

## THE BANK RECONCILIATION PROCESS

### STEPS FOR RECONCILING YOUR CHECKBOOK REGISTER

#### STEP 1

In your checkbook, make a checkmark in the appropriate box for each check returned or noted on your statement. In addition, also mark all ATM or other electronic transactions, and all deposits. This way, you will be able to identify all transactions recorded by the bank or financial institution handling your checking account.

#### STEP 2

Record in your check register any transactions listed on your bank statement that were not recorded in your register. This may include ATM or debit transactions, bank fees, etc.

#### STEP 3

The back of your bank's statement will usually have a checking reconciliation form. Use this form to reconcile your checking account. The form may vary, but usually includes the following steps:

- A. Write the ending balance shown on your bank statement.
- B. Add the total amount of deposits made that were after the ending date of the bank statement (outstanding), and therefore do not appear on the statement. The reconciliation form usually has a place where you can list and total these deposits.
- C. Subtract the total of any checks still outstanding (checks that you have written that do not show up on your bank statement). The reconciliation form should have a place where you can list and total all outstanding checks.

This amount should then equal the amount listed in your check register or checkbook. If not, you will need to check each of your transactions and also possibly need to check your math.

In summary:

Bank Account Statement Ending Balance  
+ Deposits Outstanding OR Other Credits to you Account  
- Checks Outstanding OR Other Debits to your Account  
= Ending Balance in Checkbook Register

### KEEPING YOUR ACCOUNT BALANCED

Every time you record a check or use your debit card, you should be sure to record the transaction in your check register. That way, you will always be sure of your account balance. Record in your check register any time you make a transaction including using an ATM. Also, be sure to keep a running account balance after each transaction.

Name \_\_\_\_\_



Date \_\_\_\_\_

### CHECK RECONCILIATION FORM

#### RECONCILIATION STEPS

1. Using your bank statement, update your check register with any transactions that you did not previously record, including interest earned, service charges, etc.
2. In your check register (checkbook), mark with a check all checks paid, and deposits credited. Then using the tables on the right, list all all outstanding checks (no check mark in your check register -- not yet charged to your account):
3. Using the table on the lower-right, list all deposits or other credits recorded in your register that are not shown on this statement:

	Amount	
4. Enter ending balance on your bank statement:		
5. Enter TOTAL Checks Outstanding		
6. SUBTRACT (4 minus 5)		
7. Enter TOTAL Deposits Outstanding		
8. ADD. (6 + 7)		
This number should match the ending balance in your check register. If not, then your account does not balance and there is an error.		

CHECKS OUTSTANDING (Step 2)		
Check Number	Amount	
TOTAL CHECKS OUTSTANDING (Enter on Step 5)		

DEPOSITS OUTSTANDING (Step 3)		
Date	Amount	
TOTAL DEPOSITS OUTSTANDING (Enter on Step 7)		