Bank Reconciliation

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The Bank Reconciliation process highlights any differences between the bank balance shown on the bank statement and the corresponding amount shown in iLaw Accounts. Reconciling the bank accounts will identify those transactions which have not yet been processed through the bank but which have been posted in iLaw Accounts i.e. cheques sent out to pay creditors which have not yet been banked and therefore may have been lost in the post or deposits made into the bank which may have not cleared because of insufficient funds on the part of the payee.

The Bank Reconciliation screen is under the **Allocation and Reconciliation** section in the Accounts Menu.

**Reconciling Bank Statements**

First select which type of account you want to reconcile (i.e. office bank accounts or client bank accounts) from **Type of Account** and then specifically which account from the **Bank Account** drop down. If you have more than one Office set up remember to select the office you want to do the allocation for.



Select the statement date you wish to reconcile to from the **Statement End Date** and the previously reconciled balance will appear as the **Statement End Balance**.

Note. When you first open the screen the date of the previous balance of reconciled items will always show as being the first date of the month you are currently in, it does not necessarily mean this is the date previously reconciled to.

Copy and paste this previous reconciled balance into the **Statement Start Balance** box and enter the actual balance of the bank statement at the date you wish to reconcile to in the **Statement End Balance** box. If this is the first bank reconciliation using iLaw Accounts then leave the **Statement Start Balance** at £0.00.

In the grid below will be listed all the transactions posted through the chosen bank account.

| Date | Description | Details | Type | Cheque # | Batch | Payments | Receipts | OK | Reconciled |
|---|---|---|---|---|---|---|---|---|---|
| 01/10/2010 | Opening Balance, Openir | | | | | | 10,000.00 | ✔ | 29/06/2011 |
| 21/10/2010 | Client payment of Profit ( | DCO | BACS | | | | 6,659.32 | ✔ | 29/06/2011 |
| 25/10/2010 | Office Payment | Cheque | Cheque | | | 158.63 | | ✔ | 29/06/2011 |
| 25/10/2010 | Office To Client Transfer | | Cheque | | | 158.63 | | ✔ | 29/06/2011 |
| 01/03/2011 | Office Payment | | Cheque | | | 275.00 | | ✔ | 29/06/2011 |
| 24/03/2011 | Office Payment | | Cheque | | | | 56.57 | ✔ | 29/06/2011 |
| 24/03/2011 | Client payment of Profit ( | Payment | BACS | | | | 949.76 | ✔ | 29/06/2011 |
| 05/05/2011 | Office Payment | | Cheque | 0000 | | 158.63 | | ✔ | 29/06/2011 |
| 08/06/2011 | Client payment of Profit ( | DCO | BACS | | | | 1,820.00 | ✔ | 29/06/2011 |
| 08/06/2011 | Office To Client Transfer | | Cheque | 2222 | | 200.00 | | ✔ | 29/06/2011 |
| 17/06/2011 | Client payment of Profit ( | Payment | BACS | | | | 1,145.40 | ✔ | 29/06/2011 |
| 17/06/2011 | Office To Client Transfer | Office | TT | | | 100.00 | | ✔ | 29/06/2011 |

Refer to the actual bank statement in front of you and tick off those transactions that appear on the statement. The date inserted against those postings reconciled will be the **Statement End Date** chosen, not the actual date you are doing the reconciliation.

As you tick the postings off you will see the bottom section of the screen will change to reflect the reconciled payments and receipts and the difference left to reconcile to. Once you have ticked off all the transactions the difference at the bottom right of the screen should be £0.00.

Tip. You can click on the **OK** column header to automatically tick all the entries if they correspond to your paper statement.

| | | | | |
|---|---|---|---|---|
| Statement Start Balance | 0.00 | | | |
| - Reconciled Payments | 1,050.89 | Reconciled Balance | 20,580.16 | |
| + Reconciled Receipts | 21,631.05 | - Statement End Balance | 20,580.16 | |
| = Reconciled Balance | 20,580.16 | Difference | 0.00 | |
| ☑ Un-Reconciled Only | ☐ Reconciled Only | | | |

Once you have completed the reconciliation to £0.00, iLaw automatically saves this reconciliation when you close out of the screen so that the next time you open it those postings reconciled on a previous occasion will form part of the reconciled payments reports.

You can view Reconciled Payments by ticking the Reconciled Only checkbox. (The default setting of the **Bank Reconciliation** screen is to show Un-Reconciled transactions.)

☐ Un-Reconciled Only   ☑ Reconciled Only

The Bank Reconciliation screen allows you to run Reconciled and Unreconciled Item Reports which can be sent to MS Excel™ or printed.