

# Bank Reconciliation Manual

This manual is designed to help users understand bank reconciliations in OnePractice.



## Table of Contents

<b>IBD (Interest Bearing Deposit) Ledger Reconciliation.....</b>	<b>1</b>
Periodic Interest.....	7
<b>Trust Account Ledger Reconciliation .....</b>	<b>8</b>
Bank Reconciliations Required Every day.....	12
<b>Creating a Blank Reconciliation for Days with No Transactions.....</b>	<b>13</b>
<b>Bank Reconciliation Tips .....</b>	<b>14</b>
Printing.....	15
Sorting Data .....	16
Editing Transactions .....	16
Dates of Transactions .....	18
Cash Deposits.....	18
Trust Requisitions.....	19
Deleting a Committed Bank Reconciliation - Trust and IBD .....	19
The Bank Reconciliation Report .....	21
IBD Bank Reconciliation .....	21

## Extract data from the Bank

To begin, download and save the required file(s) from the bank, this includes the trust account and all IBD Accounts (for on-call and term deposits). Note down the closing balance for both the IBD and trust account at this time.

Each calendar day needs to have an individual bank file when transactions have occurred. On the days when no transactions are occurring in the account(s) a bank reconciliation still needs to be created, but there is no file to download from the bank.

NOTE: All of the transactions for the day don't need to be posted to the required matters before the bank statement is imported. Create a bank reconciliation and keep it in progress by closing the bank reconciliation screen. Come and go from the bank reconciliation as many times in a day as needed until completed and the 'Commit' button has been clicked. At this point, the bank reconciliation is finalised.

## IBD (Interest Bearing Deposit) Ledger Reconciliation

1. On the Accounts ribbon click 'New' in the Reconciliation section (see Figure 1 below). Choose the IBD account from the Ledger drop-down (If the firm does not run an IBD account then go straight to the trust account ledger instructions below)

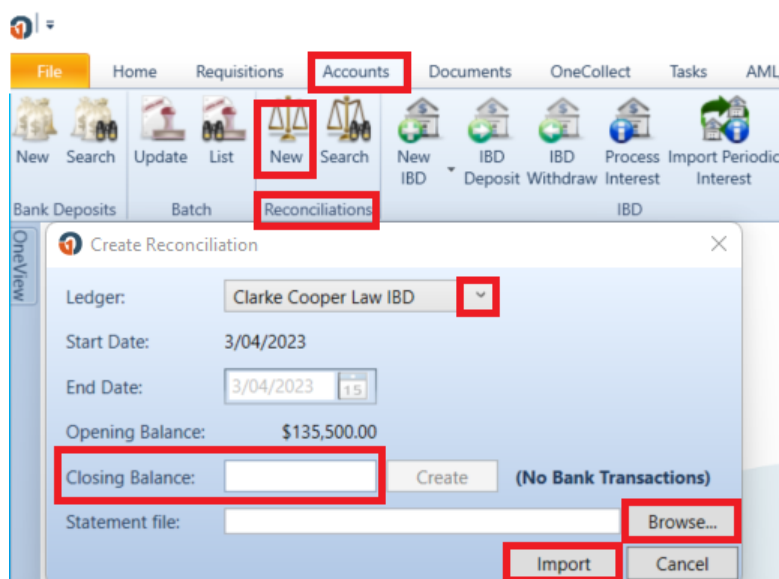


Figure 1.

2. Type in the closing balance of the IBD account at the bank. If the wrong closing balance is put in, an error message saying the imported transactions don't match the difference between the opening and closing balance will appear. Check and re-enter the closing balance.
3. Click 'Browse' and navigate to the location of the downloaded file from the bank, select it and click 'Open.'
4. Click 'Import'

- The transactions in the top half of the screen have come in from the bank (in the file that was downloaded) (see Figure 2 below). The bottom half of the screen displays the transactions posted in OnePractice for the date of the bank reconciliation.

When a transaction, bank side or trust side, is selected by ticking the box, this transaction will become highlighted in BLUE.

NOTE: By using the two buttons on the top right of the bank reconciliation screen, the view format can be changed from vertical to horizontal which displays the bank transactions on the left and trust transactions on the right.

The screenshot shows the 'Reconciliation' window for 'Trust Account: Clarke Cooper Law IBD' with a 'Date Range' of '25/07/2024'. The interface is split into two main sections: 'Bank Transactions' and 'Trust Entries'.

**Bank Transactions:**

Date	Reference	Particulars	Amount	Other Party	Code
<b>Credits - Credit</b>					
<input checked="" type="checkbox"/>	25/07/2024	3	\$6,000,000.00	Clarke Cooper	
<input type="checkbox"/>	25/07/2024	3	\$197,421.25	Clarke Cooper	
<b>Debits - Debit</b>					
<input type="checkbox"/>	25/07/2024	3	(\$1,495.00)	Clarke Cooper	
<input type="checkbox"/>	25/07/2024	3	(\$56,500.00)	Clarke Cooper	

**Trust Entries:**

Buttons: Reconcile, Adjust, Create Matching Receipt

Date	Reference	Particulars	Amount	Other Party	Code
<b>Credits - Electronic</b>					
<input checked="" type="checkbox"/>	25/07/2024	IBD06-0899-00999888-033	\$6,000,000.00	Dutton Family Trust	
<input type="checkbox"/>	25/07/2024	IBD06-0830-0772266-037	\$197,421.25	Lester, Rosemary Anne Mrs (nee Smith)	
<b>Debits - Electronic</b>					
<input type="checkbox"/>	25/07/2024	IBD12-1234-0123456-55	(\$56,500.00)	Jackson, Casey Ms	
<input type="checkbox"/>	25/07/2024	IBD06-0830-0112233-033	(\$1,495.00)	MA Family Trust	

Figure 2.

- Match the transactions between these two sections. Tick the transactions on the bank side (top) and the OnePractice side (bottom) (see Figure 3 below). Tick transactions one by one or tick the top box to select all transactions. If the transactions balance between the top section and the bottom section, the reconcile button in the middle of the screen will highlight, click this to reconcile the selected transactions.

The transactions will be removed from this tab. View the reconciled IBD transactions in the Reconciled tab. Reconcile all the IBD transactions (so that the screen is blank) but **do not commit** the reconciliation. The Commit button is greyed out until all transactions are reconciled. When every transaction in the Bank is reconciled with the data entry in OP, simply close out of the IBD reconciliation.

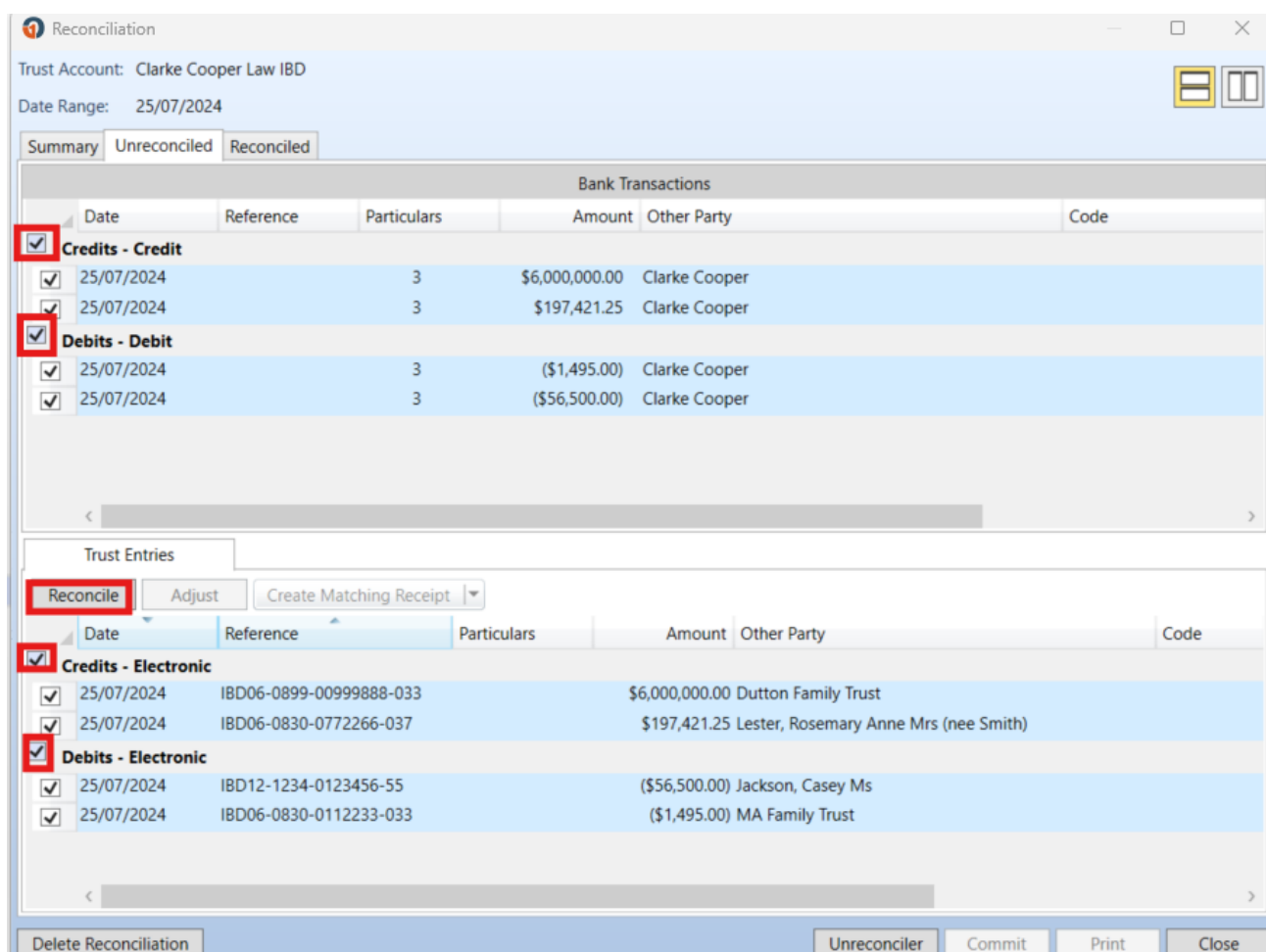


Figure 3.

NOTE:

- + Do not commit the reconciliation yet as the trust account bank reconciliation needs to be completed first
- + No transactions should remain on the bottom half of the bank reconciliation, if a transaction did not happen at the bank then that transaction should be deleted from OnePractice

If an error is made during the reconciliation process, the transaction/s can be unreconciled. The example below (Figure 4) shows how to undo reconciled transactions.

NOTE: If the transactions have been reconciled one by one, they will undo one by one. If transactions are reconciled together, they will be undone together. If transactions need to be deleted, they must first be unreconciled.

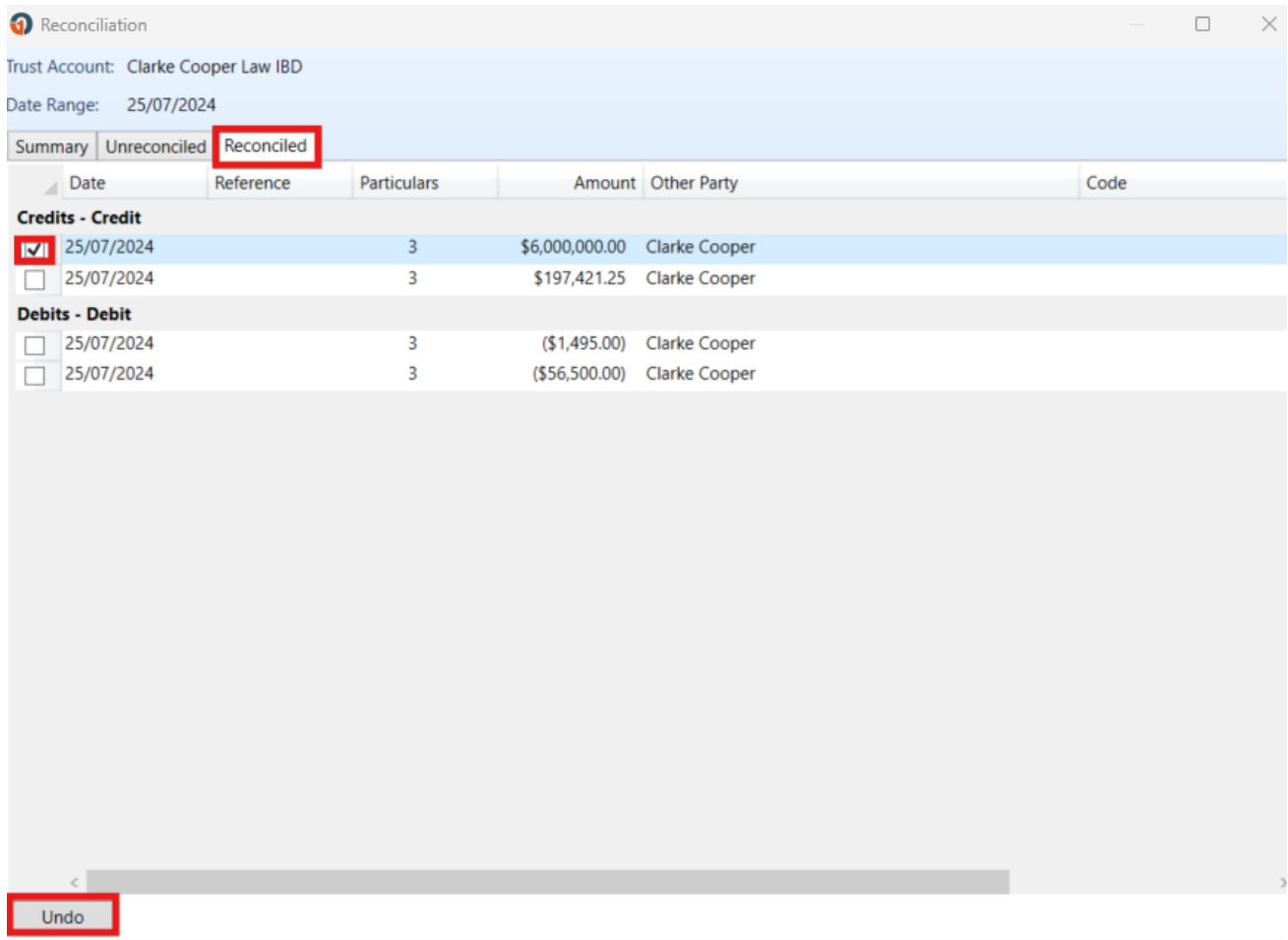


Figure 4.

Double-click on a transaction posted in OnePractice (bottom half of screen) to delete it if it has been posted incorrectly. IBD transactions cannot be edited.

The example below (Figure 5) shows how to delete an IBD transaction posted by double-clicking on the transaction.

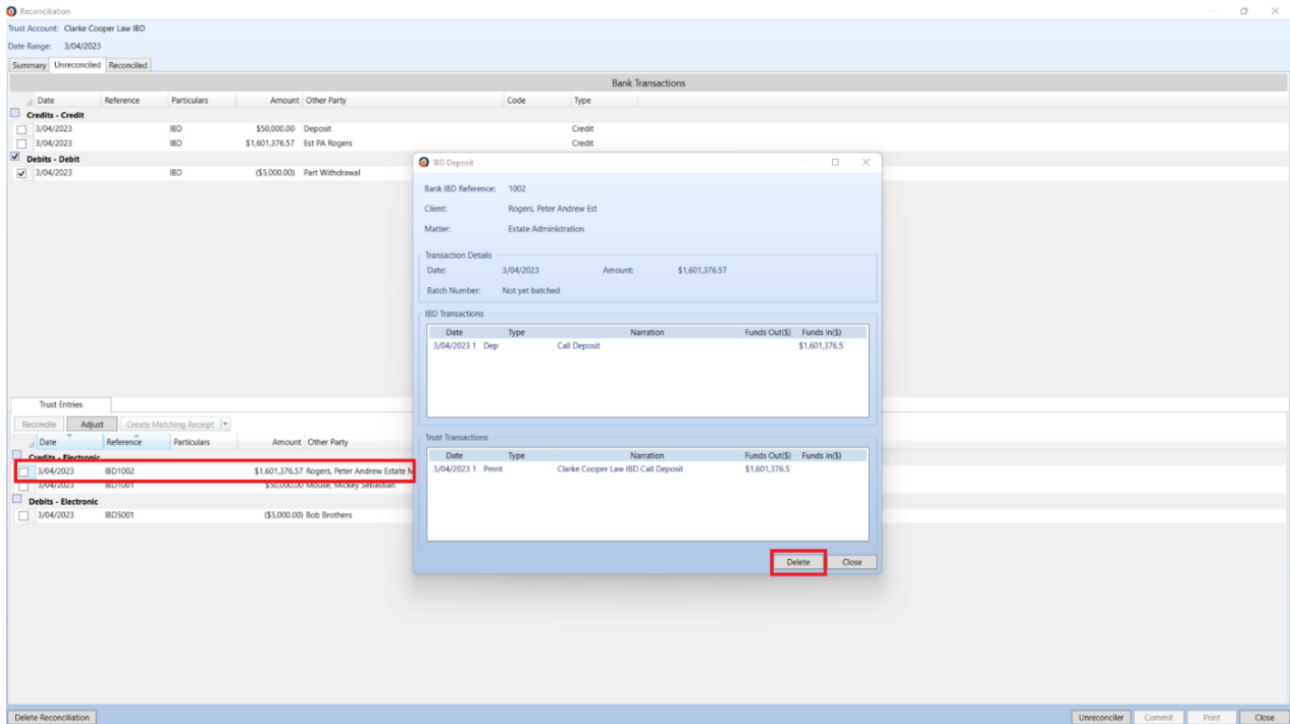


Figure 5.

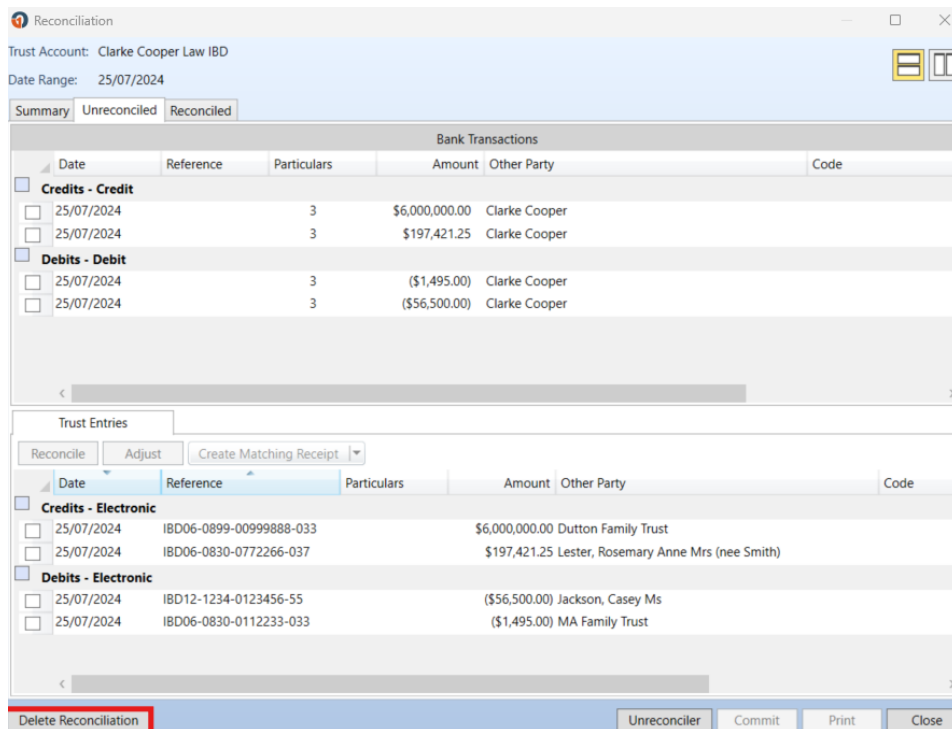


Figure 6.

A reconciliation can be deleted at any time if it has not been committed. This will not delete the transactions posted. The bank file can then be imported again and started from fresh.

To close out of the Reconciliation window at any time click the 'X' on the top right-hand side of the screen (Figure 7 below). This will not delete the Reconciliation but will leave it set as 'In Progress.'

On closing, the reconciliation will be sitting in the list with 'In Progress' next to it (see Figure 7 below). To reopen the reconciliation at any time double-click on it. This will allow work to continue on the reconciliation throughout the day.

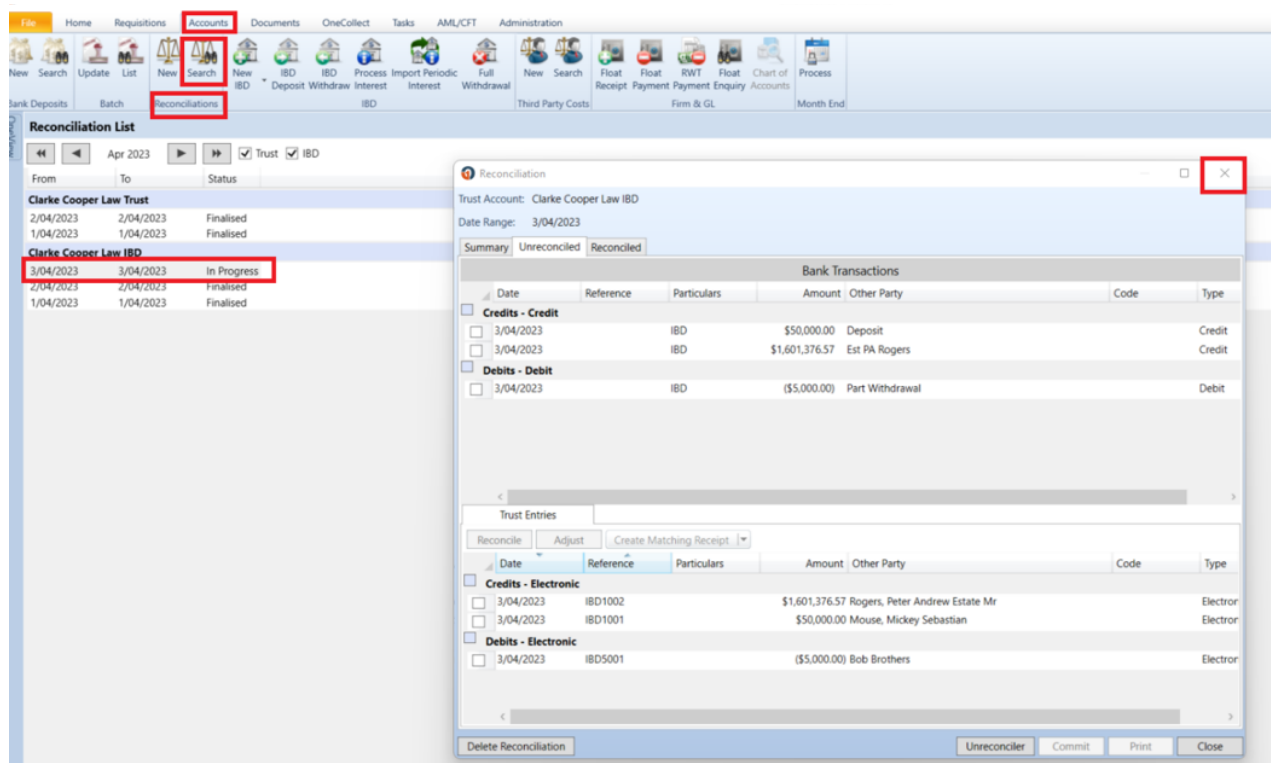


Figure 7.

To commit the reconciliation, open the reconciliation and click 'Commit' in the bottom right-hand corner (see Figure 8 below). Only do this once both the trust and IBD accounts balance.

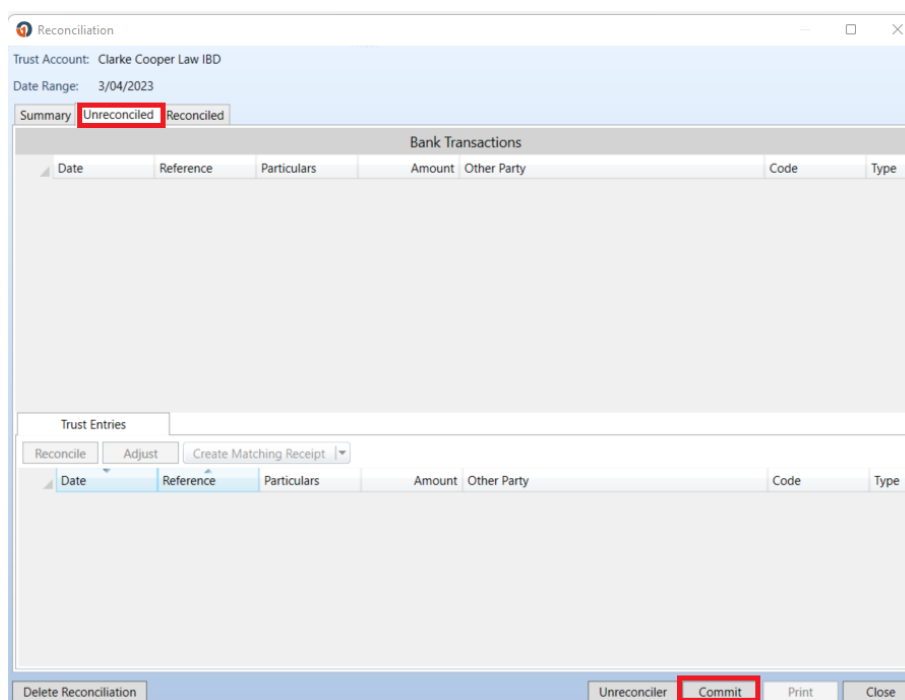


Figure 8.

NOTE: A copy of the bank reconciliation can be printed after it has been committed. Click the 'Print' button. Any bank reconciliation can be reprinted at any time, locate the required reconciliation, double-click to open it and then click 'Print.'

### Periodic Interest

Some firms have IBD interest paid monthly, and other firms have it paid quarterly. Print off the interest report from the bank and process the interest into OnePractice before starting the bank reconciliation for that day.

Ensure that the banking system has been checked before proceeding to commit any IBD bank reconciliation. It is possible to get caught out if nothing has happened in the IBD account during the month and blank bank reconciliations are regularly being created using the 'Create (no bank transactions).'

## Trust Account Ledger Reconciliation

Once the IBD bank reconciliation is balanced but not committed, start the bank reconciliation for the trust account.

1. In the Accounts ribbon click 'New' in the Reconciliation section and choose the trust account Ledger from the drop-down (see Figure 9 below)

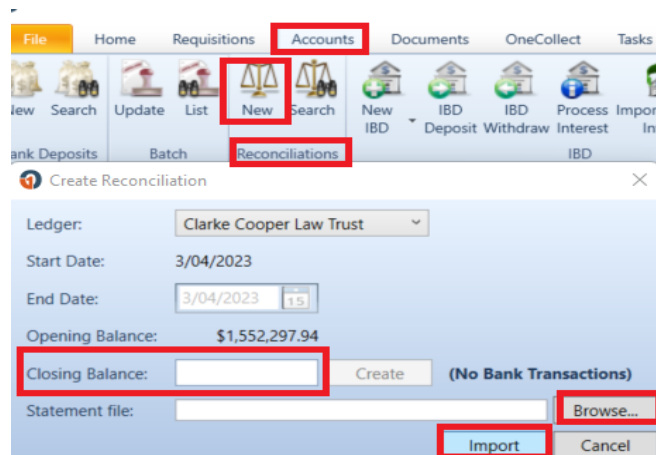


Figure 9.

2. Type in the closing balance of the trust account at the bank
3. Click 'Browse' and navigate to the location of the downloaded file from the bank, select it and click 'Open'
4. Click 'Import'  
NOTE: See pages 14 & 15 for import errors that can occur
5. Reconcile the trust transactions. Tick the transactions on the bank side (top) and the OnePractice side (bottom) (see Figure 10 below)

Tick transactions one by one or tick the top box to select all transactions. If the transactions balance between the top section and the bottom section, the Reconcile button in the middle of the screen will highlight, tick this to reconcile the selected transactions.

The transactions will be removed from this tab, view the Reconciled trust transactions in the Reconciled tab. The Commit button is greyed out until all transactions are reconciled.

NOTE: Match transactions either one at a time or in batches to reconcile. The Reconcile button will not highlight if the transactions don't equal the same total between the two sections.

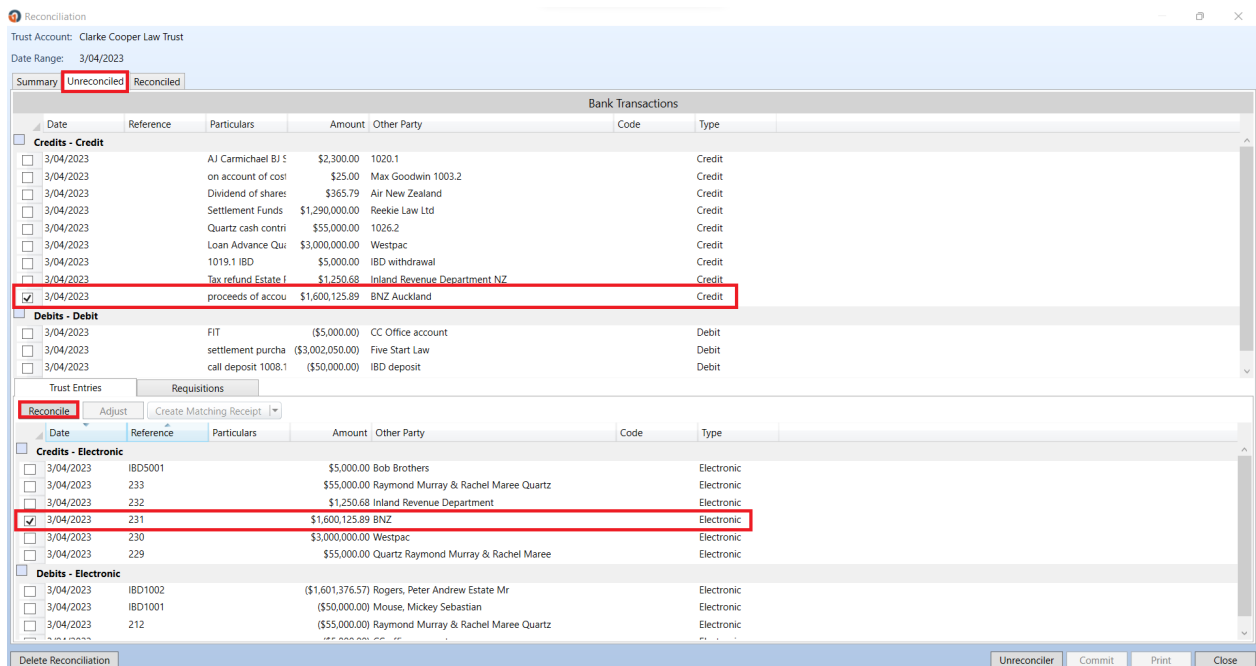


Figure 10.

NOTE: If more transactions from either the top (bank) or bottom (trust) are selected and the totals match (for example one payment out of the bank to two payments posted in OnePractice) when reconcile is selected, a warning will appear (see Figure 11 below). Select 'Yes' to reconcile or 'No' to check the transactions.

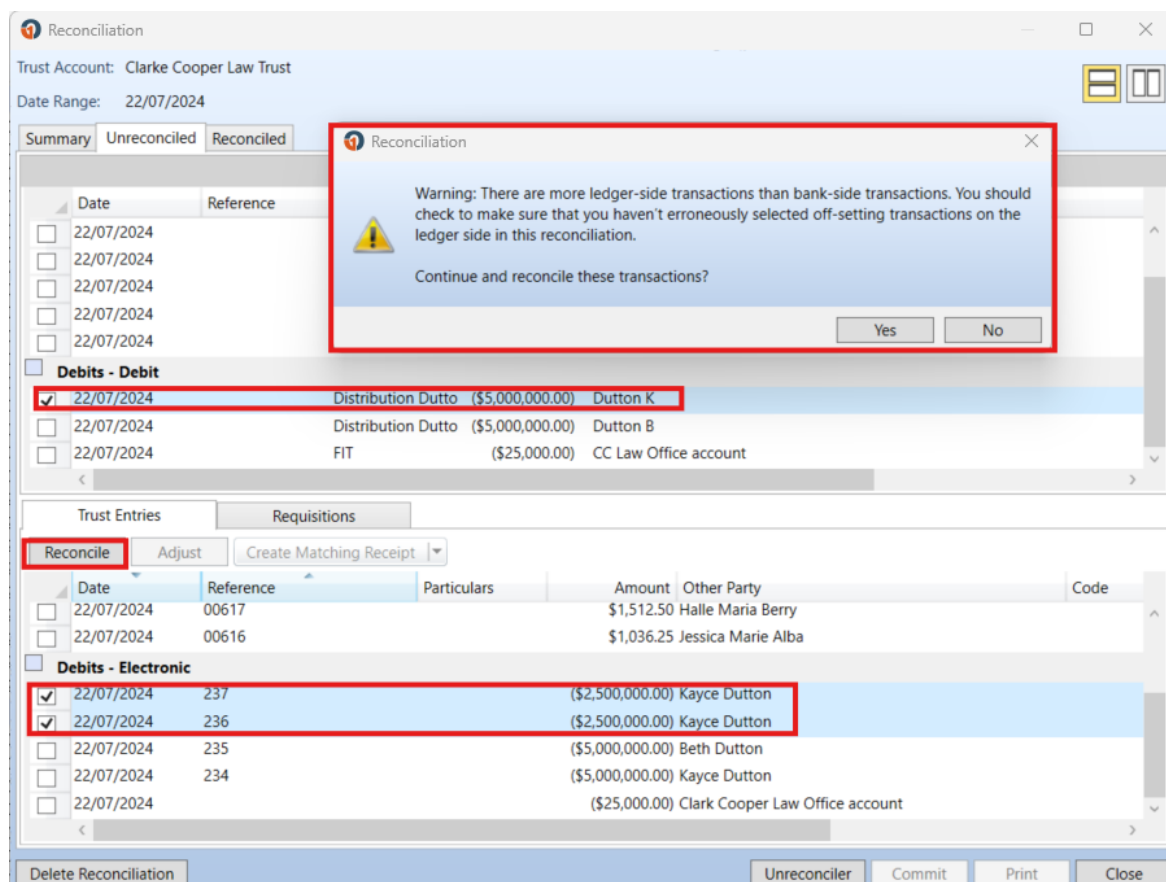


Figure 11.

Receipts can be posted from within the Bank Reconciliation screen. To do this, select the transactions in the bank section (top half) and click 'Create Matching Receipt.' This will open a Trust Receipt window. The Date, Amount and Funds Type fields will auto-populate from the details for the credit. Complete the other details and post the receipt as usual.

The example below (Figure 12) shows how to create a matching receipt from within the bank reconciliation.

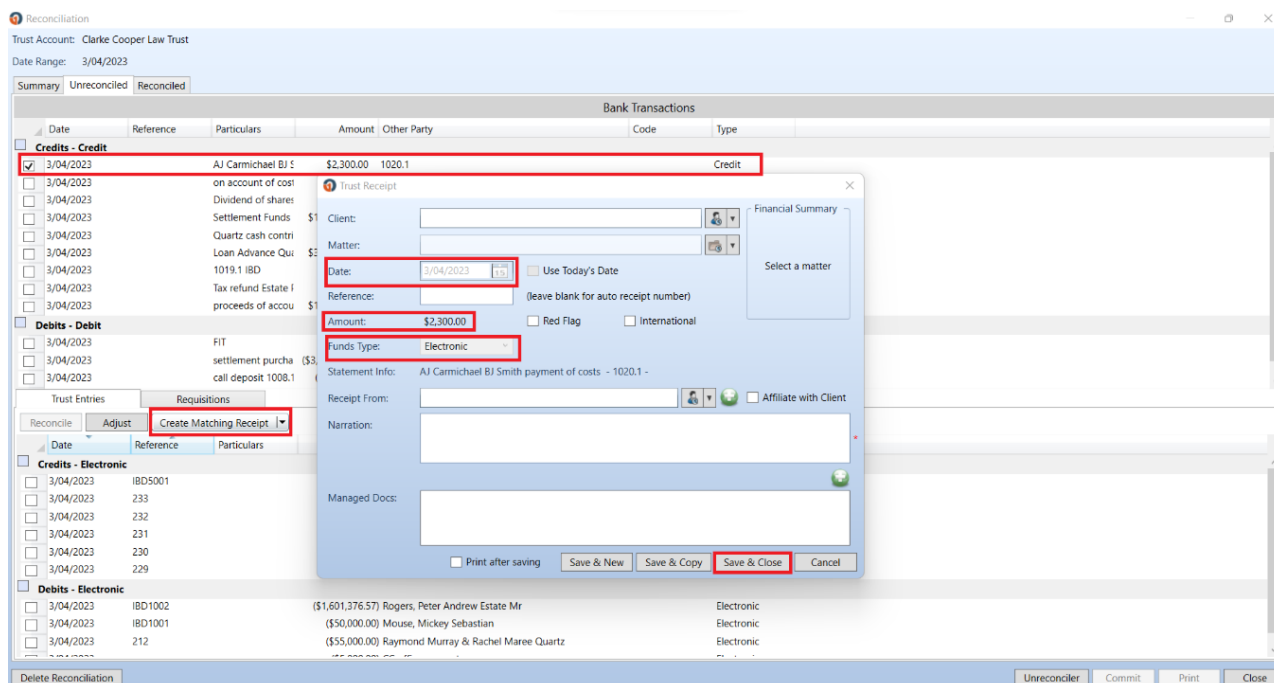


Figure 12.

If there is a bank entry with no matching trust entry, and there are no details to create a matching receipt, there is a provision to create an adjusting entry to complete the bank reconciliation for the day being reconciled. This will enable that bank entry to be carried forward to the next day's bank reconciliation.

Any adjusted bank transactions will continue to show in the bank reconciliation for consecutive days until a trust receipt is completed.

To create an adjusting entry, select the bank transaction and click 'Adjust' (see Figure 13 below). Type in the reason to explain why this transaction is being adjusted (carried or held are other terms used for this). Click 'OK.' Any transactions that are adjusted will display in the summary on the bank reconciliation as deposits not received (the items will reappear on the next day's bank reconciliation).

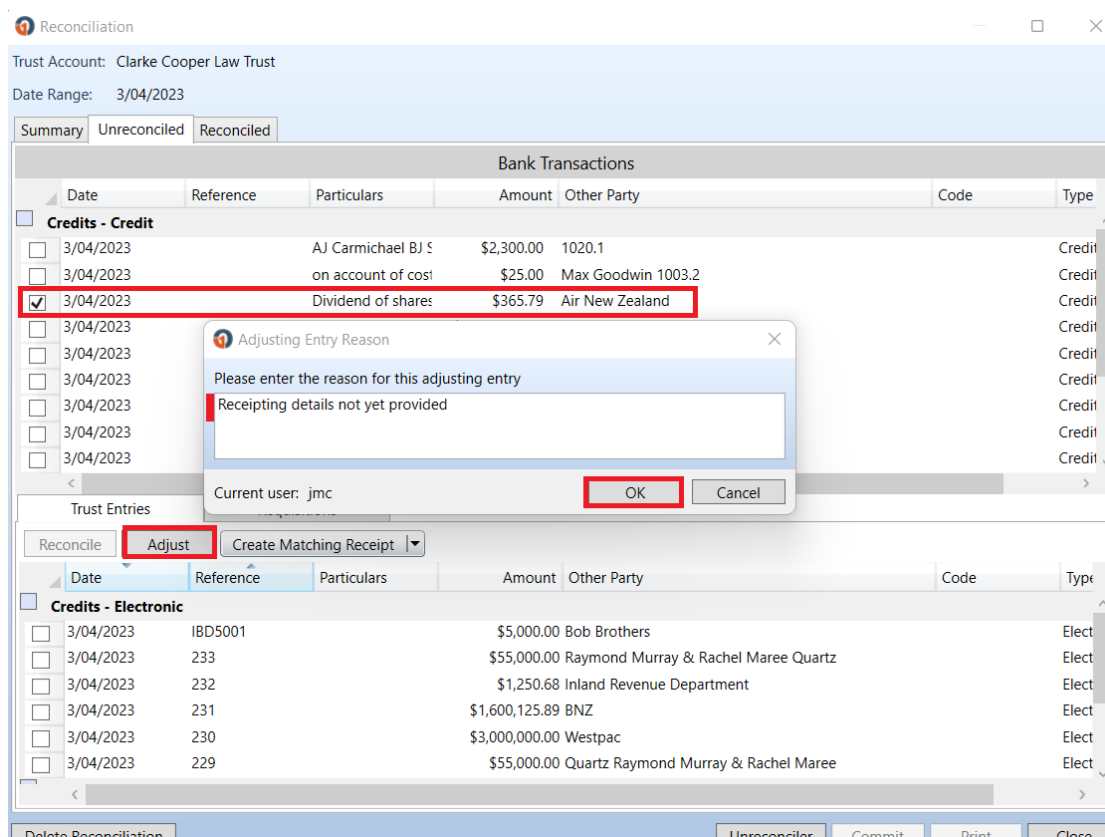


Figure 13.

The Adjusted item will print with the reason on the bank reconciliation.

NOTE:

- + The transaction will need to be adjusted every day with the reason until receipted. The bank side of the bank reconciliation will show the adjusted credit with its original date and all other transactions for the date of the current bank reconciliation
- + The receipt for the adjusted transaction will be dated as at the date the receipt is finally processed, not the day it was credited to the trust account as receipts cannot be backdated in OnePractice. Add information about the actual date the funds were received in the narration if required (recommended)
- + We recommend that there are no adjusted items at the end of the month

The example below (Figure 14) shows a printed trust account bank reconciliation with an adjusted item.

<b>Bank Reconciliation &amp; Cash Control Summary</b>	
<b>Bank Account :</b>	Clarke Cooper Law Trust
<b>Date Range :</b>	29/08/2023 - 29/08/2023
<b>Cash Control Summary - Month to Date for August 2023</b>	
Opening Cash Control Balance for August 2023	3,237,967.82
Plus Funds In for August 2023	34,756.80
Less Funds Out for August 2023	40,000.00
Closing Cash Control Balance for August 2023	3,312,724.62
<b>Bank Reconciliation</b>	
<b>Bank Summary</b>	
Opening Bank Balance - 29/08/2023	3,312,724.62
Bank Deposits	1,150.00
Bank Withdrawals	0.00
Closing Bank Balance - 29/08/2023	3,313,874.62
<b>Adjustments to Closing Bank Balance</b>	
<b>Unreconciled Bank Transactions</b>	
29/08/2023 Unknown Deposit waiting for receipting details	1,150.00
<b>Less Unreconciled Bank Transactions</b>	<b>(1,150.00)</b>
<b>Unreconciled Ledger Transactions</b>	
<b>Adjusted Bank Balance</b>	<b>3,312,724.62</b>
<b>Ledger Balance</b>	<b>3,312,724.62</b>

Figure 14.

### Bank Reconciliations Required Every day

A bank reconciliation is required in OnePractice for every calendar day of the month (including Saturday, Sunday and public holidays).

If no transactions have occurred in either the trust account and/or the IBD account for any given calendar day, then a blank bank reconciliation is needed.

Some banks are now processing transactions every day, so always check for transactions on Saturdays, Sundays, and public holidays for both the trust account and the IBD account. Don't assume that there will be no transactions on these days.

If there have been transactions processed on a Saturday, Sunday or public holiday, then download the file from the bank and complete the standard bank reconciliation process for that day.

NOTE: Do not create a blank reconciliation if transactions are showing at the bank for any calendar day.

## Creating a Blank Reconciliation for Days with No Transactions

1. On the Accounts Ribbon click 'New' in the Reconciliation section and choose the Ledger from the drop-down
2. The closing balance will be the same as the opening balance (because there were no transactions processed at the bank). Once this is typed in, the Create button will be highlighted
3. Click 'Create'
4. A message will appear saying the reconciliation is being created with no transactions. Click 'OK'
5. A reconciliation screen will open, select 'Commit' as there are no transactions to reconcile

The example below (Figure 15) shows a trust reconciliation with no transactions.

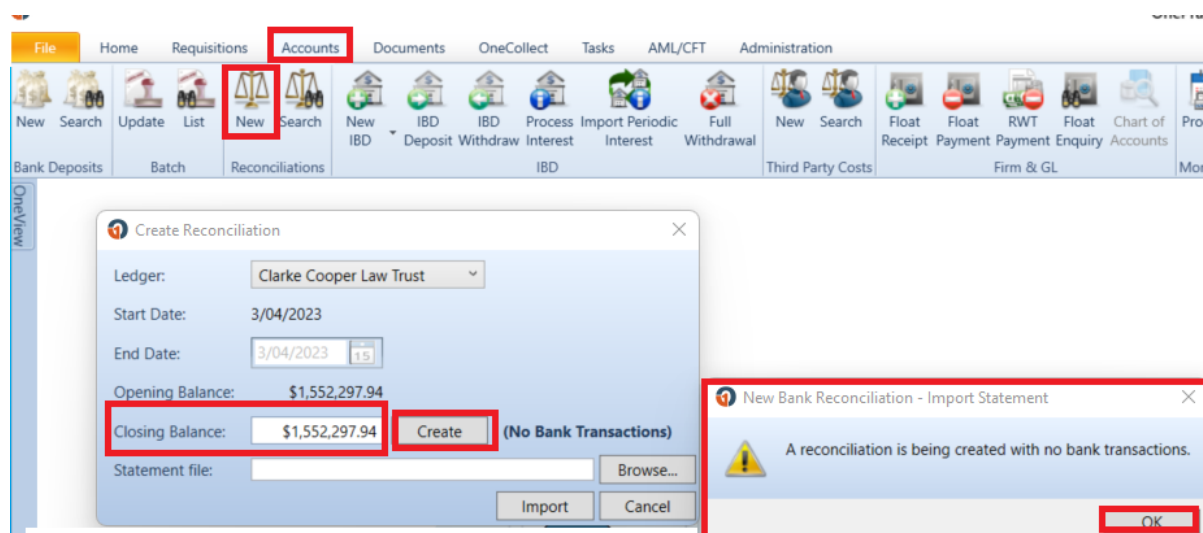


Figure 15.

## Bank Reconciliation Tips

### Common Bank Statement Import Errors

If the file with the wrong date is imported, an error message (Figure 16 below) will appear. If this error occurs, check that the correct file was selected and check that only the day being reconciled is included and not a date range. If this error persists, call the Help Desk on 03 339 5032.

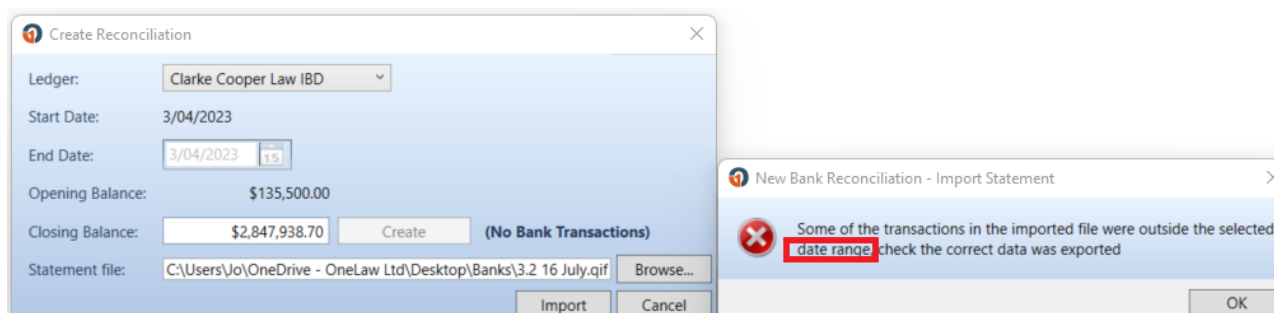


Figure 16 .

If the bank file is not in the correct format required by OnePractice, the error message below (Figure 17) will appear.

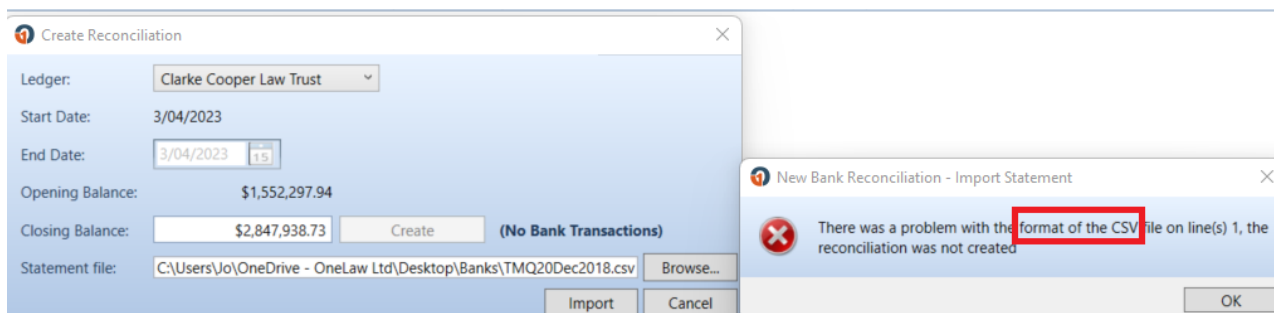


Figure 17.

In the example below (Figure 18), the closing balance is incorrect. The error message advises the total of the transactions posted in OnePractice. Use this to check the closing balance. Add if positive or subtract if negative from the opening balance to check.

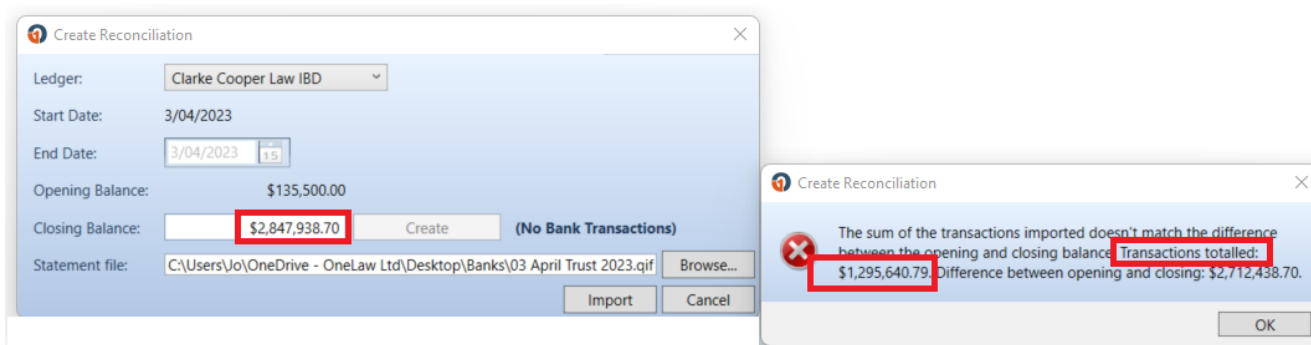


Figure 18.

### Printing

A bank reconciliation can be reprinted for any day of any month by searching for it and double-clicking to open it (see Figure 19 below). From there select 'Print'. Search back to any month using the single left arrow button, and use the double left arrow button to move back an entire year.

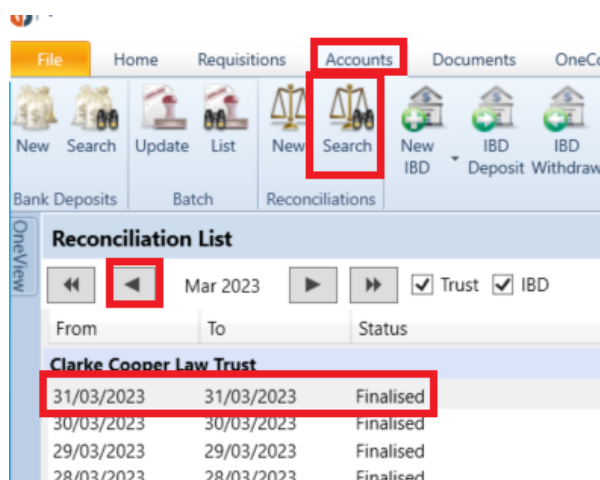


Figure 19.

## Sorting Data

Sort the order of any column in the bank reconciliation by clicking on the title bar (see Figure 20 below).

Reconciliation

Trust Account: Clarke Cooper Law Trust

Date Range: 3/04/2023

Summary Unreconciled Reconciled

Bank Transactions						
Date	Reference	Particulars	Amount	Other Party	Code	Type
<b>Debits - Debit</b>						
<input type="checkbox"/>	3/04/2023	settlement purcha	(\$3,002,050.00)	Five Start Law		Debit
<input type="checkbox"/>	3/04/2023	1032.1 Est PA Rog	(\$1,601,376.57)	IBD call deposit New		Debit
<input type="checkbox"/>	3/04/2023	call deposit 1008.1	(\$50,000.00)	IBD deposit		Debit
<input type="checkbox"/>	3/04/2023	FIT	(\$5,000.00)	CC Office account		Debit
<b>Credits - Credit</b>						
<input type="checkbox"/>	3/04/2023	on account of cost	\$25.00	Max Goodwin 1003.2		Credit
<input type="checkbox"/>	3/04/2023	Dividend of shares	\$365.79	Air New Zealand		Credit
<input type="checkbox"/>	3/04/2023	Tax refund Estate f	\$1,250.68	Inland Revenue Department NZ		Credit
<input type="checkbox"/>	3/04/2023	AJ Carmichael BJ s	\$2,300.00	1020.1		Credit
<input type="checkbox"/>	3/04/2023	1019.1 IBD	\$5,000.00	IBD withdrawal		Credit
<input type="checkbox"/>	3/04/2023	Quartz cash contri	\$55,000.00	1026.2		Credit
<input type="checkbox"/>	3/04/2023	Settlement Funds	\$1,290,000.00	Reekie Law Ltd		Credit
<input type="checkbox"/>	3/04/2023	proceeds of accou	\$1,600,125.89	BNZ Auckland		Credit

Trust Entries Requisitions

Reconcile Adjust Create Matching Receipt

Date	Reference	Particulars	Amount	Other Party	Code	Type
<b>Credits - Electronic</b>						
<input type="checkbox"/>	3/04/2023	230	\$3,000,000.00	Westpac		Electronic
<input type="checkbox"/>	3/04/2023	231	\$1,600,125.89	BNZ		Electronic
<input type="checkbox"/>	3/04/2023	229	\$55,000.00	Quartz Raymond Murray & Rachel Maree		Electronic
<input type="checkbox"/>	3/04/2023	233	\$55,000.00	Raymond Murray & Rachel Maree Quartz		Electronic
<input type="checkbox"/>	3/04/2023	IBD5001	\$5,000.00	Bob Brothers		Electronic
<input type="checkbox"/>	3/04/2023	232	\$1,250.68	Inland Revenue Department		Electronic
<b>Debits - Electronic</b>						
<input type="checkbox"/>	3/04/2023		(\$5,000.00)	CC office account		Electronic
<input type="checkbox"/>	3/04/2023	IBD1001	(\$50,000.00)	Mouse, Mickey Sebastian		Electronic
<input type="checkbox"/>	3/04/2023	212	(\$55,000.00)	Raymond Murray & Rachel Maree Quartz		Electronic

Figure 20.

## Editing Transactions

Any transaction posted in OnePractice can be edited if it is incorrect. The example below (Figure 21) shows a receipt posted incorrectly, so it won't reconcile with the bank transaction (top half) and the Reconcile button will not highlight.

Reconciliation

Trust Account: Clarke Cooper Law Trust

Date Range: 3/04/2023

Summary Unreconciled Reconciled

Bank Transactions						
Date	Reference	Particulars	Amount	Other Party	Code	Type
<b>Debits - Debit</b>						
<input type="checkbox"/>	3/04/2023	settlement purcha	(\$3,002,050.00)	Five Start Law		Debit
<input type="checkbox"/>	3/04/2023	1032.1 Est PA Rog	(\$1,601,376.57)	IBD call deposit New		Debit
<input type="checkbox"/>	3/04/2023	call deposit 1008.1	(\$50,000.00)	IBD deposit		Debit
<input type="checkbox"/>	3/04/2023	FIT	(\$5,000.00)	CC Office account		Debit
<b>Credits - Credit</b>						
<input type="checkbox"/>	3/04/2023	on account of cost	\$25.00	Max Goodwin 1003.2		Credit
<input type="checkbox"/>	3/04/2023	Dividend of shares	\$365.79	Air New Zealand		Credit
<input checked="" type="checkbox"/>	3/04/2023	Tax refund Estate f	\$1,250.68	Inland Revenue Department NZ		Credit
<input type="checkbox"/>	3/04/2023	AJ Carmichael BJ s	\$2,300.00	1020.1		Credit

Trust Entries Requisitions

Reconcile Adjust Create Matching Receipt

Date	Reference	Particulars	Amount	Other Party	Code	Type
<b>Credits - Electronic</b>						
<input type="checkbox"/>	3/04/2023	230	\$3,000,000.00	Westpac		Electronic
<input type="checkbox"/>	3/04/2023	231	\$1,600,125.89	BNZ		Electronic
<input type="checkbox"/>	3/04/2023	229	\$55,000.00	Quartz Raymond Murray & Rachel Maree		Electronic
<input type="checkbox"/>	3/04/2023	233	\$55,000.00	Raymond Murray & Rachel Maree Quartz		Electronic
<input type="checkbox"/>	3/04/2023	IBD5001	\$5,000.00	Bob Brothers		Electronic
<input checked="" type="checkbox"/>	3/04/2023	232	\$1,250.86	Inland Revenue Department		Electronic

Delete Reconciliation Unreconciler

Figure 21.

To edit a transaction, untick it, then double-click on the receipt (bottom half) and click 'Edit' (see Figure 22 below).

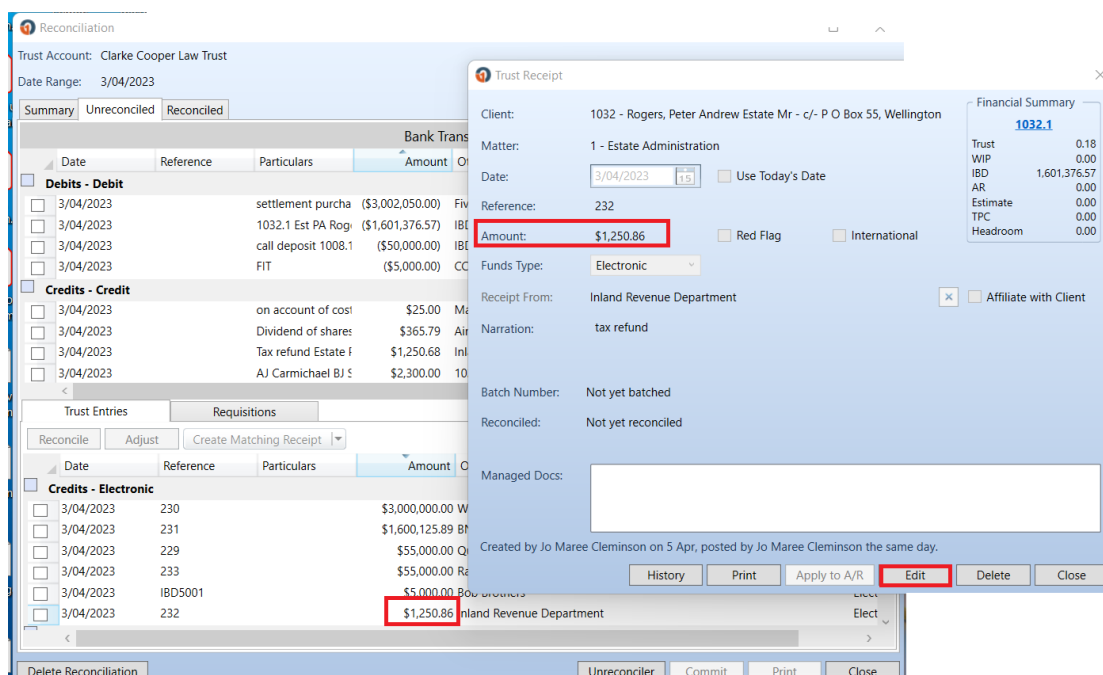


Figure 22.

Make the required changes, i.e. change the amount or any incorrect details (see Figure 23 below). Click 'Save & Close' and complete a reason for edit, and click 'OK.'

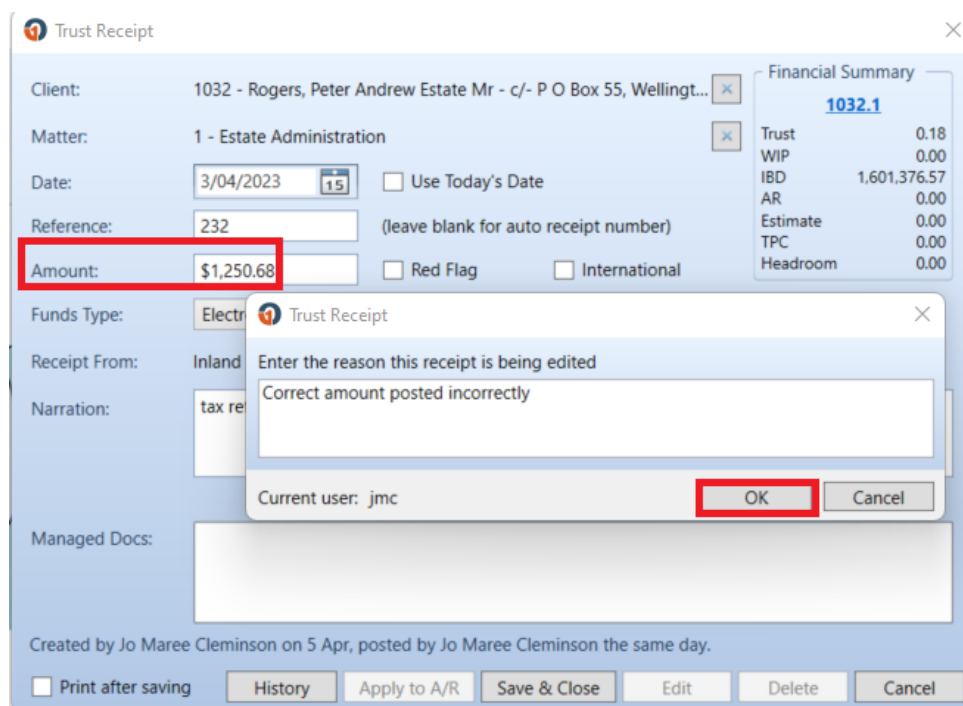


Figure 23.

## Dates of Transactions

Only transactions (receipts & payments) posted with the same date of the bank reconciliation will appear on the bottom half of the Reconciliation screen. If confident a transaction has been posted, close out of the bank reconciliation and check on the client/matter. If posted incorrectly, double-click the transaction and edit it to the correct date, then go back into the bank reconciliation and the transactions will be displayed.

## Cash Deposits

If the firm has received cash, a Bank Deposit will need to be completed in OnePractice for this to show on the bank reconciliation (bottom half). Be sure to create this banking on the day the cash was deposited at the bank, as this can be different to the receipt date.

The steps and example below (Figure 24) show how to create a cash bank deposit on OnePractice:

1. Go to the Accounts Tab / Bank Deposits / New
2. Enter the date deposited at the bank
3. Click the green plus to select the cash receipt/receipts

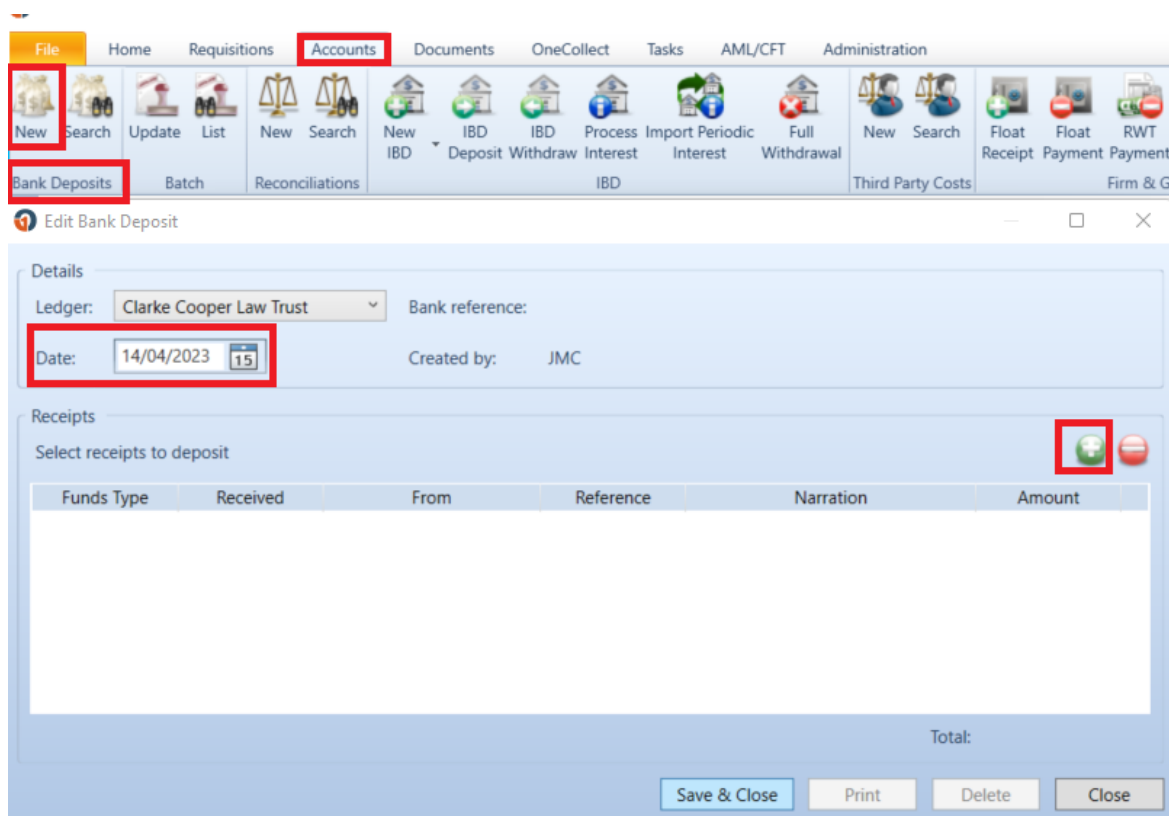


Figure 24.

## Trust Requisitions

Check for draft and authorised Receipt Requisitions that have not been posted, but dated the same date or earlier than the bank reconciliation in the Requisitions tab. These can be posted from this screen. Double-click to open the Requisitions to post.

The example below (Figure 25) shows how to review receipt requisitions not posted but dated the same date as the reconciliation.

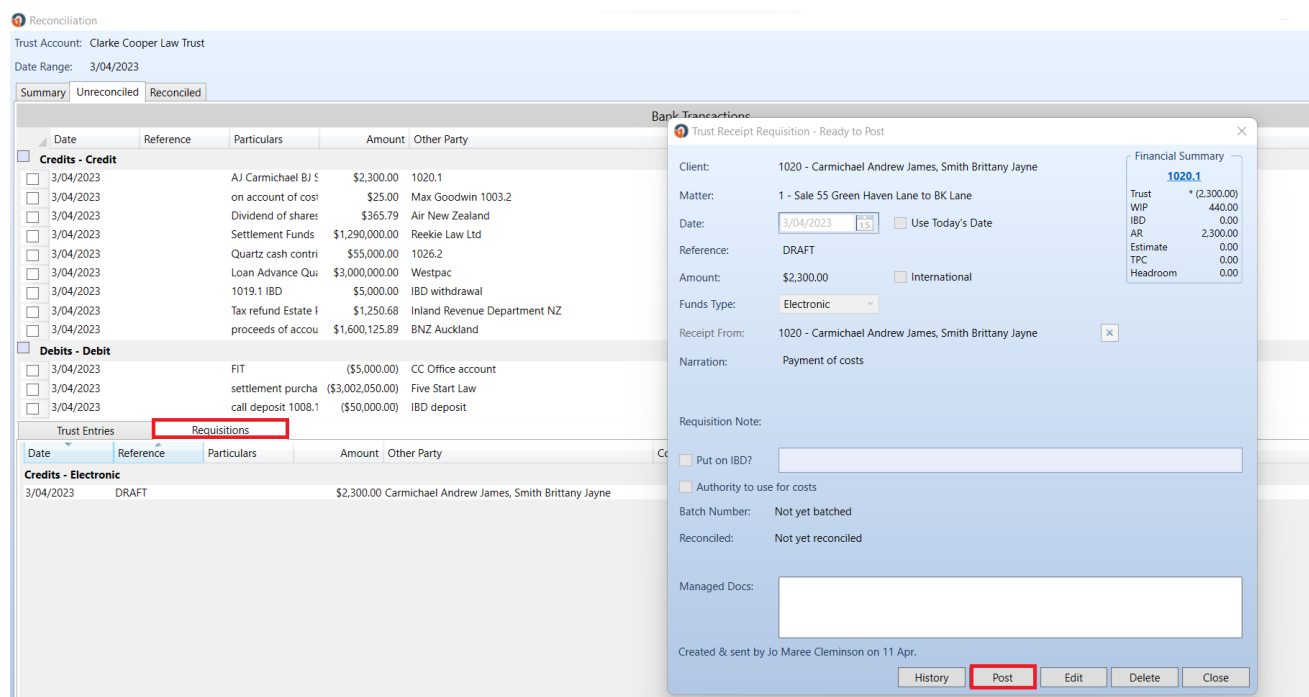


Figure 25.

## Deleting a Committed Bank Reconciliation - Trust and IBD

The ability to delete a committed bank reconciliation is a specific permission that must be assigned to the individual's role/s by the firm's OnePractice Administrator.

- + A committed bank reconciliation can be deleted if needed
- + The deleted bank reconciliation will show as deleted in the search field and who by
- + If an error has been identified in a bank reconciliation on a prior day, all completed reconciliations after that date must be deleted first
- + Once deleted the bank reconciliation process can be restarted again
- + A bank reconciliation can only be deleted in the current month, this will not delete or reverse any of the transactions within OnePractice

- + If a batch update has been completed on these transactions this will set them as unreconciled but they will remain. Only unbatched and unreconciled transactions can be edited. A batch update cannot be reversed or deleted

To delete a bank reconciliation, go to the Accounts tab / Reconciliation / Search (see Figure 26 below). Double-click on the reconciliation and click 'Delete Reconciliation.' Complete the reason for deleting and click 'OK.'

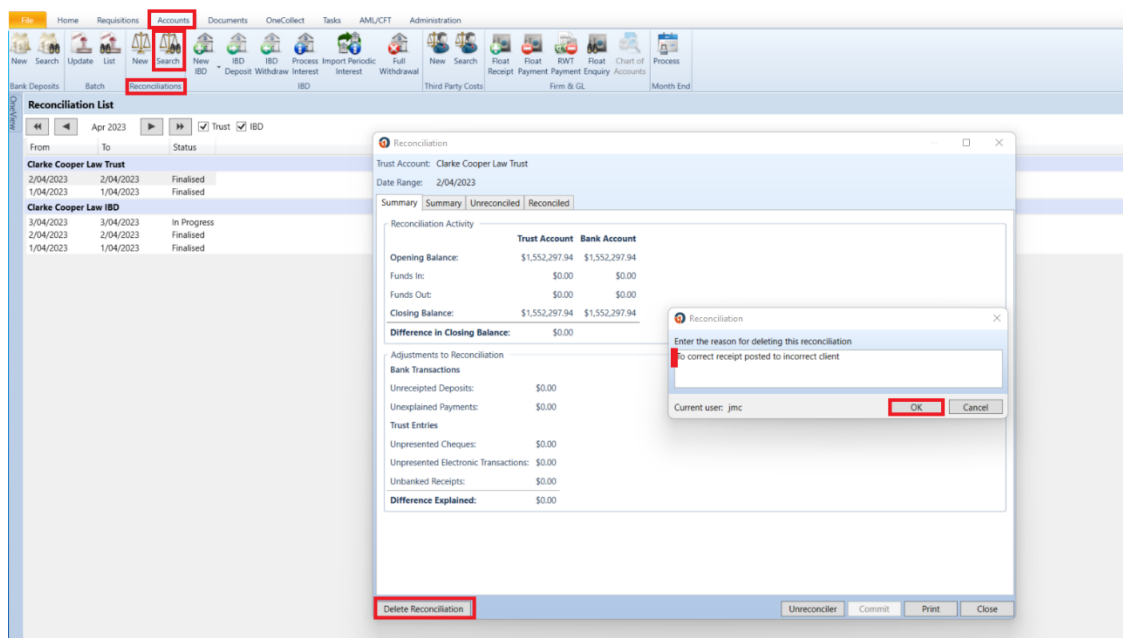


Figure 26.

The example below (Figure 27) shows a deleted bank reconciliation that had been committed.

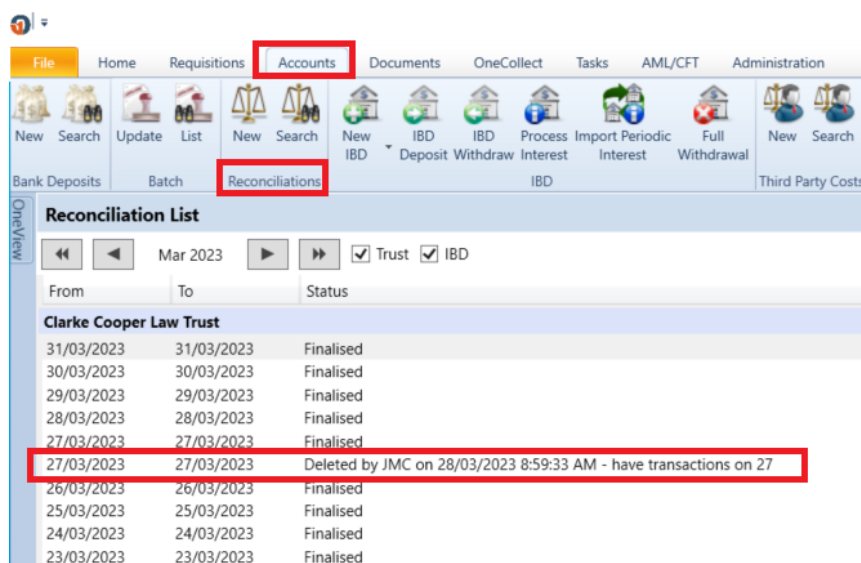


Figure 27.

## *The Bank Reconciliation Report*

A printed bank reconciliation for the trust account will show:

- + Cash Controls Summary for the month, when printed on the last day of the month (funds in and funds out)
- + The closing balance of the trust bank balance
- + If there are any Adjustments (unbanked deposits)

A Trust Transactions Report can be printed to compare against the cash control balances at the end of the month and to provide a breakdown of the individual transactions.

## *IBD Bank Reconciliation*

It is recommended that the OnePractice IBD Ledger Balance report is printed to show the individual totals for on-call and term deposits. This should be compared with the individual client balance reports from the bank to ensure that individual IBD balances match, not just the total funds held on IBD.

This comparison should be done regularly, and at least before Month End is run.