CHAPTER-8
BANK RECONCILIATION STATEMENT

We check the balances shown by the Cash Book prepared by us, with the Bank's Pass Book every month. Sometimes they may not tally as some debits & credits are entered only in Cash Book and some others only in Pass Book. So we prepare BRS to rectify the differences.
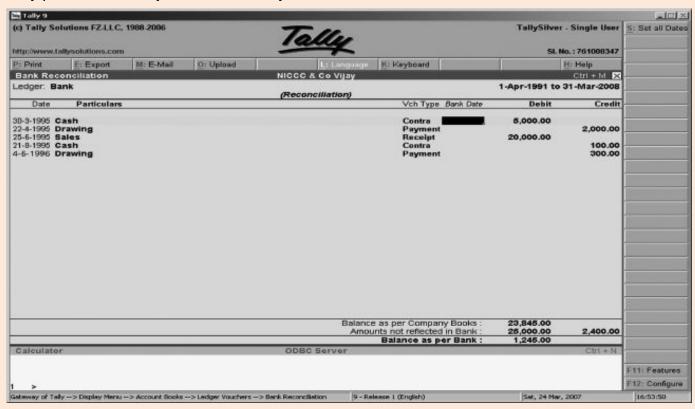
THREE STEPS

1. Removing common entries.

2. Converting extra entries into "Optional" voucher.

3. Entering missed entries in our Tally.

The Steps to Reconcile:

❖ Select the Bank Book.
❖ Open the date wise transactions.
❖ Press 'F5: Reconcile' and go to edit mode.
❖ Enter the bank transactions dates under 'Bank Date' column. (Edit Mode)
❖ Accept.
❖ Again press F5 (Reconcile).
❖ You can notice the transactions that are not entered in the Bank's Pass Book; i.e. the amount not reflected in the Pass Book.
❖ Find out the vouchers appearing in our Book and not appearing in Pass Book.
❖ Convert those entries into 'Optional Vouchers' in our book.(i.e. in Tally)
❖ Find out the transactions from the Bank's Pass Book, which are not entered in our Cash Book.
❖ Post the missed vouchers in our book.
❖ Now the balances of Cash Book and Pass Book will tally.

Tally provides an easy method to rectify the difference.

Exercise:1

Post the following transactions in "BRS Enterprises" and reconcile the balances.

DATE	TRANSACTIONS	AMOUNT Rs.
01.7.1996	Opening Balance	26,120
03.7.1996	Paid by cheque to Abdul	5000
15.7.1996	Paid to Ramu by cheque	1880
18.7.1996	Cheque received from Gopal	7000
19.7.1996	Cheque received for sales from Raghu	9000
20.7.1996	Payment made to Kishore	3790
20.7.1996	Cheque paid (Karthik) for the purchase made	3525
26.7.1996	Salaries paid to Jagadeesh	1530
26.7.1996	Paid to Sathish	2890
26.7.1996	Received from Shekar	7435
28.7.1996	Commission received (Basu)	915
28.7.1996	Payment made to Abdul	1025
28.7.1996	Mani paid his dues	3400

PASS BOOK

DATE	PARTICULARS	Rs.	DATE	PARTICULARS	Rs.
4.7.96	To Abdul A/c	5,000	1.7.96	By Balance b/d	26,120
16.7.96	To Ramu A/c	1,880	20.7.96	By Gopal A/c	7,000
20.7.96	To Kishore A/c	3,790	20.7.96	By Raghu A/c	9,000
20.7.96	To Karthik A/c	3,525	30.7.96	By Basu A/c	915
28.7.96	To Jagadesh A/c	1,530	30.7.96	By Murugan A/c	1,900
26.7.96	To Insurance A/c	100	31.7.96	By Interest A/c	232
28.7.96	To Bill Payable A/c	1,550	31.7.96	By Int. on Investment A/c	735
31.7.96	To Balance c/d	31,097	31.7.96	By Bills Receivable A/c	2,570
		48,472			**48,472**

Exercise: 2

- Open Tally ERP9 and create a Company in the Name of "IMF GEARS LIMITED" Financial Year 2003-2004
- Create a Ledger in the name of 'SBI' under 'Bank Account'.
- Post the following transactions and reconcile:

DATE	TRANSACTIONS	Rs.
01.04.03	Opening Balance	12,000
03.04.03	Cheque paid to Ramu	800
07.04.03	Paid to Dinesh by Cheque	2,000
19.05.03	Cheque Received for sales from Mohan & Bros	1,600
29.06.03	Cash drawn from SBI for personal Use	5,000
31.07.03	Dividend Received (Arul & Co.)	2,380
01.08.03	Payment made to Chandra	1,040
27.08.03	Salary paid to Mrs. Deepak	1,900
29.08.03	Cheque paid to Sunder for the Purchase made	4,700
03.09.03	Received from Gopal	2,700
11.09.03	Amount Depoised into SBI	20,000
24.09.03	Bank Charges paid	150
05.10.03	Dues received from Suseela	5,200

PASS BOOK

DATE	PARTICULARS	Rs.	DATE	PARTICULARS	Rs.
5.04.03	To Ramu	800	1.04.03	By Balance b/d	12,000
8.04.03	To Dinesh	2,000	20.5.03	By Mohan & Bros.	1,600
3.08.03	To Chandra	1,040	1.08.03	By Arul & Co.	2,380
28.8.03	To Mrs. Deepak	1,900	4.09.03	Gopal	2,700
29.8.03	To Interest on loan	2,150	6.10.03	By Suseela	5,200
30.8.03	To Commission	850	8.10.03	By Bills Receivable	3,800
7.10.03	To Bills Payable	1,300	10.10.03	By Shekar	1,500
31.10.03	To Balance c/d	19,140			
		29,180			**29,180**