



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



**SUBJECT: FINANCIAL MANAGEMENT**

**LEVEL: 3**

**TOPIC 5: 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.

# THE PURPOSE OF A RECONCILIATION STATEMENT.

- People use bank accounts for saving and managing funds.
- The most common bank account is the current account (cheque account).
- A business often needs to pay suppliers by cheque or by internet transfer.
- Every month the bank sends a bank statement to the account holder.

# THE PURPOSE OF A RECONCILIATION STATEMENT.

- Bank reconciliation is the process of matching and comparing figures from accounting records against those presented on a bank statement.
- When you compile a bank reconciliation statement for your own personal savings account you need to identify and compare the transactions in the bank account with your personal records of bank deposits and withdrawals.

# WHAT YOU NEED WHEN YOU COMPILE BANK RECONCILIATION.

- The cash journal ( The Cash Payments Journal and The Receipts Journal)
- The Bank Statement from the bank.
- The previous months bank reconciliation statement.

# ACTIVITY

- Activity 19.1