then a possible solution would be to renumber the checks to the correct checking account. After these checks are corrected, verify if the check reconciliation is now balancing.

7. Verify if there were any checks that were manually entered to the Checks File Maintenance.
- From the General Ledger screen, select the **Checks Options** menu and then **Checks File Maintenance**.
 - Click the **Find** button next to the Check Number field.
 - Using the funnels in the column headers, filter for just the checking account(s) being reconciled. Additionally, filter for only **GL** in the Module column.
 - Review the checks in this list. These are checks that have been manually entered and would not be affecting any cash account. If any of these checks have cleared the bank, they may be causing the balancing issue since they did not also affect a cash account.
- Note:** If you recently converted to the School Accounting System from another software, any outstanding checks at the time of your conversion that had previously affected your cash account(s) would've been entered and would be expected as part of this list.

If there are there any manual checks listed that were cleared in this check reconciliation (not from an initial conversion), the checks should be deleted from the Checks File Maintenance and entered into the system properly. If you are unsure of how to handle these checks, contact Customer Support. After accounting for these checks, verify if the check reconciliation is now balancing.

8. Verify if there were any checks in which the account entered on an invoice (the account that is debited) was the cash account(s) being reconciled.
- To verify this, from the Accounts Payable screen, select the **Reports** menu, **Invoice Reports** and then **Invoice Distribution Report**.
 - Select **all the cash accounts** listed in Step 1 for the **Chart of Account Number** parameter.
 - Select the **processing month for which you are reconciling** for the **Processing Month** parameter.

The checks listed on the Invoice Distribution Report are checks in which the account number used on an invoice was the cash account being reconciled. This would mean that when the check was written the cash account was debited and credited and thus was a wash. If this check cleared the bank, then it would've reduced the bank account balance, but the cash account in the School Accounting System would not have been reduced. To fix this issue, correct the cash account number used on the checks by using the Adjust Posted Entries option or complete manual journal entries. After these checks are corrected, verify if the check reconciliation is now balancing.

9. Verify if there were any checks that do not have any detail (did not affect the cash account in the software) that cleared the bank.
- To verify this, from the General Ledger screen, select the **Reports** menu, **Check Reports** and then **Check Register by Type**.
 - Click the **Clear Parameters** button at the top of the screen to clear the Processing Month parameter so that the report will be run for all months.
 - Search on the **Check Type** parameter and select **Check**.
 - Search on the **Payee Type** parameter and select **Direct Deposit**.

The checks listed on this report would not have affected a cash account in the software but would've reduced the cash balance at the bank. Often this is from a direct deposit bank having a payee entered. Contact Customer Support for guidance on how to correct this issue. After accounting for this issue, verify if the check reconciliation is now balancing.

10. Verify if there were any checks that had a status of "Reprinted During Check Cycle" that were edited in the Checks File Maintenance to have the void information removed and original amounts added.
- To verify this, from the General Ledger screen, select the **Reports** menu, **Check Reports** and then **Check Register by Checking Account**.
 - Click the **Clear Parameters** button at the top of the screen to clear the Processing Month parameter so that the report will be run for all months.
 - Search on the **Checking Account ID** parameter and select the checking account being reconciled.
 - Search on the **Print Status** parameter and select **Reprinted During Check Cycle**.
 - Search on the **Void** parameter and select **False**.

The checks listed on this report would not have affected a cash account in the software but may have reduced the cash balance at the bank. These checks would have been manually changed in the Checks File

Maintenance and should not have been. Review the checks on this list and find the checks that were printed in the system in their place. The checks that had the "Reprinted During Check Cycle" status should be edited to include a void date again. Additionally the replacement copies of these checks should be located and those checks would be the ones that should be cleared in the check reconciliation. If the replacement checks were subsequently voided, they would need to be recreated so that the cash is reduced appropriately.

11. Verify if there were any checks written from Accounts Payable for this checking account that would have affected a cash account not tied to this reconciliation.

- From the General Ledger screen, select the **Reports** menu, **Check Reports** and then **Check Register by Checking Account**.
- Select the month being reconciled for the **Processing Month** parameter.
- Select the checking account being reconciled for the **Checking Account ID** parameter.
- Select **any fund that is not one of the funds for the Reconciliation Accounts selected in Step 1** for the **Fund Number from AP Invoice** parameter. If all of the funds listed are ones being reconciled, skip to the next step.

If there are any checks listed on the Check Register by Checking Account when running it with the above settings, these checks may have been checks that were written from the checking account being reconciled but that affected a cash account that is not part of the reconciliation. Research why these checks were affecting a cash account that is different from the one(s) being reconciled. If the checks have the incorrect checking account, then a possible solution would be to renumber the checks to the correct checking account. After these checks are corrected, verify the check reconciliation is now balancing.

If you have completed all of these steps and are still not able to balance, here are some additional tips:

- Delete the check reconciliation batch and start over with a fresh batch.
- If you complete the check reconciliation a second time and end up with the same difference after checking all the items on this list, then do the following:
 - Record the amount you are off.
 - Leave the Check Reconciliation batch open at this time; do not close the batch.
 - Move on to the next month to see if the discrepancy reason appears.
 - Following these steps should determine the balancing issue and rarely are there issues balancing after verifying all of these items. If after two months of not reconciling using these steps you still are not balancing, contact customer support so they can help verify which item might have been missed.