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Reconcile Bank Accounts

This procedure explains the steps required to reconcile the bank accounts on Sage to the bank statements received from Nat West.

This action is dealt with by the client funds account team (CFAT).

The bank statements are the banks view of the businesses receipts and payments. The purpose of the reconciliation is to ensure we account for all of the transactions. This action will need to be carried out for each individual account located in the 5 cost centres:

- 1000 – GB future scheme – bank account 55011

- 2000 – GB residuary body – bank account 55002

- 3000 – NI future scheme – bank account 55013

- 4000 – NI residuary body – bank account 55004

- 5000 – Employer – bank account 55015

Bank statements are uploaded automatically to Sage on a daily basis. Transactions are matched using the Bank Statement Reconciliation tool. Discrepancies are investigated and corrective journals posted. Once all transactions have been reconciled, general ledger (GL) reports are generated to publish the reconciliation.
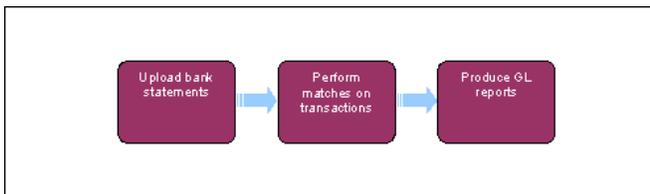
Note, you will need to use financial reports for certain information. On a daily basis all financial reports on BaNCS will be saved into a secure shared folder, for further information refer to Finance and GL Overview.
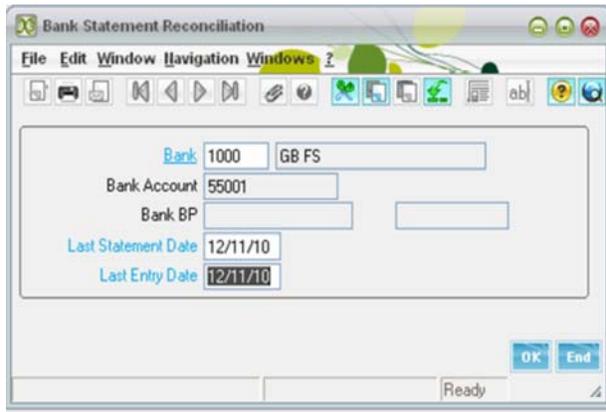
There may be times when direct contact with the dedicated DWP team within Nat West is required. This could be for bank errors, bank reconciliation mismatches, bank statement queries, failed ACT queries and BACS traces. This form of contact is only available to certain nominated people within the team. For more information refer to Pretty Good Privacy (PGP).

Auto match transactions

You begin the reconciliation by using the auto-match function in Sage to match transactions from the bank statements to the Sage accounts.

1. In Sage, from the left hand navigation menu select **AP/AR Accounting**, **Reconciliation** and then **Bank Statement Reconciliation**.

2. On the **Bank Statement Reconciliation** screen you are required to input the details of the bank account to be reconciled, the last date of the statement and in **Last Entry Date** field input the last general ledger (GL) entry date, once input select **OK**. An example of this screen is shown below:


3. You will then be presented with the following screen:

This shows the requested information. Bank statement entries are shown in red, account entries are black and matched entries are shown in blue.

Review auto matched transactions

4. Once auto matching is complete review matched transactions to guarantee the matches are appropriate. To make the process easier you can use the **Sort** function to group transactions.

5. Select **Sort** from the function menu and determine what sort criteria is needed from the list, multiple sorts are possible with a choice of ascending or descending order. An example of this screen is shown below:
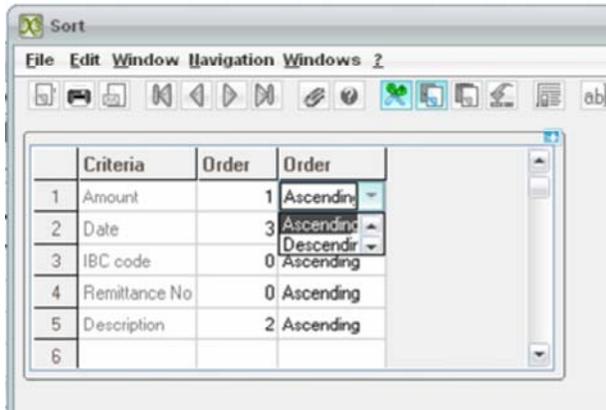
Select **OK** to sort. You can also use the **Search** function from the functions menu to aid you in finding amounts, dates and rejection codes.

6. If you encounter incorrectly matched transactions you will need to unmatch them. Go to 'Reverse Incorrect Matches' at **step 10**.

Manually match transactions

7. If there are still unmatched transactions following the auto match you are able to manually match transactions. To aid in matching transactions you can use the payments data files. These are located in a secure folder. You can group transactions as outlined in **step 6** to help simplify the process. Once you have identified two matching transactions, highlight them, right click in the first column and select **Selection**.

This places an asterisk against the selected items. Select reconciliation from the bottom right hand corner of the screen, this will match the two transactions and assign them a unique reference number:

Match Summary Values

8. There is a requirement and functionality to carry out many to one and many to many matching between the GL and the bank statement. When selecting transactions the bank reconciliation function keeps a running total of the selected items in the **Reconcilation** field. An example of this screen is shown below:
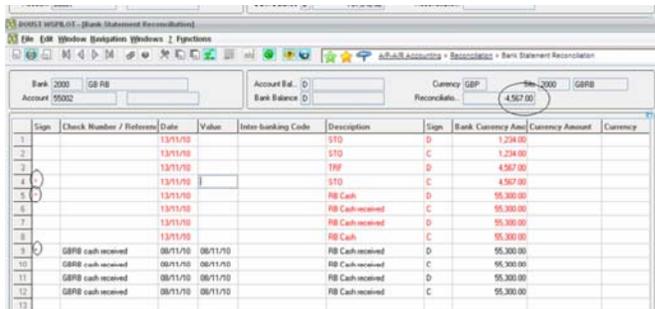
Matching is done by selecting transactions the same as in **step 7**. Once the selected items total the **Reconciliation** field will be blank.

9. Once the matched items total select **Reconciliation** from the bottom left hand corner of the screen, this will match the transactions and assign them a unique reference number.

Reverse Incorrect Matches

In the event an incorrect auto or manual match has been made it is possible to reverse the match.

10. Select AP/AR accounting, reconciliation, and then reconciliation reversal.

11. You can use the Search function from the functions menu to aid you in finding transactions. Only matched transactions will be shown. Select the two transactions to unmatch and select **Save**.

Unmatched transactions will turn blue as shown in the example below.
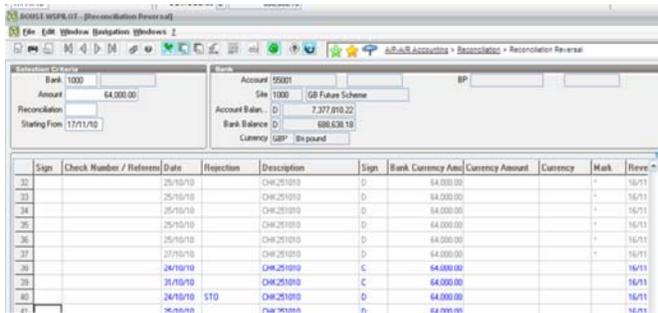
12. If a bulk reversal is required select **Auto** from the bottom of the screen.

The **Bank Code** field must be populated with the account you are reconciling. The other fields can be left blank if you wish to select every matched transaction on the account.
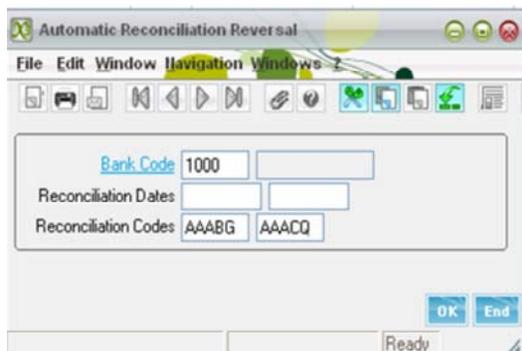
Reconciliation Codes represents the unique reference code matched transactions are given.

13. Once the required fields have been populated select **OK**. The transactions represented by the input criteria will now be unmatched, you are presented with a log file showing what has been unmatched.

Investigate Unmatched Transaction

14. If there are still unmatched transactions after auto and manual matching has been completed you will need to investigate each transaction:

   - You can use the enquiry functions in Sage and BaNCS to enable you to investigate transactions, refer to the following procedures in related items, for further information:

      - General ledger enquiry – you will use this to examine the transactions which make up the control account balance.

      - BaNCS enquiry – this enables you to look at transactions on the BaNCS accounts.

      - CMS financial enquiry (CFAT) – required in cases where you don't understand a BaNCS transaction

      - Data warehouse - client balance listings – details how to gain access to a detailed version of the General Ledger Interface File (GLIF). You can then compare the GLIF that has been posted to the GL against the detailed GLIF, which broken down into every transaction.

   - You can also compare the detailed GLIF to the accounts in BaNCS

   - You can use the payments data files, these are located in a secure folder.

   - Alternatively you can print off the bank statement from HSBCnet to investigate the transactions.

Retrieve Nat West bank statement

15. Log into Bankline.

16. From the Payments menu, select Payment summary. The default view is the Payment summary screen. This shows all active outgoing payments, outward payments completed today and inward payments received today, plus the number and total value of payments of each status. It also gives details of all inward payments received during the day. To view a Management Summary, Treasury Summary or Authorisation Summary, choose from the 'Select summary view' drop-down menu. See below for what each summary shows.

17. To view details of a specific payment, click on the underlined figure in the 'Volume' column. This brings up a list of payments in the selected category. You can then click on the payment ref to view the details of an individual payment.

18. Click on Export advices and select your required format from a choice of: Bankline (for credit and/or debit advices in CSV format), MT900 (for credit
advices), MT910 (for debit advices) and both MT900 & MT910 (for combined credit and debit advices exports).The file export layout guides detail the layout for each format. Please see the following guides:
Bankline export file layout guide – Bankline (CSV) format
Bankline export file layout guide – SWIFT format
Bankline export file guide – BAI v2 format.
19. To print or save a PDF of the summary, click Print/Save summary at the bottom right of the screen. You can also print or save a PDF of advices or records. Select the type from the dropdown menu, then click Print/Save advices or Print/Save records.

Rectify unmatched transactions

Transactions may be missing due to timing issues - in these instances no corrective measures are necessary.

20. Where discrepancies have been identified and corrective measures are necessary, post journals to BaNCS, the GL, or both. Refer to the following procedures for further information:

   - General Ledger Journals – details how to post a journal to the Sage GL where a transaction has not and will not hit BaNCS.

■ BaNCS Journals – details how to post a journal to BaNCS where you establish a transaction is missing.

(i) In the event you post a correction to BaNCS for a transaction which is there but in the wrong place, because the GL and BaNCS are linked, a transaction will also have to be posted on the GL.

Produce GL Reports

21. When all the transactions have been dealt with the reconciliation is complete. You will need to produce the GL reports in order to publish the reconciliation. For more information refer to General Ledger Enquiry.

BaNCS - Client Balance Listings

BaNCS Enquiry

BaNCS Journals

CMS Financial Enquiry (CFAT)

Data Warehouse - Client Balance Listings

General Ledger Enquiry

General Ledger Journals

General Ledger Enquiry

Pretty Good Privacy (PGP)

Reconcile Control Accounts