

SOP RECONCILIATION WITH PAPER
STATEMENTS

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AIM

The following explains how to reconcile bank statements with journal entries that are recorded in Priority, without first recording the statement in the system.

WORKING ASSUMPTION

Unreconciled journal entries have been recorded for the bank account for which the paper statement was issued.

PROCEDURE

STAGE ONE: PERFORMING RECONCILIATIONS

1. Run the Prep for Recon. W/Paper Statement program.
2. In the program's input, indicate the following:
 - The internal code of the relevant bank account.
 - The range of dates which the statement covers.
 - The opening and closing balances appearing on the statement.
 - The statement number and the year in which the statement was prepared.
3. Enter the reconcile Work Area Paper Statement form.
4. Move to the Entries to Reconcile sub-level form.
5. For each entry to be reconciled with the current bank statement, flag the Reconcile column.
Result: The following columns are updated automatically in the upper-level form:
 - ClosingBal in Ledger – this balance is calculated by adding the amount of the entries that are flagged for reconciliation to the opening balance in the ledger.
 - Flagged for Reconcil The total amount of those journal entries that have been flagged for reconciliation with the current statement.
 - Total Reconc Amount – the total amount of the journal entries to reconcile with the current statement (i.e. the amount flagged for reconciliation plus the amount already reconciled, as displayed in the parallel sub-level form, Reconciled Entries-Paper Statement).
6. Return to the upper-level form.
7. To view a report displaying the journal entries that appear in the Entries to Reconcile sub-level form, select Entries in Reconcil Work Area from the list of Direct Activations and choose whether to view all entries or only those that are flagged for reconciliation.
8. Select Finalise Recon.W/Paper Statement from the list of Direct Activations.

RESULTS

- Bank statement items are reconciled with journal entries in Priority.
- The reconciled entries are deleted from the Entries to Reconcile sub-level form and appear instead in the parallel Reconciled Entries-Paper Statement sub-level form.
- A bank statement is created based on the final reconciliations and can be viewed in the Reconciled Paper Statements form.

STAGE TWO: CANCELING PENDING AND FINAL RECONCILIATIONS

- To cancel a pending reconciliation:
 1. Enter the Entries to Reconcile sub-level of the Reconcil Work Area-Paper Statement form, move to the line whose reconciliation you want to cancel and remove the check mark from the Reconcile column.
- To cancel a final reconciliation:
 1. Enter the Reconciled Entries-Paper Statement sub-level of the Reconcil Work Area-Paper Statement form, move to the line you want to cancel and flag the Cancel column.
 2. Return to the upper-level form and select Cancel Reconcil w/Paper Statement from the list of Direct Activations.

RESULT

The entries for which reconciliation has been cancelled reappear in the Entries to Reconcile sub-level form and can again be reconciled.