



Free Guide to Reconciling Your Bank Accounts

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A photograph of two hikers walking away from the camera on a rocky mountain trail. The hiker in the foreground is wearing a red jacket, a black helmet, and a large green and black backpack. The hiker in the background is wearing a red jacket and a black backpack. The background shows a vast mountain range under a clear sky.

Welcome!

Hey, it's Michele! I'm the owner of Venture West Bookkeeping and Tax Solutions.

While I believe the best solution is to have a professional bookkeeper reconcile your bank accounts, I recognize that isn't always the reality for a lot of business owners.

If you're wondering how to conduct a basic account reconciliation and troubleshoot frustrating errors, keep reading!



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Reconciling 101

WHAT IS RECONCILING? Reconciling is the process of comparing two different records (in this case your bank statements and your bookkeeping software) and resolving any differences.

WHO SHOULD RECONCILE THEIR BOOKS? All businesses (big and small) should reconcile their books on a regular basis.

WHEN SHOULD YOU RECONCILE YOUR BOOKS? The frequency you reconcile your books depends on the volume and complexity of the transactions for your business. A good rule of thumb is to reconcile on a monthly basis when your bank statements are released, however, some businesses may benefit from reconciling more frequently.

Benefits Of Regular Reconciliation

10 BENEFITS OF REGULAR RECONCILIATION

- ✓ Detect and prevent fraudulent transactions
- ✓ Provides you with up-to-date financial reports
- ✓ Detect and prevent human errors
- ✓ Maintain your internal controls
- ✓ Enhances the accuracy of financial statements
- ✓ Reduces financial stress and gives peace of mind
- ✓ Supports informed financial decision making
- ✓ Timely error identification (and problem resolution)
- ✓ Cleaner records help audits go more smoothly

General Bank Reconciliation Process



DOWNLOAD STATEMENTS

Set a calendar reminder for the date your bank statements are released to download and save your statements.

ENTER TRANSACTIONS

Enter the type, date, amount, and account categorization for each transaction during the period.



ENTER STATEMENT DETAILS

Click "Reconcile" and enter the ending balance, ending date, and any bank fees or interest earned on this page.



General Bank Reconciliation Process



RECONCILE EACH TRANSACTION

Compare your bank statement and your books to ensure each transaction is recorded accurately.

ADJUST BALANCES

Make any necessary adjustments for items like outstanding checks, uncleared deposits, and interest earned.



RESOLVE DISCREPANCIES

If you don't have a \$0 difference after reconciling, you're not done! Use my troubleshooting guide to help you get there.



Troubleshooting Common Errors

OPENING STATEMENT BALANCE DOESN'T MATCH BALANCE ON YOUR BOOKS



If you're comparing your bank statement and your books and realize that the opening balances don't match, you'll need to go back to the last period you reconciled in which these balances did match.

Generally, this issue occurs because a transaction that was previously reconciled was marked unreconciled or deleted. You should be able to find your missing transaction in the period where your opening balances last matched.

MY RECONCILING DISCREPANCY IS DOUBLE THE AMOUNT OF ONE OF MY TRANSACTIONS



You may have entered this transaction incorrectly as an expense when it should have been a deposit (or vice versa). Alternatively, you could have accidentally entered the same transaction twice!

Troubleshooting Common Errors

MY DISCREPANCY MATCHES THE AMOUNT OF ONE OF MY TRANSACTIONS PERFECTLY



If you run into this issue, you've most likely made one of two mistakes. The first mistake you could have made is simply forgetting to enter this transaction! If you can see that you've entered the transaction, the second mistake you could've made was on the transaction date! It's really easy to make a typo on the date and then your transaction won't show up in the period that you're reconciling.

THE SUM OF MY RECONCILING DISCREPANCY ADDS UP TO NINE



If the sum of the digits in your reconciling difference adds up to nine, there's a good chance you've transposed (or switched around) two numbers in one of your transactions. For example, if your difference is \$81 or \$270, double-check all of your entries to ensure they're correct!

Reconciling Do's & Don'ts

DO THIS:

- ✓ Reconcile your accounts regularly
- ✓ Check for any outstanding checks or deposits
- ✓ Note any adjustments made to help you remember in the future
- ✓ Resolve all discrepancies before you finish reconciling

DON'T DO THIS:

- ✗ Rely blindly on auto categorization rules
- ✗ Forget to enter your bank fees and interest earned
- ✗ Assume synced bank feeds are always 100% correct
- ✗ Start reconciling if your beginning balances don't match



Services Guide

FRACTIONAL CFO AND ADVISORY SERVICES

A fractional CFO can assist with strategic financial planning, budgeting, forecasting, and other financial management functions. This allows businesses to access high-level financial expertise without the cost of hiring a full-time CFO.

MONTHLY COMPLIANCE BOOKKEEPING

We can manage all of your accounting and bookkeeping needs from monthly reconciliation of your bank and credit card accounts, accounts payable and accounts receivable, to job costing and invoicing.

STRATEGIC TAX PLANNING

As a licensed tax professional authorized by the IRS, I bring a wealth of knowledge and expertise to help you navigate the complex world of taxation. Whether you're an individual or a business owner, my goal is to optimize your financial situation.

IRS AUDIT REPRESENTATION

Facing an IRS audit can be a daunting experience, but with the expertise of our Enrolled Agent, you can navigate the process with confidence. From gathering necessary documentation to advocating on your behalf, our goal is to alleviate the stress of an audit and ensure a fair resolution.

Gary Gaston

Owner of Closet Factory Houston



Michele has been a great help in ensuring our bookkeeping is being taken care of. She's incredibly knowledgeable and helps steer me and my team in the right direction. I'm looking forward to continuing to work with her and am excited to have her assistance in scaling our business!

Justine Almaraz

Owner of Earth Altar Studio



Michele completely helped me transform my understanding of my business finances! I am so grateful for her help and experience and expertise. I highly recommend her to anyone who needs top quality top notch support as a CFO, book keeper and tax professional! She's the the best !! Thank you Michele!

Contact Information

Ready to get in touch?



MICHELE@VWBOOKKEEPING.COM



661.670.9855



WWW.VWBOOKKEEPING.COM

