

**What is bank reconciliation?**

Bank reconciliation is the process which explains the difference, on a specified date, between the bank balance on an account shown on the entity’s accounting records and the balance shown on the statement for the account provided by the entity’s bank.

**How often should bank accounts be reconciled?**

All bank accounts should be reconciled at least monthly, within 30 days of receiving the bank statement. An employee not involved with recording cash receipts and disbursement of accounting transactions does the reconciliations. This is an important internal control to prevent fraud. The reconciliation documentation is saved so it is available during the annual audit process.

**What information do you need to reconcile a bank account?**

The bank reconciliation requires the follow information:

- ◆ General ledger account balance for the bank account to be reconciled
- ◆ Bank statement, which is a document sent by the bank or financial institution showing the transactions posted to a bank account during a specific period (usually 30 days, however, with investment accounts, it can be a 90-day period)
- ◆ Deposits recorded in the general ledger account, which have not yet been received and recorded by the bank
- ◆ Checks written and recorded in the general ledger account but have yet to clear the bank account

**What is the bank reconciliation process?**

Ending Balance per Bank Statement	\$XXX,XXX
Plus Deposits in Transit	\$ X,XXX
Minus Outstanding Checks	(\$XX,XXX)
Adjusted Bank Balance	\$XXX,XXX
Ending Balance per Accounting Records	\$XXX,XXX
Add Interest Earned	\$ XXX
Minus Bank Fees	(\$ XXX)
Adjusted Account Balance	\$XXX,XXX



**The adjusted bank balance and the adjusted account balance should be the same.**



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## Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to [Evaluation@OVCTFMC.org](mailto:Evaluation@OVCTFMC.org).

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