

General Journal Use During Reconcile

NOTE: *If, during reconciliation, you find a withdrawal or a payment on the bank statement that is missing in Jewel, stop and enter it as an electronic (check) payment, never as a General Journal Entry.*

General Journal Entries should not be used for payments like utilities or payroll or for purchases such as debit card or online orders. Yes, it makes reconciling possible, but there are four reasons why we don't do it.

- 1. It is easy to leave the default "deposit" button clicked** when the entry is created, which results in the payments being posted as a negative amount on the deposit report (and on the bank rec screen) rather than on the check report, which, for the church board, affects report clarity in a major way.
- 2) There is no check number**, which makes it difficult to search and sort properly, or match documentation to an entry.
- 3) It is easier to accidentally create duplicates.** Because a payment is not as easily identifiable and maybe because it was in the deposit section, duplicate payments are often created. Sometimes they stay in the outstanding check/deposit section for months, which then overstates your expenses, affecting report accuracy.
- 4) You can't void a general journal entry like you can a check.** So if it needs to be reversed, it must be reversed manually, which is more work.

Summary: General Journal Entries are useful during reconciliation, for adjustments, interest, and non-donation deposits. But they are not to be used during reconciliation for purchases, payments or offering deposits. (*Tutorials #7120, 7160*)

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
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