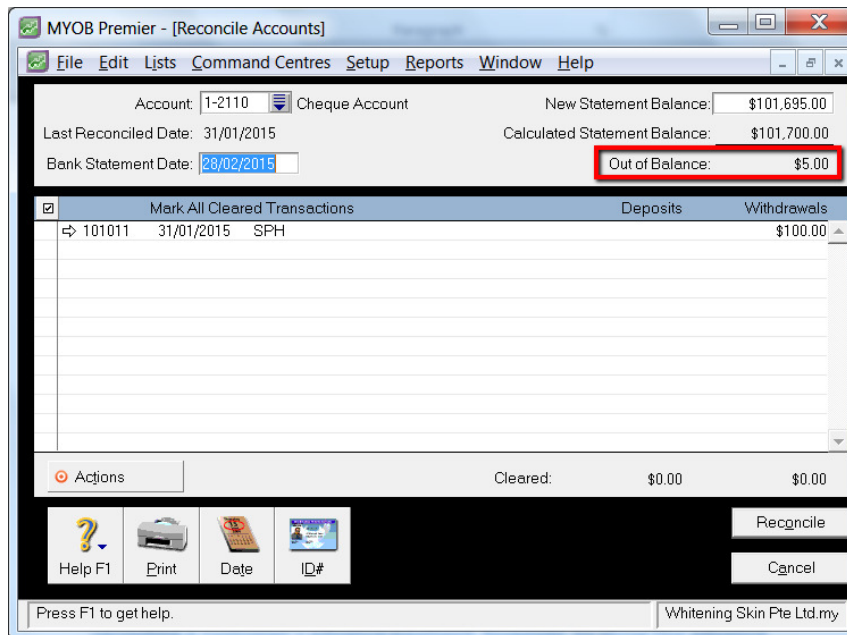


OUT OF BALANCE BETWEEN BANK STATEMENT BALANCE AND CALCULATED BALANCE

When you are preparing a bank reconciliation statement, there could be an out of balance figure.



These are the possible reasons for the difference between the two balances.

- Unpresented cheques: cheques issued by the business and entered in **Banking Command Centre -> Spend Money** or **Purchases Command Centre -> Pay Bills**, but not yet presented to the bank for payment
- Deposit in Transit/ Cash in Transit: Amounts received and entered in **Banking Command Centre -> Receive Money** or **Sales Command Centre -> Receive Payments**, but not appear on the bank statement. These will usually be amounts received on the last day of the month covering the reconciliation, but which are not bank in until the following bank working day.
- Giro and Telegraphic Transfer
- Recording errors in Bank Register : A transaction has been entered as \$10.10 but on the bank statement, the same transaction is show as \$10.01
- Cheque Lost in Transit: The cheque has already been deposited in the bank's Quick Cheque Deposit Box but it never turns up for processing in the bank's Cheque Clearing Department.
- Dishonoured/Bounced/Returned Cheque: The cheque was previously deposited and presented to a bank for payment but subsequently rejected on presentation to the drawer's bank. The bank statement might show both



deposit and withdrawal entry for the same amount. It could be due to

- insufficient funds
- cancelled by the issuer
- unsigned
- wrong date
- amount
- payee name written wrongly
- fraud
- Bank Charges: The bank could charge you for services such as account keeping fees, overdraft service fees and telegraphic transfer fees. It could also be interest charge when the account is overdrawn. All these items will show on the Bank Statement but not on the Cash Disbursement Journal.
- Interest Earned from the bank
- Errors that might have occur on the bank statement where the bank has credited or charged an amounr which should belong to another customer's bank account.