

Bank Ledger Reconciliation

Compare a bank statement with a ledger and explain every difference.

USE THIS WHEN

Use this after the bank statement closes or at a regular checkpoint. Reconciliation compares two records as of the same date. A difference is a clue to investigate, not an amount to plug.

THE METHOD

- 1

Fix the cutoff
Write the statement ending date and the ledger balance as of that date.
- 2

Match transactions
Check each deposit and withdrawal against the statement, recording references and dates.
- 3

List timing items
Identify deposits in transit and outstanding payments that are in one record but not yet the other.
- 4

Record real corrections
Enter missing fees, interest, or errors in the appropriate record; compute both adjusted balances and investigate any difference.

WORKED EXAMPLE	
Bank statement	\$2,345
Bank timing items	Deposit in transit +\$200; outstanding check -\$120
Adjusted bank	\$2,425
Ledger	\$2,430 less unrecorded \$5 fee = \$2,425

WHEN THE METHOD BREAKS

If adjusted balances differ, trace the unmatched transactions and opening balance. Keep a list with owner and date; never invent a balancing entry.

Bank Ledger Reconciliation

Working sheet / Fill it during the task; keep the source record alongside it.

Name / date / work period

Account / period ending

Statement ending balance

Deposits in transit (date / amount)

Outstanding payments (date / amount)

Adjusted bank balance

Ledger balance before corrections

Ledger corrections with source/reference

Adjusted ledger balance / difference

Bank Ledger Reconciliation

Closeout / Check the result, name the gap, and set the next action.

Unmatched transactions: reference, amount, owner

Correction entered in which record, and when?

Evidence retained (statement, ledger, receipts)

Open difference and follow-up date

COMPLETION CHECK

- ☐ Same cutoff date
- ☐ Timing items supported
- ☐ Adjusted balances agree

NEXT USE

A timing item clears in a later period. Carry it forward and confirm it cleared; do not delete it to make the sheet match.