

## PBS and the Check Book Reconciliation process

### Basic Formula

Book Balance (as of last Statement including Uncleared It **plus** New, Open Items this period  
 =  
 Bank Balance minus Uncleared items in book

Book Balance (as of last Statement including Uncleared It **plus** New Items (Rcpts = +/Db) **minus** Items Cleared this Period  
 =  
 Bank Balance **minus** Uncleared items this recon



This period Bank Statement

Last Period Values brought forward

Current Period Values (Entered, Interfaced, Cleared, Voided)

Recon Values calculated

Values calculated during Reconciliation

Bank	(Check) Book		Cleared versus Uncleared		
Balance Last Period	950	1000	Last Stmt CkBk (Ttl) Balance	50	Uncleared Items from Last Prd
Reconciling Balance	0				Last Prd Cleared Balance: <span style="background-color: #FFDAB9;">950</span> = (1000 - 50)
=(1000 - 50) - 950					
		2000	Debits this Prd		
		1500	Credits this Prd	500	Uncleared Items from this Prd before Recon
				550	Total Uncleared before recon
				475	Net Cleared this Prd/during Recon
Bank Balance this Prd	1425				
Reconciling Balance	0	1500	This Stmt CkBk (Ttl) Balance	75	Net Uncleared Items = (550 - 475)
=(1500 - 75) - 1425					Curr Prd Cleared Balance: <span style="background-color: #FFDAB9;">1425</span> = (1500 - 75)

### PBS View of these same numbers:

This Stmt Balance:	1425	1500	(Total) Check Book Balance	(This period check book balance i.e. includes uncleareds.)
Last Stmt Balance:	950	75	(Total) Outstanding	(Uncleared items this bank statement.)
Difference	475	1425	Cleared C/B Balance	(Calculated Net of (Total) Check Book Balance minus un cleared amount.)
Cleared this date	475	1425	Statement Balance	(Same as Upper Left Corner and enter at start of Recon i.e. the portion of the check book that has been cleared.)
Reconciling Difference	0	0	Reconciling Difference	(Cleared this date: Items cleared in this Recon. Items can come from transactions entered in this period r from prior periods. The program automatically computes this as you clear items during the Reconciliation)

### Note there are two reconciliations going here:

The left hand column is based entirely on Prior and Current Bank Balances along with total dollars cleared. A wrong Check Book balance will not affect this.

The right hand column is based CkBk closing balance, uncleared items and the Current Bank Statement - it is not sensitive to the value of the Prior period's Bank Statement.

So in some sense both recons are required to fully justify the balance.