

The Adjusted Bank Balance – Purpose and Explanation

At the very bottom of each “Bank Rec Report,” there is a line called the “Adjusted Bank Balance.” That number takes into consideration the bank statement balance and all the “Cleared” and “Uncleared” items in Jewel, and if it is done correctly, the “Adjusted Bank Balance” matches the “Bank Account Ending Balance” on the “Financial Summary” for that same month.

Beginning Balance	69,895.91
Cleared Deposits and Interest Earned	4,622.02
Cleared Checks and Bank Fees	-7,404.84
Cleared Ending Balance 6/30/25	67,113.09
Uncleared Deposits and Interest Earned	2,668.15
Uncleared Checks and Bank Fees	-3,325.87
Adjusted Bank Balance 6/30/25	66,455.37

Financial Summary

Dates

This month-to-date (June)

06/01/25 To 06/30/25

Summary

Detail

Financial Summary

Account

Begin. Bal.

Deposits

Checks

Transfers

Ending Bal.

Checking - Truist

66,978.47

5,101.43

5,624.53

66,455.37

***** Total Bank Accounts

66,978.47

5,101.43

5,624.53

0.00

66,455.37

If you were to compare Jewel’s “Financial Summary Ending Balance” and the “Ending Balance” on the bank statement at the end of any given month, you would notice that they don’t exactly match. In fact, the difference is often in the thousands of dollars! Because of this, the board cannot just look at Jewel and look at the Statement and verify that Jewel is accurate.

This is why.

The “Check Report” for June in Jewel tells you what checks you wrote in June. While the June “Bank Statement” tells you which of those checks actually cleared your bank in June, which is not the same. Some checks that you wrote in June won’t get cashed until July or even later.

Jewel deducts the money from the “Ending Balance” as soon as you write the check, before it is mailed or received or cashed. Even if you never mail it and it sits in your drawer, until you actually void it, Jewel still counts it as gone. (That keeps you from spending money that has already been committed to something/someone else.) But the bank counts the money as still yours until the moment it leaves the bank for somewhere else. So there can be a considerable time lag between Jewel considering it gone and it actually being gone from your bank. Which means that Jewel's end of month totals and the bank's end of month totals won't ever match.

But your board needs to know that Jewel and the bank totals are in sync, that they “agree” even if they don’t “match.” So, to fix this time lag problem, Jewel produces a “Bank Rec Report” every time you reconcile, and this report produces the “Adjusted Bank Balance.”

This number includes all of the June deposits that are in Jewel that did not get to the Bank until after June closed (called “Uncleared Deposits”) and all the checks that are in Jewel but have not been cashed yet (called “Uncleared Checks”). See them here.

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The “Uncleared Deposits” are added and the “Uncleared Checks” are subtracted from the “Bank Ending Balance” and you end up with (drum roll please) the “Adjusted Bank Balance,” in this case, as of June 30, 2025! Always the last line at the bottom of every printed “Bank Rec Report.”

Notice that the “Uncleared” items are just as important as the “Cleared” items when it comes to computing the “Adjusted Bank Balance.” Some treasurers have thought that it was bad to have “Uncleared” items, but it is not.

You may be thinking, “So what?”

Because when these two numbers match, it shows a direct tie between Jewel’s “Ending Balance” and the bank’s “Ending Balance.” And it is evidence to your board that your Jewel bank balance is accurate to the penny. And that is peace of mind for them and for you!

Sometimes those two numbers don’t match, but not because of any math error. Usually it is because of **sequence** and **timing**. (Tutorials #7140, 7260)

Think of it this way. When you reconcile and print the “Bank Rec Report,” that report creates a snapshot, as it were, showing your church's financial picture *at the very moment that the reconciliation was completed*. You print it out and there it is frozen in time.

Now the bank statement is supposed to be reconciled after all the deposits and checks for the month have been entered, (including the remittance check). But let’s say you reconcile, then remit, then enter a few more checks. What then? Your “Bank Rec Report” snapshot will be missing items that end up on the “Financial Summary.” The items you enter afterwards will not be on the list of “Uncleared” deposits and checks. And your “Adjusted Bank Balance” won’t match your Jewel “Financial Summary Ending Balance.”

The solution? Sequence. Don’t reconcile until all of your offerings have been entered, the remittance has been made, and all other checks recorded. Then your “Adjusted Bank Balance” will match.

And, if you find that the “Adjusted Bank Balance” doesn’t match, you can “Undo the Last Reconciliation” (Tutorial #3680), redo it and reprint the updated “Bank Rec Report.” Peace of mind is attainable.

We also strongly recommend that your board appoint someone to compare your reports with the monthly statement. (Tutorial #5520 gives explanations for board and instructions for appointed an oversight person.)

Corresponding videos: 6.2 – The Adjusted Bank Balance and Peace of Mind. Find at <https://www.gccsda.com/auditing/10963>
 5.3 – Bank Rec Comparison Steps Illustrated
 2.2 – Sequence in Posting, Reconciling and Closing

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

*This information has been brought to you by the Georgia-Cumberland Conference Audit Team
 Created by Linda McCabe. Edited 8/25/2025*