Step 3 – Reconciling Transactions

Last Modified on 04/19/2022 11:21 am EDT

Warning: Before you begin this step of entering beginning balances, it is essential that you read this guide in its entirety — you must understand the process *before* beginning the process.

Bank statement reconciliation is the process of comparing your *bank* balance (totals shown on the bank records) to your *book* balance (totals shown in your accounting system), then accounting for any discrepancies.

Causes of Discrepancies

Discrepancies between these two balances are typically caused by transit time.

For example, cutting a check updates your accounting system immediately. It deducts the cash and reflects that transaction on the book balance. However your bank balance will not reflect the check until the payee receives it, deposits it, and it clears the account. Likewise for recording a receipt, the deposit record updates the book balance immediately, but funds are not available as cash until you physically take the receipt to the bank and it clears.

We recommend that you try to minimize the number of checks and deposits in transit at your Go-Live Date. Rescheduling invoicing and bill payment around that date can simplify the process.

Other causes for discrepancies can include transaction fees, automated bill payments, interest deposits, etc. Generally these transactions are identified during your bank statement reconciliation process, then entered into your accounting system retroactively. This aspect of business operations is a good reason to keep your bank accounts reconciled.

Reconciling Discrepancies Between Transaction Records

Generate a bank statement reconciliation from your previous system. Confirm that the bank statement reconciliation is accurate. The report should list all outstanding checks and deposits.

Next, use the aACE Bank Reconciliation module to <u>verify you have records for all the</u> <u>outstanding transactions (https://aace5.knowledgeowl.com/help/reconciling-a-bank-account)</u> listed on your bank statement reconciliation.

If your bank statement shows additional entries, you may need to create additional transactions in aACE. The Bank Reconciliation/Statements module provides Quick Links to help you easily create additional records for a reconciliation.

Account 2 of 2 New @ Edt @ Deleted 3 Statement 2 till 1115 Cash Checking (AI) 4/15/2022 Statement Details Notice: @						nts	Bank Stat						
Bank Statement: 1115 Cash Checking (AI) 4/15/2022 Statement Details Notes Eark Account > Statement Date Statement Balance 1115 Cash Checking (AI) 0 4/15/22 0.00 Build/Refresh Statement Items Statement Items Statement Items Items Items Pitters 0 0 118,860.75 118,860.75 118,860.75 9/30/21 0.158-50089 Textbook Emporium 6648 13,519.69 0 13,589.65 (15,598.05) 0 15,598.05 (15,598.05) 0 15,598.05 (15,598.05) 0 15,598.05 (15,598.05) 0 15,598.05 (15,598.05) 0 15,598.05 (15,598.05) 0 0,597.71 0 0,1,577.71	Print 📇 🛛 Actions 🛪	Delete 🗙	Edit 🖋 🛛 Delete	New 🖶								2 of 2	🗏 🔷 Record:
Statement Details Notes General Info Bank Account > 1115 Cash Checking (AI) Q4/15/22 0.00 Bank Account > Statement Items Filters E Date Transaction Notes Reference Deposit Q4/30/21 O ISB-50089 Textbook Emporium 6648 Q4/30/21 D ISB-50089 Q4/30/21 D ISB-50090 McGullicuddy McGuire-Hall 6647 Q4/30/21 D ISB-50091 LearnWright Inc.; 91475836 66649 Q1/30/21 D ISB-50092 Q Aperture Technologies; 6478137 6650 Q1/30/21 D ISB-50092 Q Aperture Technologies; 6478137 6650 Q1/30/21 D ISB-50094 Values HamWright Inc.; 91475836 6651 Q1/30/21 D ISB-50094 Q1/30/21 D ISB-50095 McGullicuddy McGuire-Hall 6652 Q1/30/21 D ISB-50095 <		•				2022) 4/15	king (AI)	5 Cash Chec	t: 111	temer	Sta	Bank
General Info Bank Account > Statement Date Statement Date Statement Date Statement Date 1115 Cash Checking (Al) 0 04/15/22 0.00 Build/Refresh Statement Items Statement Items Filters E Date Transaction Notes Reference Deposit Withdrawal Cleared Uncleared 04/30/21 0.50124 Deposit 118,860.75 118,860.75 118,860.75 (13,519.69) (Emails 🞽 Docs 🧭	ces 😗 👔	Notices 😏								etalls	nent D	State
Bank Account > Statement Date Statement Date Statement Date Statement Date 1115 Cash Checking (AI) 0 04/15/22 0.00 Build/Refresh Statement Items Statement Items Statement Items Statement Items Date Transaction Notes Reference Deposit Withdrawal Cleared Uncleared 04/30/21 > 0.550124 Deposit 118,860.75 118,860.75 118,860.75 118,860.75 04/30/21 > DISB-50099 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 > DISB-50090 McGuillcuddy McGuire-Hall 66647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearnWright Inc.; 91475836 66651 7,585.10 (7,585.10) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 66551 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) <td></td> <td>nfo</td> <td>General I</td>												nfo	General I
1115 Cash Checking (Al) Q 04/15/22 0.00 Build/Refresh Statement Items Statement Items Filters L Date Transaction Notes Reference Deposit Uncleared Uncleared 04/30/21 > G3-50124 Deposit 118,860.75 118,860.75 118,860.75 04/30/21 > DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 > DISB-50090 McGullicuddy McGulre-Hall 6647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearnWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 66651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046.55) (6,046							Balance	Date Statement	Statement I			nt >	Bank Accour
Statement Items Filters Image: Colspan="2">Deposit Withdrawal Cleared Uncleared 04/30/21 > G1-50124 Deposit 118,860.75 118,860.75 118,860.75 04/30/21 > DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 > DISB-50090 McGuillcuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearnWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 66651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.555 (6,046.55) 04/30/21 > DISB-50095 McGuillicuddy McGuire-Hall 6653 27,075.37 (27,075.37) (27,075.37) 04/30/21 > DISB-50095 McGuillicudy McGuire-Hall 6653 27,075.37 (27,075.37) (27,075.37) (27,075						Refresh Statement Items	0.00		۹ 04/15/22		ng (AI)	Checki	1115 Cash
Statement Items Filters Image: Colspan="2">Deposit Withdrawal Cleared Uncleared L Date Transaction Notes Reference Deposit Uncleared Uncleared 0/4/30/21 G1-50124 Deposit 118,860.75 118,860.75 118,860.75 0/4/30/21 DISB-50090 McGullicuddy McGuire-Hall 6648 13,519.69 (13,519.69) 0/4/30/21 DISB-50090 McGullicuddy McGuire-Hall 6647 15,598.05 (15,598.05) (43,597.71) (91,597.71)													
Filters Notes Reference Deposit Withdrawal Cleared Uncleared 04/30/21 G3-50124 Deposit 118,860.75 118,860.75 118,860.75 04/30/21 DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 DISB-50090 McGullicuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 DISB-50091 LearnWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 DISB-50092 Apetrure Technologies; 6478137 6650 939.32 (939.32) 04/30/21 DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 DISB-50095 McGullicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 DISB-50095 McGullicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 DISB-50095 McGullicuddy McGuire-Hall 6653											s	t Items	Statemen
bate Transaction Notes Reference Deposit Withdrawal Cleared Uncleared 04/30/21 G3-50124 Deposit 118,860.75 118,860.75 118,860.75 04/30/21 DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 DISB-50090 McGullicuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 DISB-50091 LearnWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 DISB-50092 Aperture Technologies; 6478137 6650 939.32 (7,585.10) 04/30/21 DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,075.37) 04/30/21 DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 DISB-50095 McGullicuddy McGuire-Hall 6653 22,075.37 (22,075.37) 04/30/21 DISB-50095 McGullicuddy McGuire-Hall <td>0</td> <td></td> <td>Filters</td>	0												Filters
04/30/21 > G3-50124 Deposit 118,860.75 118,860.75 04/30/21 > DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 > DISB-50090 McGuillcuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearnWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGuillcuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 > DISB-20018 <	Cleared	Incleared	Uncleared	Cleared	Withdrawal	Deposit	Referenc		s	No	Transaction		Date
04/30/21 > DISB-50089 Textbook Emporium 6648 13,519.69 (13,519.69) 04/30/21 > DISB-50090 McGullicuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearrWright Inc.; 91475836 66649 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearrWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGullicuddy McCuire-Hall 6653 27,075.37 (27,075.37) 01/201 - DISB-50095 McGullicuddy McCuire-Hall </td <td>^</td> <td>,860.75</td> <td>118,860.7</td> <td></td> <td></td> <td>118,860.75</td> <td></td> <td></td> <td>sit</td> <td>De</td> <td>GJ-50124</td> <td>></td> <td>04/30/21</td>	^	,860.75	118,860.7			118,860.75			sit	De	GJ-50124	>	04/30/21
04/30/21 > DISB-50090 McGullicuddy McGuire-Hall 6647 15,598.05 (15,598.05) 04/30/21 > DISB-50091 LearnWright Inc.; 91475836 6669 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 > DISB-50095 McGullicuddy McGui	(13,519.69)	519.69)	(13,519.69		13,519.69		6648		book Emporium	Te	DISB-50089	>	04/30/21
04/30/21 > DISB-50091 LearnWright Inc.; 91475836 6649 91,597.71 (91,597.71) 04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6553 04,0157.32 (352,285.63) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6553 05,013.28 352,285.63 04/30/21 > DISB-50095 McGullicuddy McGu	(15,598.05)	598.05)	(15,598.05		15,598.05		6647		ullicuddy McGuire-Hall	Mo	DISB-50090	>	04/30/21
04/30/21 > DISB-50092 Aperture Technologies; 6478137 6650 939.32 (939.32) 04/30/21 > DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGulicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 > DISB-50095 McGulicuddy McGuire-Hall 6653 04.60,234 352,285.63 04/30/21 > DISB-50095 McGuliduddy McGuire-Hall	(91,597.71)	597.71)	(91,597.71		91,597.71		6649		Wright Inc.; 91475836	Le	DISB-50091	>	04/30/21
04/30/21 > DISB-50093 LearnWright Inc.; 91475836 6651 7,585.10 (7,585.10) 04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50094 Textbook Emporium 6653 27,075.37 (27,075.37) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6653 0.0 0.160.27 (41.60.27.28) 04/30/21 > DISB-50095 McGu	(939.32)	939.32)	(939.32		939.32		6650	37	ture Technologies; 64781	Ap	DISB-50092	>	04/30/21
04/30/21 > DISB-50094 Textbook Emporium 6652 6,046.55 (6,046.55) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6653 27,075.37 (27,075.37) 04/30/21 > DISB-50095 McGullicuddy McGuire-Hall 6653 0.0 (4,07,013,02) 352,285.63 04/30/21 Stated Disbursement, Create Receipt Create Older Hall 0.00 + Uncleared Values 352,285.63 05.0 Crea	(7,585.10)	585.10)	(7,585.10		7,585.10		6651		Wright Inc.; 91475836	Le	DISB-50093	>	04/30/21
04/30/21 > DISB-50095 McGullicuddy McGuline-Hall 6653 27,075.37 (27,075.37) 06/30/21 > DISB-50095 McGullicuddy McGuline-Hall 6653 27,075.37 (27,075.37) 0/21/1 > DISB-50095 McGullicuddy McGuline-Hall 6653 27,075.37 (27,075.37) 0/21/21 > DISB-50095 McGullicuddy McGuline-Hall 6653 27,075.37 (27,075.37) 0/21/21 > DISB-50095 McGullicuddy McGuline-Hall 6653 52,285.63 0/21/21 > Create Claudine Create Claudine-Hall 652 52,285.63 0/21/21 > Create Claudine-Hall S2,2285.63 52,285.63 52,285	(6,046.55)	046.55)	(6,046.55		6,046.55		6652		oook Emporium	Te	DISB-50094	>	04/30/21
DE (02/31) DE CE ERRE Content of the state Conten state <th< td=""><td>(27,075.37)</td><td>075.37)</td><td>(27,075.37</td><td></td><td>27,075.37</td><td></td><td>6653</td><td></td><td>Illicuddy McGuire-Hall</td><td>Mo</td><td>DISB-50095</td><td>></td><td>04/30/21</td></th<>	(27,075.37)	075.37)	(27,075.37		27,075.37		6653		Illicuddy McGuire-Hall	Mo	DISB-50095	>	04/30/21
Quick Links 1,378,418.91 1,026,133.28 352,285.63 Go to Related Receipts Create Receipt 0.00 + Uncleared Values 552,285.63 Co to Related Disbursements Create Disbursement Create Receipt 552,285.63 S52,285.63	(01 507 71)	E07 71)	(01 507 71		01 507 71		6654		Wright Toc + 01/75026	10			05/07/21
Go to Related Receipts Create Receipt Bank Balance 0.00 Go to Related Receipts Create Disbursement + Uncleared Values 352,285,63 For the Related Generation Create Gisture Expected Book Balance 352,285,63	0.00 🕒	2,285.63	352,285.6		1,026,133.28	1,378,418.91							Duick Lin
Controlled GLEpideren Control Entry		0.00	0.00 352,285.63		nk Balance Uncleared Values	Ba +				Create Receip	ts sements	d Receipt	Go to Relate
Contracted of Entry State of Entry S		285.63	352,285.63	e	pected Book Balance	Ex				Create GJ Ent	ries	d GJ Entr	Go to Relate
Create Deposit Actual Book Balance 726,072.61		,072.61	726,072.61		tual Book Balance	Ac				Create Depos			
Reconciliation Error (373,786.98)		786.98)	(373,786.98)		conciliation Error	Re							

Confirm the Bank Reconciliation

After you create any needed disbursements or receipts, you can finish the reconciliation.

- 1. Navigate from Main Menu > Accounting > Bank Reconciliation, then click New.
- 2. Enter the **Bank Account** and **Statement Date**.
- 3. Click the link to Build/Refresh Statement Items.
- 4. Verify that the **Uncleared Values** amount matches the corresponding value in your previous system's bank statement reconciliation report. If these two amounts do not match, then you must reconcile the two systems. Otherwise, continue to the next step.

Record: 2	of 2		Bank Statements			New 📫	Edit 🖋 🛛 Delete 🗙	Print 🔒 🛛 A	ctions ;
Bank S	Statement	: 1115 Cash Checking (AI) 4/15/202	22				PENDI	NG 🧲
Stateme	ent Details						Notices !	Emails 📉	Docs (
General Inf	o								
Bank Account :	>	Statement Date Sta	tement Balance						
1115 Cash C	hecking (AI)	্ 04/15/22 📼	0.00 Build/Refr	esh Statement Items					
Statement 1	Items								_
Date	Transaction	Notes	Reference	Deposit	Withdrawal	Cleared	Uncleared	Cle	ared
04/30/21	> GJ-50124	Deposit		118,860.75			118,860.75		
04/30/21	> DISB-50089	Textbook Emporium	6648		13,519.69		(13,519.69)	(13,519	9.69)
04/30/21	> DISB-50090	McGullicuddy McGuire-Hall	6647		15,598.05		(15,598.05)	(15,598	3.05)
04/30/21	> DISB-50091	LearnWright Inc.; 91475836	6649		91,597.71		(91,597.71)	(91,597	7.71)
04/30/21	> DISB-50092	Aperture Technologies; 6478137	6650		939.32		(939.32)	(939	9.32)
04/30/21	> DISB-50093	LearnWright Inc.; 91475836	6651		7,585.10		(7,585.10)	(7,585	5.10)
04/30/21	> DISB-50094	Textbook Emporium	6652		6,046.55		(6,046.55)	(6,046	ó.55)
04/30/21	> DISB-50095	McGullicuddy McGuire-Hall	6653		27,075.37		(27,075.37)	(27,075	5.37)
05/07/21		LoorpM/right Inc + 01/75026	6654		01 507 71		101 507 711	(01 507	7 71 \
wick Links				1,378,418.91	1,026,133.28	$\left(\right)$	352,285.63		0.00
Go to Related F	Receipts Cr	eate Receipt		Ban + U	k Balance ncleared Values	$\overline{\ }$	0.00 352,285.63		
Go to Related Disbursements Creat		eate GJ Entry		Exp	ected Book Balan	се	352,285.63		
	Cr	eate Deposit		Actu	al Book Balance		726,072.61		
				Rec	onciliation Error		(373,786.98)		
•								Cancel	Save

Note: Do not worry about the amounts for Bank Balance, Expected Book Balance, or Actual Book Balance. These will not be accurate until after you complete the beginning balance process.