



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Tshwane South
TVET College

"achieve the future"

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.

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

- Another item found in the bank statement but not in the cash journals, is a returned cheque.
- A returned cheque is a cheque that has not been cleared by the bank.
- A bank often describes a returned cheque as a returned item.
- Interest is another item found in the bank statement.
- You will earn interest on credit balances, but if your account is overdrawn the bank will charge interest.
- Interest can therefore be a credit or debit.

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

- Debit orders for payments are another items found in the bank statement.
- A debit order is a written instruction to the bank statement to the bank to deduct an amount to a specific beneficiary.
- The amount can be constant or not constant.

ACTIVITY

- Activity 19.2