



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



**SUBJECT: FINANCIAL MANAGEMENT**

**LEVEL: 3**

**TOPIC 4: COMPLING RECONCILIATION STATEMENTS**

# COMPILING RECEIPTS AND PAYMENTS TO THE BANK STATEMENT.

After completing this topic, you will be able to:

- Compare credits on bank statements with the bank column in the cash receipts journal, and correctly identify differences.
- Compare debits on bank statements with the bank column in the cash receipts journal, and correctly identify differences.
- Record differences in the cash receipts journal and cash payments journal or cash book.
- Balance journals and post journals to the bank account in the general ledger, and balance off accounts or balance off cash books.

# IDENTIFYING ITEMS IN THE CASH JOURNAL AND BANK STATEMENT.

- When you compare the cash journals entries and the bank statement, you may find one or more items of difference.
- One item that is not found in the bank statement is written out by the business that has not been cleared yet.
- These cheques are called outstanding cheques.
- Other items not found in the bank statements are deposits received and recorded by the business, but not recorded by the bank.
- These deposits are called deposit in transit.

# ITEMS FOUND ON THE BANK STATEMENT BUT NOT IN THE CASH JOURNAL.

- One item that is not found in the cash journal is bank services charges.
- These charges are fees deducted from the bank statement for services offered by the bank.
- Bank charges can include fees for accepting deposits, a fees for issuing a cheque book, and a fee for processing and mailing bank statements.
- Banks also charge a fee when a company overdraws from its current account.

# ACTIVITY

- Activity 19.2