Reconciling a Savings Account

> ***NOTE:*** *When posting to Jewel, the total in the bank accounts and the total in the local funds has to always match. When you record savings interest in Jewel, you are not moving it, just recording it. As your savings account grows because interest is being added, your local funds have to grow by the same amount, in order to keep things equal.*

Savings accounts such as from a bank, a CD, or a Revolving Fund need to be reconciled regularly. The steps are the same, even though the process is simpler. Here are some tips for success, before you start.

- ✓ **Update Jewel:** Go to Help/Check for Updates before you start. To have all the reconciling advantages, bells and whistles, you should be using the newest Jewel version.

- ✓ **Important! Wait to enter the interest** in Jewel until you are actually on the reconcile page and in the process of reconciling. *(Tutorial #3630) Don't start by creating a General Journal Entry apart from the actual reconcile process.*

- ✓ **Statement Frequency settings:** Your "Statement Frequency" and thus your "Reconciliation Frequency" is adjustable in Jewel. Setting it correctly will help with clarity and accuracy. *(See Tutorial #3660 - Statement Frequency Settings)*

Instructions:

1) Go to Jewel Home Page, then click on "Reconcile." Double click on the correct account to open its reconcile page.

2) Verify that the **"Ending Date"** matches the statement that you are reconciling. If it does not, <u>change it in Jewel so that it does.</u>

3) Verify that the **"Beginning Balance"** matches the beginning balance of the statement that you are reconciling. If it does not, you cannot change it on this screen. Check out Tutorial #3670 to see if that is the problem. If not, ask for assistance.

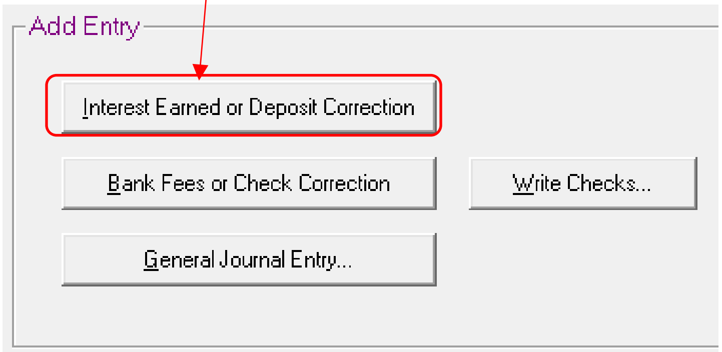
4) Enter the correct **"Ending Balance"** from the statement that you are reconciling. Your statement may call it something different, but it will be the closing/current balance for that date, from that statement.

NOTE: *If the beginning and ending balances are correct, and the only activity on the statement for that period has been the interest added, then the "Difference" will equal the total interest amount. You can use that figure to enter a quarterly or 6-month interest total.*

5) Enter the **interest** for the period you are reconciling: Use the "Interest Earned or Deposit Correction" box in the bottom right of the bank rec page. *(Tutorial #3630)*

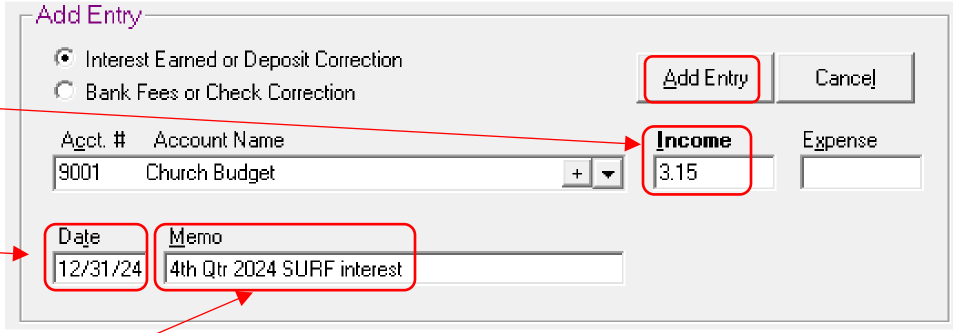
If you are reconciling a quarter, it is ok to combine all three month's interest and add it in one entry.

Post the interest to the local fund where it has been posted previously. Some churches post to "Church Budget," some to "Building Fund" or "Student Assistance." If you don't know where it has historically been posted, look it up on a previous "Bank Rec Report" or "Deposit Report."



Post the interest amount in the "Income" box.

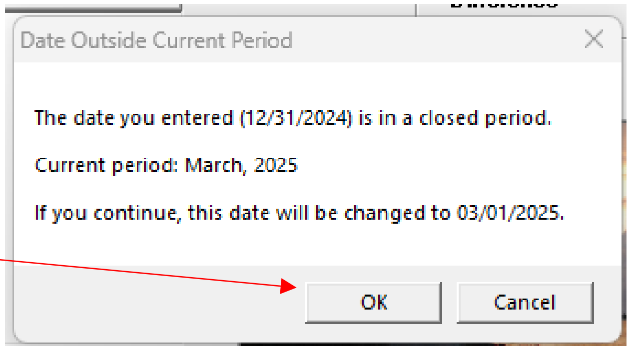
Enter the same date as the statement "Ending Date."



The memo should be concise, yet detailed. Period covered, year, which account, what is it? Note all those facts are in this memo. Leaving it blank or just saying "interest" does not provide clarity. *(Memo Tutorial #7070)*

6) Click "Add Entry" (just above the "Income" box) when finished.

NOTE: If you are reconciling for a month that has already been closed, Jewel will let you know that the date is outside the current period, and that the date will be changed if you continue. That is fine, click "OK."



The interest will now appear in the "Deposits and Interest Earned" section of the bank rec screen, already checked off.

This may be all you need to do in order to have a zero difference. If so, click the green "OK √" and then say yes to print the bank rec report.

If the difference is not zero, look for other deposits or withdrawals on the statement that need to be checked off or added.

> ***NOTE:*** *Transfers to and from bank accounts such as from checking to savings or debit can be a bit of a challenge to reconcile. The amount transferred will show up as a minus number in one of the accounts, which looks confusing, but if you click it off, it will achieve a zero difference.*

For more specifics on reconciling a Revolving Fund account, see *Tutorial #4610.*

For details on making transfers between Bank Accounts, see *Tutorial #8090.*

Corresponding videos: 6.1 – Why is Reconciling So Important? Find at https://www.gccsda.com/auditing/10963
6.14 Reconciling a Savings or SURF Account

For more tutorials on BANK RECONCILIATIONS, see section 3500 on the gccsda.org auditor webpage.