

## Bank reconciliations

Reconcile (agree) your records to the bank statement and vice versa.

The check register is  
created by you.

Do example 2 on p. 119

Let's do # 13, p. 121

⑬ P.121 check Register

Transaction	Date	Description	\$	Ending Balance
@ Begin Bal	10/29			237.47
Ⓟ 115	10/29	Fox High	-18.00	219.47
Ⓒ Dep	10/30	paycheck	162.75	382.22

## Benefits of balancing your checkbook:

- ① Banks make mistakes
- ② Prevent fraud/theft
- ③ YOU make mistakes:
  - Ⓐ Understate your balance  
→ you have more \$ than you think.

Cash (OKlahoma) Comp Ft  
Land  
2 nights 65  
Total \$130  
\* Paid <sup>cr</sup> 110<sup>cash</sup>  
Balance 0  
\$110  
credit card

This } You overstate your balance  
is the } - you think you have  
biggie } more than you do -  
than you bounce checks.

You incur NSF charges

You affect your credit score.

NSF = non sufficient funds

\* The goal is to identify anything on the bank statement that is not on the check register and anything on the check register not on the bank statement.

② Bank statement items that will not be on your check register :

Interest earned  
Bank fees

\* You don't know these amounts until the bank tells you.



③ Check register items not on the bank statement:

Deposits in transit - deposits you make that have not cleared the bank.

Outstanding checks - checks you wrote that have not cleared the bank.

(Setup) \* Do these to bank statement  
Balance per bank statement:

Add:  
Deposits in transit:

Less:  
Outstanding checks

Adjusted Bank balance:

\* Do these to check register balance:

Balance per check register:

Add:

Interest earned

Less:

Bank fees

Adjusted balance per check register:

The adjusted balance per bank and check register MUST tie to the penny.

Let's do example

P.126, Check for Understanding

check reg bal: \$1078.00

Bank stmt bal: 885.84

Add: Dep in transit +825.00

Less: Outstanding Chs  
-632.84  
1078.00

P.126, Ex 3

check reg bal: 3839.25

Bank stmt bal: 3450.10

Add: Dep in transit 2579.20

Less: Outstanding cks - 2190.05

3839.25

(P. 128 #6)

Date	withdrowel/ check #/ Dep	Desc	Amount	End Bal
2/20	393	Conn Tel	-76.80 ✓	871.50
2/21	393	Rods Bike	-12.00 ✓	859.50
3/1	394	Windows	-133.81 ✓	725.69
3/2	395	centible	-79.00 ✓	646.69
3/4	Dep		600.00 ✓	1246.69
3/4	396	Spears	-51.10 ✓	1195.59
3/15	397	Mary Lew	-50.00 *	1145.59
3/21	398	sea cliff	-11.40 ✓	1134.19
3/23	Deposit		250.00 ✓	1384.19
4/2	399	ciangolia	-39.00 *	1345.19
4/2	Deposit		700.00 *	2045.19

## Bank Reconciliation

Check Register Balance	\$2045.19
4/2 Adjustments	—
Adjusted Check Register	2045.19
Bank statement Bal	\$1434.19
Add: Deposit	700.00
LESS: ck 397	— 89.00
ck 399	
	2045.19



Open items on check  
register

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? Ck 107 for \$45.00  
Ck 109 for 2112.22  
Deposit for 2411.87

Open items on bank  
statement

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ck 107 for \$45.00

Balance bank state:	819.52
Less: check 109	- 2112.22
Add: deposit	+ 2411.87
Bank state	<u>1119.17</u>

Balance check register:	1103.11
Adjust ck 107	- 1.32
Add: Bank interest	17.38
	<u>1119.17</u>

Less: check reg  
\$ 100.00  
- 43.68  
56.32  
- 1.32

bank  
\$ 100.00  
- 45.00  
55.00

