

3. The bank reconciliation section

When you get your statement from the bank, sometimes it will say that the amount left in the bank is more than the amount your sheet says. Don't panic! Chances are, you've written a cheque that hasn't been banked yet. So your sheet says you've spent some money, but the bank doesn't know about it yet.

This last section of the sheet gives you a chance to fix this. Just look at the bank statement and see if there are any cheques that haven't been cashed yet. (The bank statement will have a list of all the cheques that have been cashed. See if there are any that are on your list, but not theirs, and list these in the bottom section.

In this example, you can see there is really only \$5407 left, even though there is \$5747 in the bank. This is because the club has written a \$340 cheque to a tradesman for hall repairs but he won't cash it until the job is done.

Bank Reconciliation		Monthly Reconciliation		Monthly Adjustment	
Bank Statement No. 1234-123-1	Balance on bank statement: \$ 5,747.00	Balance brought forward from previous month	\$ 5,400.00	Add receipts for this month (Column 16)	\$ 370.00
Add deposits not on Statement	\$ 5,747.00		\$ 5,770.00	Less payments for this month (Column 33)	\$ 363.00
Less cheques not presented below	\$ 340.00				
BANK RECONCILIATION BALANCE	\$ 5,407.00			BALANCE CARRIED FORWARD TO NEXT MONTH	\$ 5,407.00
Cheques unpresented as at 31 January 2009					
Date Drawn	paid to	Details	cheque number	Amount	
23/01/2009	plumber	fix leaks	800715	\$340.00	
TOTAL				\$ 340.00	

The Bank balance is the same as sheet balance

This section is also useful for checking that you have recorded all the money you have spent each month or that the bank has not made any mistakes.

