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BANK RECONCILIATION PROCESS (FIN-P004)  
DCSS – Finance Department

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**1.0 SCOPE:**

- 1.1 To balance the bank statements to the accounting records on a monthly basis.

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**2.0 RESPONSIBILITY:**

- 2.1 Assistant Director of Finance
- 2.2 Accounting Coordinator
- 2.3 Cash Accountant

**3.0 APPROVAL AUTHORITY:**

- 3.1 Assistant Director of Finance
- 3.2 Accounting Coordinator

**4.0 DEFINITIONS:**

- 4.1 Bank side - Items that needs to be corrected with the bank or need to clear the bank and will appear on a future bank statement but have already been posted on the books.
- 4.2 Book side - Items that need to be entered or corrected on the books and have already cleared the bank.
- 4.3 SciView – A database program (Microsoft Access) used to store and retrieve financial information.

**5.0 PROCEDURE:**

- 5.1 A spreadsheet is maintained monthly to aid in the bank reconciliation process.
- 5.2 There are two sections to the spreadsheet- The **bank side** (bank information) and the **book side** (DCSS accounting information - financial). The goal is to ensure that both sides balance.
- 5.3 Prior month transactions are retrieved on the first working day of the month using the on line banking service before the bank statement is received. This information is exported to Excel worksheets located on the Accounting drive in a file named "Bank File". The prior month bank statement is received from the bank on a disk after the 10<sup>th</sup> of the month.
  - 5.3.1 Cleared checks are saved by name and date. Examples are:
    - 5.3.1.1 CAP August 2006 – Consolidated Accounts Payable
    - 5.3.1.2 CPR August 2006 – Consolidated Payroll
    - 5.3.1.3 1068 August 2006 – Child Nutrition Services
  - 5.3.2 Checks are sorted by number and checked for duplicate or incorrect numbers. If any errors are found, a balance report for the date the check cleared is run on line to view the check and correct the spreadsheet. Bank statements are retrieved from the disk provided by the bank.

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- 5.3.3 Checks are totaled to and make sure the amount agree with the cleared check amount on the bank statement. This file will be used to generate an outstanding check list process.
- 5.3.4 Deposits (bank credits) and any other bank debit except checks are saved as "Account name/date/Detail per Bank. This is a backup file to the bank statement and can be used as needed for balancing or preparing other reports. Current month checks are copied to a spreadsheet.
- 5.4 Prior month's reconciliation spreadsheet is copied and saved as the new month. The date is changed to the current month and year.
- 5.5 A separate spreadsheet is set up for Account Payable, Payroll and Child Nutrition checks.
  - 5.5.1 In order to create an outstanding check list for the current month, current checks and prior month outstanding checks are needed.
  - 5.5.2 Prior month outstanding checks and current month outstanding checks are renamed and imported to SciView.
  - 5.5.3 Current month checks from the bank are renamed and imported to SciView.
- 5.6 A report is developed and run to ensure that checks have cleared the bank for the correct amount.
  - 5.6.1 Once verified, an outstanding checklist is generated. This process must be done for all banks: Account Payable, Payroll and Child Nutrition.
  - 5.6.2 The bank statement balance and book balance are posted to the bank statement ledger.
- 5.7 All outstanding checks are posted to the bank side and any adjustments from the prior month that is still outstanding.
- 5.8 Transactions that are on the books are posted. They will not appear on the bank statement until the following month.
  - 5.8.1 An account history of each bank is run for the month to get an ending book balance.
- 5.9 Post transactions that are on the bank statement, but not posted to the books. After these transactions are posted, the bank statement should balance.
- 5.10 Copies of all reconciling items are made and attached to the bank statement for review by the Assistant Finance Director.

**6.0 ASSOCIATED DOCUMENTS:**

- 6.1 Bank Statement
- 6.2 Receipts
- 6.3 Deposit Slips

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**7.0 RECORD RETENTION TABLE:**

<b>Identification</b>	<b>Storage</b>	<b>Retention</b>	<b>Protection</b>	<b>Disposition</b>
Bank Statements	Electronically	Minimum period of 7 years	To Be Determined by accounting	To Be Determined by accounting

**8.0 REVISION HISTORY:**

<b>Date:</b>	<b>Rev.</b>	<b>Description of Revision:</b>
14-Sep-06	A	Initial Release

**\*\*\* End of Procedure \*\*\***