

# Troubleshooting Bank Reconciliation for SmartAccounting

The Bank Reconciliation module in SmartAccounting is where you reconcile the general ledger cash and deposit accounts against your banks' monthly statement.

This troubleshooting guide provides step-by-step instructions to help resolve common challenges often encountered when navigating the Bank Reconciliation module.

## Before You Start

Sometimes, there are discrepancies between what you have recorded and what the bank has recorded. This could be due to various reasons, such as deposits in transit, outstanding checks, or statement gaps. Keep in mind:

- Prior to initiating a bank reconciliation, post your checks and journal entries. Only the journal entry lines that reference the general ledger accounts assigned to the AP Cash and Deposit Account banks display for reconciliation.
- Establish the time frame for your accounting period. SmartAccounting is period-based, while banks are date-based. Your accounting period may fall within or outside the bank statement range.
- You can find the statement date on the statement from the bank.
- If adjustments are present, clear them along with their corresponding transactions.

**Have issues with your bank reconciliation? Start here.**

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- [There is a Missing Transaction in the Bank Statement, but the Bank Reconciliation Displays it](#)
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## Locked Bank Reconciliation

If the bank reconciliation is locked by another person, reach out to them to close it. If you're unable to contact them — for instance, if they're no longer with the company or on the project — contact [EP Support](#).

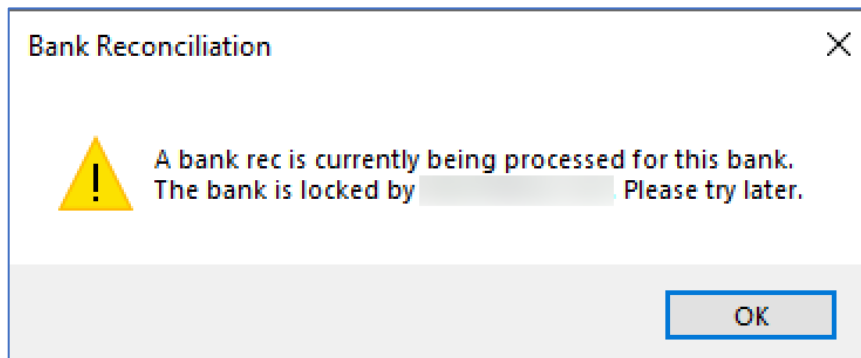


Figure 1: Bank Reconciliation locked messaging

## A Transaction is Missing from the Bank Reconciliation, Yet it Appears in the Bank Statement

If a transaction is missing from your bank reconciliation, but it is on your bank statement, potential solutions include:

- [Add the transaction with a journal entry](#), accounts payable entry, or purchase card entry.
- Reach out to your bank regarding any inconsistencies.

As an example, to search for an accounts payable transaction:

1. On the **Start** menu, select **Accounts Payable**.
2. Select **Invoice Entry**.
3. Click **Search** in the ribbon or key **F3**. An entry screen opens under the **AP Invoice (No Data)** tab.
4. Select the **Include Posted** checkbox.
5. Click **Search** in the ribbon or key **F3** to display posted transactions.
6. Review the **Posted Period** column for period numbers or date values.

- The period or date displays if the transaction was posted.
7. Review the **Paid** column for Yes or blank values
- Yes displays if a check was issued for the transaction.

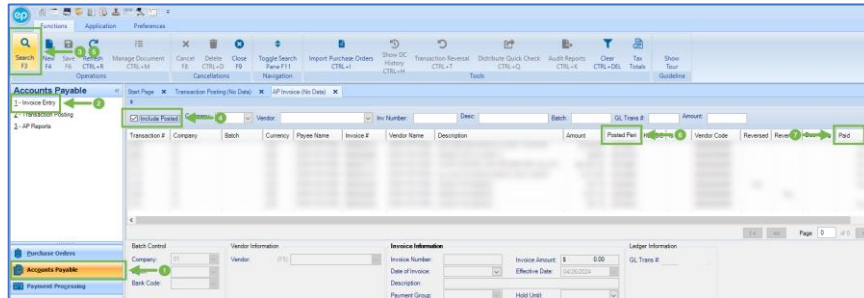


Figure 2: Include Posted transactions search

**Note:** Other columns to review include the Has DC, Is DC, Reversed, and Reversal columns. The Has DC and Is DC columns indicate that a check was issued and then a distribution change (DC) took place. The Reversed and Reversal columns indicate whether a check was initially issued and then the transaction was reversed.

## A Transaction is Missing in the Bank Statement, yet it is in the Bank Reconciliation

If a transaction (journal entry, accounts payable, or purchase card) is missing from your bank statement but it is on your bank reconciliation, potential solutions include:

- Investigate the transaction to understand why it isn't displaying in the designated bank account.
- Search for the transaction in its respective module and confirm the transaction or payment dates are accurate.

## Wrong Statement Date

Various factors can affect the date in your bank reconciliation, including:

- The date range doesn't encompass the transactions.
  - SmartAccounting is period-oriented, while banks are date-oriented. Generally, the date range for the transaction or payment is incorporated into your bank reconciliation. For example, if you post a transaction to a future date range, yet that posted date is not part of the reconciliation range, transactions will not display.
- The statement date in the saved bank reconciliation cannot be changed.

- When initiating the process by clicking **Start** in the ribbon, the statement date defaults to the statement date that was used on the last saved unfinalized bank reconciliation. This happens when there's a saved bank reconciliation.
- A suggested solution for this scenario is to delete the bank reconciliation and input the information again.
- Transactions posted in the future won't display.
  - When reconciling with an external source, like a bank statement, it's important to ensure the effective date displays. For example, you posted a transaction to the future, which has a date range different from the statement date. This transaction will not display.
  - In this case, a suggested solution for the scenario is to display the transactions past the statement date so all transactions display. Learn more about displaying transactions in the [Display Options section](#).

## Set up AP Cash and Deposit Account Banks

The Bank Reconciliation module includes production advances recorded against the Deposit Account. To do so, the system needs to recognize which general ledger account is associated with the bank. The Deposit Account field sets up that association. If you are not separating deposits from check activity, use the same account for the AP Cash account<sup>1</sup>. Follow the steps listed here:

1. On the **Start** menu, select **System Setup**.
2. Select **Banks**.
3. Select a bank in the bank list under the **Bank Setup (View)** tab to view its information in the **Bank Information** tab.
4. Confirm **AP Cash** and **Deposit Account** use the same account.

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<sup>1</sup> You can add as many bank accounts as needed to manage your transactions. When you create a bank, the system creates a general ledger account with it. You can review and edit these in your chart of accounts. However, you can't change the general ledger account type once a transaction is created.

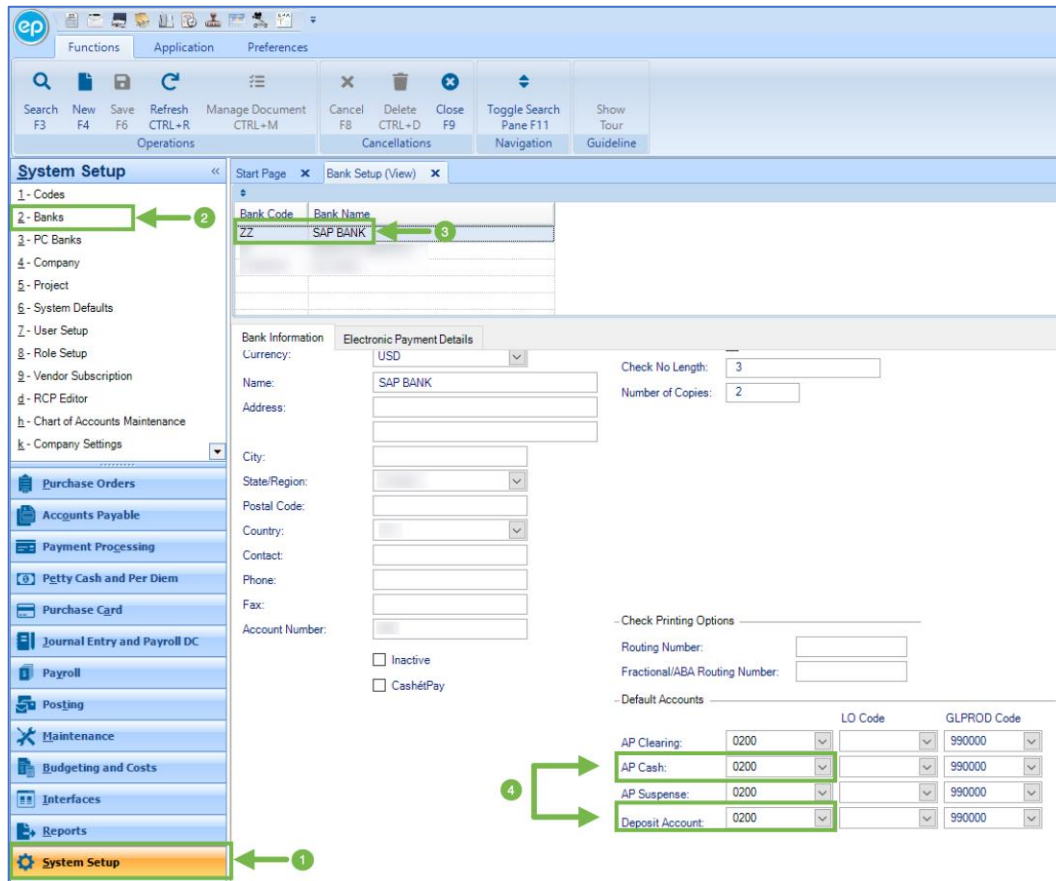


Figure 3: Bank Setup, AP Cash and Default Account

## The Adjustments Tab is Grayed Out

Use the Adjustments tab to make changes to your transactions so they match the transactions listed on your bank statement. To activate the Adjustments tab:

1. On the **Start** menu, select **Maintenance**.
2. Select **Bank Reconciliation**.
3. Select the bank from the **Bank Name** drop-down menu.
4. Select a **Statement Date** from the drop-down calendar.
5. Click **Start** in the ribbon.
6. The **Adjustments** tab activates.

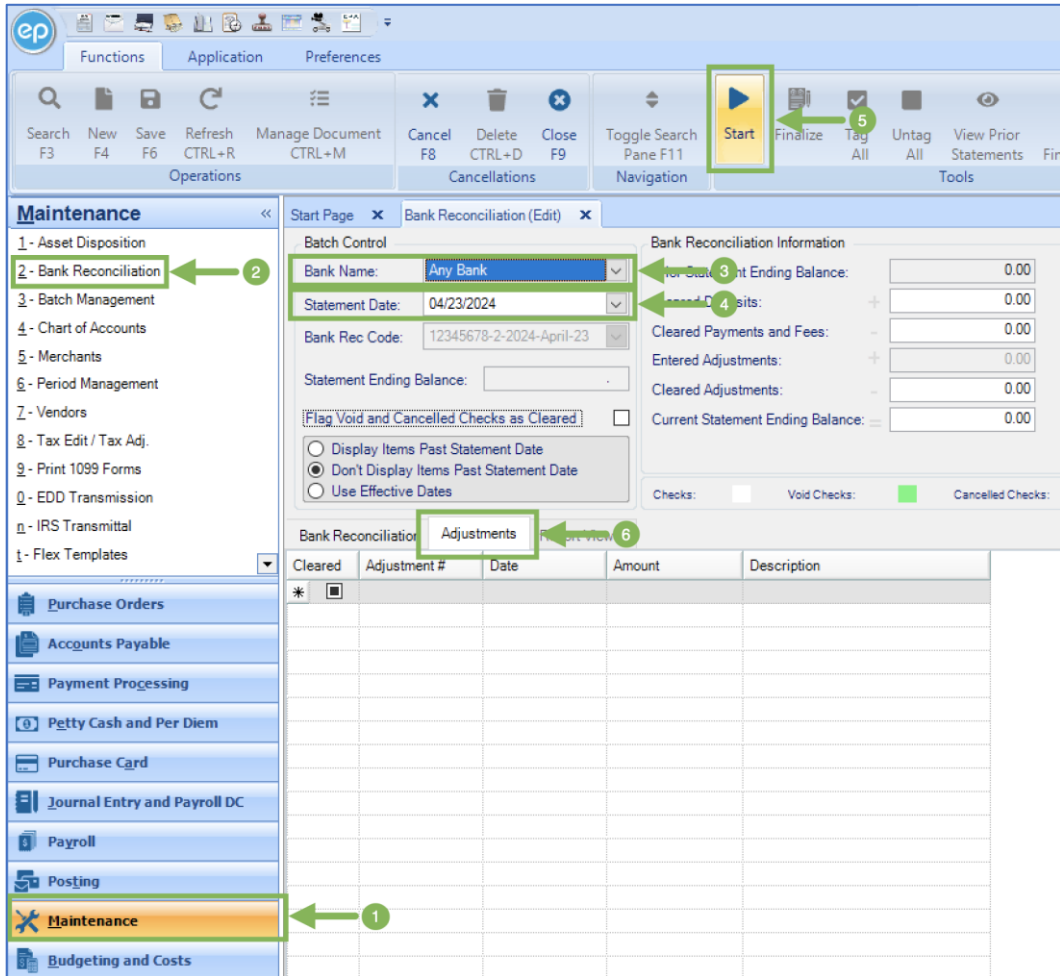


Figure 4: Activated Adjustments tab

**Note:** While actively working on bank reconciliation, if the adjustments tab appears grayed out, click **Save**. Once saved, the adjustments tab is accessible.

### Adjustment example

A common scenario where you might input an adjustment is with bank statements and check clearing. For example, if you issued a check on the 31st, but it won't clear until after the 1st of the next month, you'd create an adjustment anticipating that the transaction will appear in next month's bank statement.

Various factors can affect adjustments displaying in your bank reconciliation. One such example is an adjustment cleared along with its corresponding transaction.

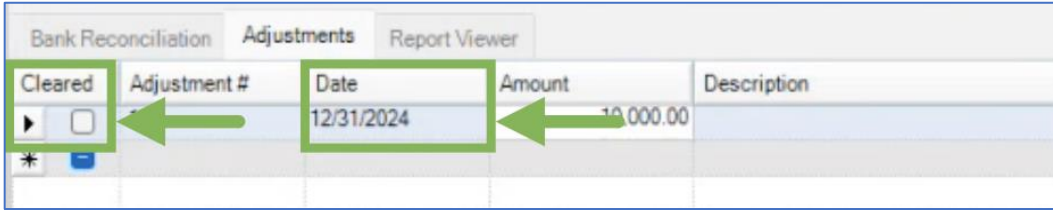


Figure 5: Clearing adjustments and future adjustments

## Duplicate Check Number and Check Type

A duplicate check number paired with the same check type is a system error. Contact [EP Support](#) and follow the steps listed here:

1. On the **Start** menu, select **Maintenance**.
2. Select **Bank Reconciliation**.
3. Select the **Bank Reconciliation** tab.
4. Identify the duplicate **Check Number** and **Check Type**. Take note of the duplicates to share with EP Support.
5. Contact [EP Support](#) for escalation.

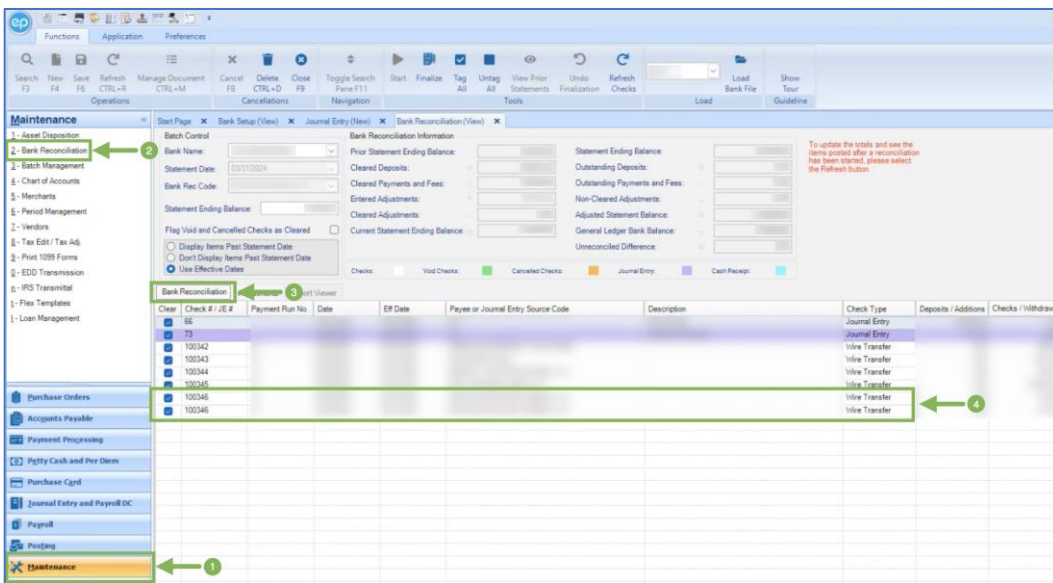


Figure 6: Duplicate Check Number and Check Type

## The Trial Balance Doesn't Match the Bank Reconciliation

If the trial balance doesn't match the bank reconciliation balance, this could be due to various reasons, such as unreconciled transactions, deposits in transit, or outstanding

checks. As best practice, investigate what might have been missed and repeat the reconciliation process.

## When to Post a Journal Entry vs. an Adjustment

As best practice, use adjustments for amounts you expect will not yet appear in the bank. Record a journal entry for a transaction coded directly to an account. Once you've cleared line items associated with an AP Cash bank in the bank reconciliation, reversing journal entries is no longer possible.

## Missing Journal Entries

If you find you need to enter a journal entry for the [AP Cash or Deposit Account](#) connected to the selected bank while reconciling, follow the steps listed here:

### Start the Bank Reconciliation

1. On the **Start** menu, select **Maintenance**.
2. Select **Bank Reconciliation**.
3. Select the bank from the **Bank Name** drop-down menu.
4. Select a **Statement Date** from the drop-down calendar.
5. Select a **Display Option**.
6. Click **Start** in the ribbon.

**Note:** Leave the Bank Reconciliation module open and in progress.



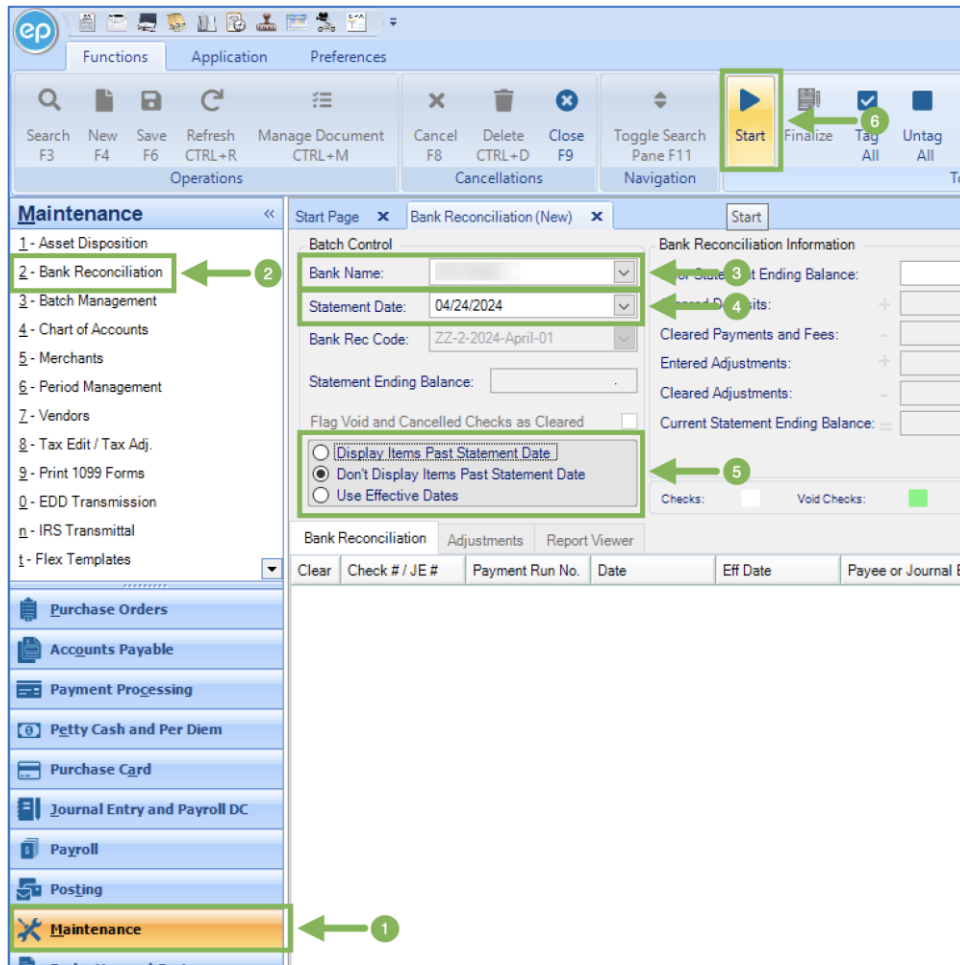


Figure 7: Starting a bank reconciliation

## Create the Journal Entry

7. On the **Start** menu, select **Journal Entry and Payroll DC**.
8. Select **Journal Entry**. An entry screen opens under the **Journal Entry (New)** tab.
9. Select the batch from the **Batch** drop-down menu.
10. Select the currency from the **Currency** drop-down menu.
 

**Note:** Only invoices for the specific currency selected will populate.
11. Select the period from the **Period** drop-down menu.
12. Enter the document number in the **Document Number** field.
13. Select the **Transaction Date** from the drop-down calendar.
14. Enter the description for the transaction in the **Description** field.
15. Select **JE** from the **Journal Source Code** drop-down menu.
 

**Note:** The **Debits** and **Credits** fields are system-generated. When you enter values in the Amount column, they populate accordingly.

16. To create **Line #1**, enter the **Company, LO, GLPROD, Account, and Description** for the journal entry.
17. Enter the amount in the **Amount** field.
18. Use the tab key to move through the fields.
  - a. Continue to create **Line #2**.
  - b. Use the tab key to move through **Company, LO, GLPROD, Account, and Description**. These fields auto-populate with the values from Line #1.
19. Enter the credited amount in the **Amount** field. Use a minus sign or parenthesis to indicate you are crediting that amount.
20. Confirm the **Debits** and **Credits** fields match.
21. Click **Save** in the ribbon or key **F6**.
22. Confirmation messaging displays with the transaction number. Click **OK**.

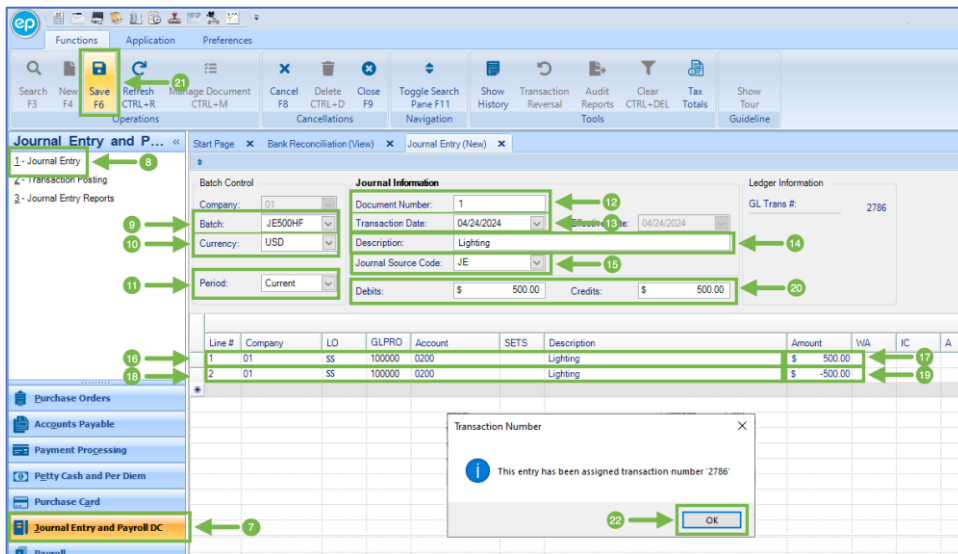


Figure 8: Creating a new journal entry

## Post the Journal Entry

23. On the **Start** menu, select **Posting**.
24. Select **Transaction Posting**.
25. Select the **Approved to Post** checkbox for the transaction to post.
26. Click **Post** in the ribbon.
27. Confirmation messaging displays. Click **Yes**.

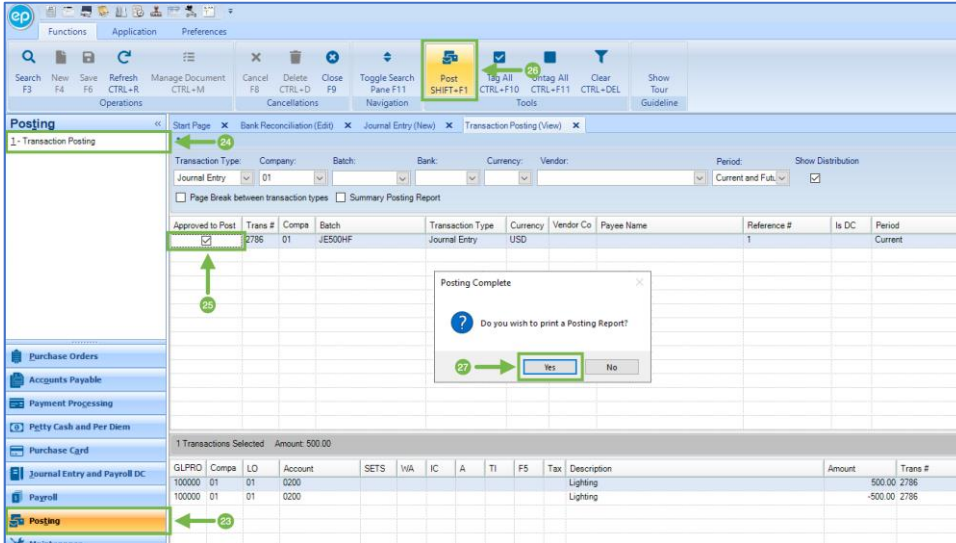


Figure 9: Posting a journal entry

## Return to the Bank Reconciliation

28. Select the **Bank Reconciliation (Edit)** tab.
29. Click **Refresh** in the ribbon to update the bank reconciliation view.
30. The posted journal entry displays and is available for reconciliation.

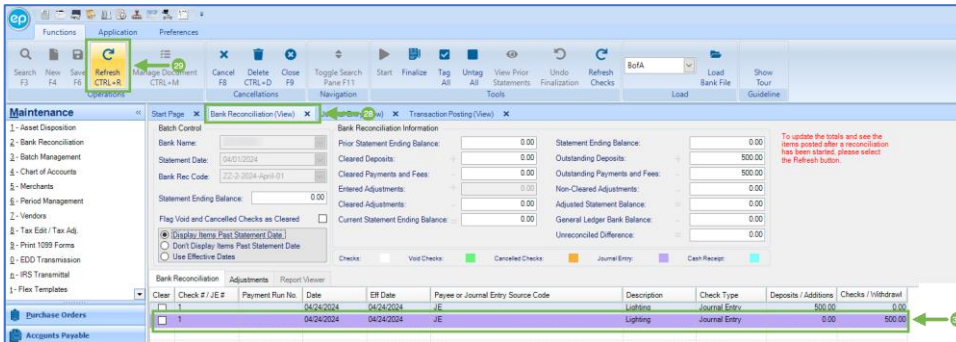


Figure 10: Updated bank reconciliation

**Note:** For the new journal entry to display, enter an effective date for the journal entry that is equal to or less than the bank reconciliation statement date.

## Bank Reconciliation Process

1. On the **Start** menu, select **Maintenance**.
2. Select **Bank Reconciliation**. An entry screen opens under the **Bank Reconciliation (View)** tab.

3. Select the bank from the **Bank Name** drop-down menu.
4. Select a **Statement Date** from the drop-down calendar.
5. Select a **Display Option**.

**Note:** You can change the [Display Option](#) during the reconciliation process. Click **Refresh Checks** in the ribbon to update available transactions.

6. Click **Start** in the ribbon.
7. The grid under the **Bank Reconciliation** tab lists available transactions and the color legend represents the listed transaction type.

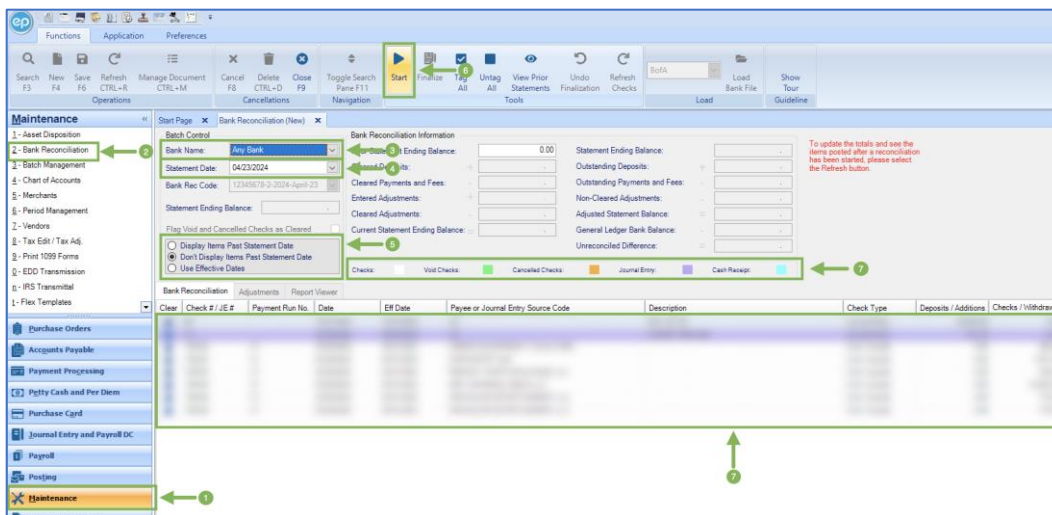


Figure 11: Bank reconciliation process

8. Enter the amount in the **Statement Ending Balance** field. This is the balance on the statement from the bank.
9. Select the checkbox in the **Clear** column to reconcile individual transactions.
  - a. Click **Tag All** in the ribbon to select all transactions.
  - b. Click **Untag All** to deselect the selected transactions.

**Note:** By clearing the transactions, the amount selected is moved to the **Cleared Payments and Fees** field, deducted from the **Outstanding Payments and Fees** field, and reflected in the **Adjusted Statement Balance** field.

10. Click **Save** in the ribbon or key **F6**.
  - a. If you have any [Adjustments](#), you can add them now.
  - b. Click the **Adjustments** tab and enter the **Adjustment #**, **Amount**, and **Description**.
  - c. Click **Save** in the ribbon or key **F6**.
11. Click **Finalize** in the ribbon.

**Note:** You can save your progress at any stage of the reconciliation process. However, you can't finalize the reconciliation until the **Unreconciled Difference** field reaches 0.00.

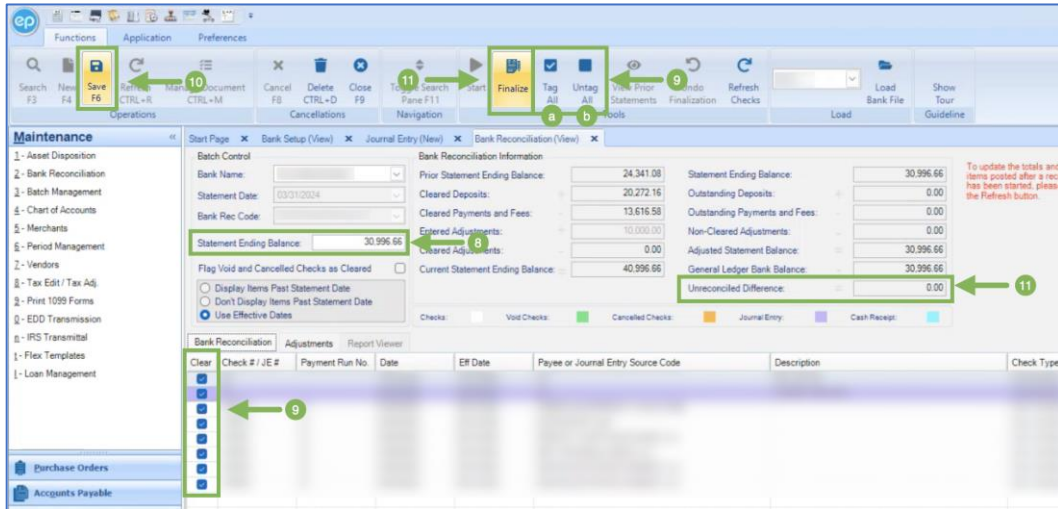


Figure 12: Finalizing the bank reconciliation

## Display Options

Select one of the three options to filter which transactions are shown. These options are determined by either the transaction date or effective date, which are then compared to the bank statement date.

- For checks, the transaction date is the check date.
- For journal entries, the transaction date is the date entered in the Transaction Date field when the journal entry was created.

**Display Items Past Statement Date** — All non-cleared, items display. For example, select to display items posted in the future. SmartAccounting uses periods, and the future date range is different than the bank reconciliation date range.

**Don't Display Items Past Statement Date** — Non-cleared items with a Transaction or Payment Date equal to or less than the entered Statement Date displays. For example, select to display items relevant only to this statement.

**Use Effective Dates** — Non-cleared items with an Effective Date equal to or less than the entered Statement Date displays. For example, select to display issued checks for a defined time (e.g., March 1st to March 31st).

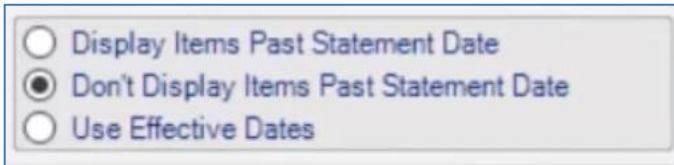


Figure 13: Bank reconciliation display options

### More on Use Effective Dates

The **Use Effective Dates** option is often selected when trying to reconcile with an external source like a bank statement. In such instances, it's important to ensure that the correct Effective Date is applied when voiding a check.

A problem can arise when the effective date assigned to the check comes after the entered statement date. When you choose the **Use Effective Date** option, the system will only show items with an effective date equal to or earlier than the entered statement date.

For example:

- A check is entered with a Check Date and Effective Date of 3/28/2024 and voided on 4/5/2024.
- The bank reconciliation has a Statement Date of 3/31/2024 with the display option of **Use Effective Date**.

This situation can create a reconciliation challenge because the general ledger bank balance shows the current balance, including voided transactions. However, the chosen display option excludes voided transactions because their Effective Date lies outside the Statement Date range.

To prevent reconciliation problems, a suggested solution for the scenario is to set the Effective Date of the void as 3/28/2024.

**Note:** If new transactions aren't displaying, [deleting a saved bank reconciliation](#) may be necessary for new payment transactions to appear.

## Support

**Need Help?** Contact EP Product Support at:

Monday, 12 a.m. to Friday, 8 p.m. PT

Saturday/Sunday, 7 a.m. to 7 p.m. PT

818-955-6300

[AccountingSupport@ep.com](mailto:AccountingSupport@ep.com)

**After Hours:**

818-955-6300