

Outstanding (Uncleared) Checks Instructions

An “outstanding” or “uncleared” check is a check that the "vendor" or "payee" has never deposited or cashed. That means that it has never shown up on the bank statement so has not been checked off during reconciliation. You can identify outstanding checks on your Jewel "Reconcile" page because they hang out at the very top of your "Checks Written and Bank Fees" section, dated months or even years ago.

NOTE: Any check that is over six months old is outstanding, and it may seem that they are sitting there, causing no harm. But those outstanding checks are being counted in Jewel as having already been paid, and resolving them will give you more accurate reports. Especially if the outstanding check is a remittance check, please let your support person know immediately so they can figure out why it is still there, and fix it for you.

If an individual has not cashed a check for three months, it is ok to remind them of it, ask them if it is lost, and if not, ask them to please deposit it.

The following are the steps to take when resolving outstanding checks.

1. Is it a duplicate?

- Write down the check number, date and payee
- Go to Jewel / Reports and Graphs / Check
- Enter a date range of several months on both sides of the check in question
- Sort by “Payee”
- Find your outstanding check. Look to see if there are any other checks for the same amount written to the same person, indicating it is a duplicate

If you find a duplicate, go to “Accounting/Void a check” on the home page and void the one that is outstanding. (Tutorial 7290)

2. If it is not a duplicate, try to contact the person whose name is on the check.

If they are an individual and you know them:

- ask them if they would like you to replace the check
- If they say no, void the outstanding check in Jewel
- If they say yes, void the old check in Jewel and write them a new one
 - Write the old check number and date in the memo line of the new check
(Example: “To replace 3/7/16 lost ck #2310”)

If you don’t know them and you cannot find them and no one seems to know who/where they are, and the check is for less than \$50 and it is more than a year old, you can void it. (Tutorial 7280)

If it is for more than \$50, contact your support person.

3. If it is written to a company or business that invoices monthly (like a utility or the ABC) and the next monthly payment is unusually large, the business has rolled it over into the next month, it has been paid, and you can void it. (Tutorial 7280)

4. If it is an electronic payment or a debit purchase that is from a previous month but was not on the statement, you can void it. It is either a duplicate or an error. (Tutorial 7280)

5. **Once the outstanding check is voided**, you will need to check it and its reversing entry off during the next bank reconciliation.
- The check itself will still be there towards the top of the “Checks Written and Bank Fees” section of the “Bank Reconciliation” screen.
 - You will find the reversing entry down towards the bottom of the “Checks Written and Bank Fees” section of the “Bank Reconciliation” screen.
 - The reversing entry will be written for the same amount as the outstanding check, only it will be a negative number.
 - Ex: check is for \$57.00. The correcting entry will be for \$-57.00.
 - Check off both the original check and the reversal when you reconcile, and they will cancel each other out so the bank rec “difference” is not affected. They will then “clear” and will be gone when you open the Bank Rec screen the next month.
6. **If you void a check and later the vendor/payee finds and deposits it**, contact your support person.
7. **Going Forward, investigate and deal with any check that is 3-6 months old**, keeping your bank rec page clean.

Sometimes an outstanding (uncleared) entry is not a check, but is a transfer or a General Journal Entry. They can be deleted (if dated in the current month) or reversed (if dated in an already closed month.)

8. Instructions for deleting an entry that was created in the current month. Transfers and General Journal Entries both have a “Delete button.” (*Tutorials #7120 and 7270*) Find the uncleared entry error and click on it. Poof, it is gone.

9. Simple instructions for reversing a duplicate or incorrect General Journal Entry, created in a previous month.
Find the extra General Journal Entry. Take a picture of it with your phone to make sure you create an exact reversal. Click on “New Entry” right there on the same screen. Date it in Jewel’s current month.
Enter the amount in “Income” to “Expense” or vice versa, reversing the original entry. Post to the same Accounts.
Memo: “To reverse 7/8/22 (or the date of the phone picture) entry error.”
Verify with your phone picture. Click Ok.
Click off both the original and the reversal during reconciliation. If done correctly, they will cancel each other out.

10. Simple instructions for reversing a duplicate or incorrect Transfer, created in a previous month.
Find the extra Transfer. Take a picture of it with your phone to make sure you create an exact reversal. Click on “New Entry” right there on the same screen. Date it in Jewel’s current month.
Swap the “From” and “To” accounts, reversing the original entry. Post the same amounts.
Memo: “To reverse 7/8/22 (or the date of the phone picture) entry error.”
Verify with your phone picture. Click Ok.
Click off both the original and the reversal during reconciliation. If done correctly, they will cancel each other out.

Corresponding video: 6.11 – Outstanding Deposits and Checks. Find at <https://www.gccsda.com/auditing/10963>

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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