



Check and Bank Reconciliation

An Easy Approach in the Skyward Software

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Let's Start with Check Reconciliation

What is it? Why do we do it?

What is Check Rec?

- We are going into the software, and we are completing Check Reconciliation for EACH Bank Cash Account that is used.
- The browse shows what checks have been processed in the Skyward Software.
- We compare the checks shown in Skyward against the checks that are listed on the bank statement from the bank.
- We add a statement date to each of the checks. This tells us what month the checks cleared the bank.

How Can We Complete Check Rec?

- **Manually add a statement date** one check at a time.
 - Depending on the situation, this can be very slow and tedious. For smaller accounts, this might work.
- **Mass Add Statement Date:** Skyward has a utility to add the statement date quickly to numerous checks.
- **Auto Rec from Bank File:** Skyward lets you download a check list from your bank and import it into the software to compare and add the statement date.

Manually Add the Statement Date

Add/Edit Statement Date for Selected Check - WF\AP\CR\CR - 31930 - 05.21.10.00.09 - Google Chrome
localhost/scripts/cgiip.exe/WService=wsStu/fapchedit002.w?isPopup=true

Add/Edit Statement Date for Selected Check

Check Information

Check Number: 202110005	Check Date: 01/05/2022
Check Type: Wire Transfer	Check Origin: Budgetary
Payee Key: BOPEEP D000	Check Amount: \$55.00
Payee: BoPeep Day Care	
125 S Maines	
BLDG 3	
Austin, TX 78703	
Bank Name: Wells Fargo Bank	Old Statement Date:
1313 Mockingbird Ln	New Statement Date: <input type="text" value="03/21/2022"/>
Dallas, TX 75225	

Buttons: Save, Back, Add Statement Date, Edit Statement Date, Remove Statement Date, Mass Add Statement Date, Mass Change Statement Date, Auto Rec from Bank

Annotations: 1 (Add Statement Date button), 2 (New Statement Date input field)

Mass Add Statement Date

Mass Add Statement Date - WF\AP\CR\CR - 31930 - 05.23.02.00.05 - Google Chrome

localhost/scripts/cgiip.exe/WService=wsFin/fapchedit003.w?isPopup=true

Mass Add Statement Date

Bank Cash Account: **BNK1 - SCRAMBLED BANK** (Bank-078)

Statement Date to apply to checks: **03/31/2023**

Low High

Check Number: **0** **999999999**

Check Date: **01/01/1900** **12/31/9999**

Please note that the Mass Add Statement Date process runs on the print queue.
After the process finishes, you will need to click on the "Refresh" button on the main Check Reconciliation screen to redisplay the browse.

Select Checks to Apply Statement Date

Back

Statement Date

Edit Statement Date

Remove Statement Date

Mass Add Statement Date

Mass Change Statement Date

Auto Rec from Bank File

Mass Add Statement Date

Select Checks to Apply Statement Date: 03/31/2023 - WF\AP\CR\CR - 31930 - 05.23.02.00.05 - Google Chrome

localhost/scripts/cgiip.exe/WService=wsFin/fapchedit005.w?isPopup=true

Select Checks to Apply Statement Date: 03/31/2023

Checks to Be Reconciled:
Total:

Views: Filters:

Check Number ▲	Select	Type	Payee Name	Check Date	Check Amount
140233	<input checked="" type="checkbox"/>	R	Demorestscr, Rodrigo K	08/05/2011	26.52
140363	<input type="checkbox"/>	R	Landinghamsr, Nieves O	09/16/2011	1.84
140817	<input type="checkbox"/>	R	Novickiscr, Mckenzie T	02/17/2012	40.48
141745	<input type="checkbox"/>	R	Ingrumscr, Khalilah O	05/15/2013	290.90
142896	<input type="checkbox"/>	R	Gidcumbscr, Deandre V	03/14/2014	9.18
143864	<input type="checkbox"/>	R	Tayagscr, Dia B	04/22/2016	24.32
144071	<input type="checkbox"/>	R	Hoglandscr, Mitzie C	09/01/2016	2.32
144098	<input type="checkbox"/>	R	Bagenscr, Cassaundra F	09/01/2016	223.42
145173	<input type="checkbox"/>	R	Mccullomscr, Roy D	08/24/2018	35.06
145677	<input type="checkbox"/>	R	Overyscr, Shoshana X	03/13/2019	237.50
145849	<input checked="" type="checkbox"/>	R	Gerbinoscr, Sommer N	08/09/2019	21.03
145876	<input type="checkbox"/>	R	Warlingscr, Ellamae X	08/23/2019	20.38
145880	<input type="checkbox"/>	R	Basdenscr, Despina W	08/23/2019	0.00
146150	<input type="checkbox"/>	R	Bilalscr, Ernesto S	01/15/2020	806.67
146221	<input type="checkbox"/>	R	Kohlmanscr, Celine S	04/15/2020	290.90
146223	<input type="checkbox"/>	R	Scantlinscr, Euna E	04/30/2020	71.00
146227	<input type="checkbox"/>	R	Quigglescr, Debby F	04/17/2020	258.90
146230	<input type="checkbox"/>	R	Wlodarczykscr, Susan H	05/01/2020	27.57
146231	<input type="checkbox"/>	R	Quigglescr, Debby F	05/01/2020	235.35
146232	<input type="checkbox"/>	R	Giesyscr, Lovella G	05/01/2020	515.55

Process
Back
Select All Checks
Unselect All Checks

Auto Rec from Bank File

Import Options - WF\AP\CR\AR - 31931 - 05.21.10.00.09 - Google Chrome
localhost/scripts/cgiip.exe/WService=wsStu/fapchedit001.w?isPopup=true

Import Options

2 Bank Format: JA Bank Import

3 * File Location: Choose File No file chosen

4 * Statement Date: 03/21/2022

1 Auto Rec from Bank File

Import
Back

Mass Add Statement Date
Mass Change Statement Date

Asterisk (*) denotes a required field

- Format is setup in PAC at PAC> Financial Management> A/P> Check Rec.
- Select Options.
- Select Auto Reconcile From Bank.
- Select Format.

Why Do We Do Check Rec?

- This helps us with Bank Reconciliation which we will be discussing in a moment.
 - It helps us go in right away and make sure that all payments are accounted for and that they all tie out.
- If a payment is missing in Skyward, we know BEFORE we begin the Bank Reconciliation and we can get it into the software.
- **KEEP IN MIND:** Some items like Voids and ACH payments automatically have a statement date entered on them when you process them in the software.

One more thing about check rec

- In Check Rec you can see the cash posting date and compare that to the check date.
 - If the cash posting date is in a different month than the check date – it could throw off your bank rec.
- There is also a report in Check Rec – REPORTS that allows the system to look for checks where the check date doesn't agree with the cash posting date.

Now We Move Onto Bank Reconciliation

Making sure the Software Matches what is reflected at
the Bank

Why Do We Do Bank Rec?

- To ensure the balance of cash that we have on the balance sheet in Skyward, matches the balance of cash at the bank.
- This is an important internal control. Cash is one of the easiest things to manipulate.
 - This lets us ensure that the cash is not being manipulated or that it is not lost.
- Everything that we do in Skyward, should correspond with the bank exactly as it happened.

How Often Do We Complete Bank Rec?

- Bank Reconciliation should be completed every month in Skyward, as close to the time that we get the bank statement as possible.
- The more often Bank Reconciliation is completed, the easier it is to catch any issues sooner rather than later.
 - The longer we wait to complete bank recs, and the more they pile up, the harder it is to fix and find issues.
- The more we stay on top of these, the easier it is to prepare for auditor visits as well.

Some Notes on Bank Cash Accounts in Skyward

- We need to do a reconciliation for EACH bank cash account that we have setup in Skyward.
- It is best practice to set each bank cash account up on its own Cash Summary Account.
 - To clarify further: Each account should have its own unique Asset account in the software.
 - This keeps things clean and makes it much easier to reconcile and find issues if they come up.
 - Otherwise, we are needing to combine multiple bank statements into one reconciliation.

Let's Look at the Process Now

Completing Bank Reconciliation in Skyward

Starting a New Reconciliation

Bank Reconciliation Parameters - WF\AP\BR\BR - 31934 - 05.21.10.00.09 - Google Chrome

localhost/scripts/cgiip.exe/WService=wsStu/fapbredit001.w?isPopup=true

Bank Reconciliation Parameters

Bank Reconciliation Parameters

* Bank Statement Closing Date: 03/31/2022 Thursday

* Bank Cash Account: 0003 General Associated

Bank Cash Accounts Included in the Reconciliation

Account	Bank Name	Cash Account #
0003	ASSOCIATED BANK	*** A 00 1109 00 000 0 00 000

Asterisk (*) denotes a required field

Print
Add
Edit
Delete
Notes
Attach
Unreconcile
Recalculate Amounts
Back
Help

- We are going to click "Add" to create a new reconciliation.
- We will enter the Closing Date that shows on the Bank Statement.
- We will choose the bank we are going to reconcile.
- On the next screen we will click "Calculate Amounts".

The Bank Half

Bank Reconciliation

Bank Statement Closing Date: 03/31/2022
Bank Cash Account: 0003 (General Associated)
Cash Account #: *** A 00 1109 00 000 0 00 000
Reconciled: no Reconciled By:

Reconcile Your Bank Statement Balance

Ending Balance Shown on This Bank Statement:	1	0.00
Items Not Listed on This Statement		
Checks:	2	-150.00
Subtotal of Skyward Sources Not on Statement:		-150.00
Manual Adjustments:	3	0.00
Adjusted Bank Statement Balance:	4	-150.00

Buttons: Save and Finish Later, Close without Saving, Reconcile, Back, Help

1. Enter the ending balance that shows on your bank statement for the closing month.
2. Go into Checks and unselect any checks that have not yet cleared the bank. You may also see Journal Entries, Cash Receipts and Payroll Items here.
3. Skip Manual Adjustments for now.
4. The Adjusted Balance will Equal the Ending Balance plus or minus our Skyward Sources Not on Statement.

The Skyward Half

Ending Cash Balance as of 03/31/2022		
Beginning Cash Balance:	1	169.75
Items from Skyward Sources		
2 Accounts Payable Sources:	-150.00	
Subtotal of Skyward Sources:		-150.00
Month End Balance:		19.75
Variance:	3	0.00

- We need to just review this part. There is nothing here we enter.
- 1. Your beginning balance when March started according to Skyward. This should equal the prior month's Month End Balance.
- 2. Your Accounts Payable items that have been entered into Skyward. Again, you may also see Journal Entries, Cash Receipts and Payroll items here as well.
- 3. Is the variance \$0? Let's examine this closer...

What is a Variance?

Reconcile Your Bank Statement Balance	
Ending Balance Shown on This Bank Statement:	169.75
Items Not Listed on This Statement	
<u>Checks:</u>	-150.00
Subtotal of Skyward Sources Not on Statement:	-150.00
Manual Adjustments:	0.00
Adjusted Bank Statement Balance:	1 19.75
Ending Cash Balance as of 03/31/2022	
Beginning Cash Balance:	169.75
Items from Skyward Sources	
<u>Accounts Payable Sources:</u>	-150.00
Subtotal of Skyward Sources:	-150.00
Month End Balance:	2 19.75
Variance:	1+2 = 0.00

How Do we Deal With a Variance?

Manual Adjustment? Or do we need to fix something in
Skyward?

Initial Steps to Take

- Check the ending balance that was entered on the Bank half. Was it entered incorrectly?
- We can go out and run a list of checks that we ran in Skyward for the month.
 - Vendor Check History – Gives us detail of accounts payable sources
 - Check Reconciliation Report for Selected Banks.
- Check For Wires because these commonly cause issues.
 - The software uses the due date as the check date for wires.
 - When batch updating wire checks, the software is hitting the cash account right at the invoice stage. So, its possible these can be posted to the wrong dates.

Initial Steps to Take #2

- We can run Budgetary Data Mining Reports to help verify the correct data is in Skyward.
 - You can submit a service call to Skyward for us to help you create these reports.
 - Run Summary and Detail Reports on the Cash Summary Accounts
 - Run General Inputs History reports for Deposits and Journal Entries. And you can add detail to these as needed.
- Check to see if something was posted both to the bank and in Skyward but they are just different amounts?
 - The amount may have been mis-typed somewhere.

How Can We Avoid Variances?

A few things to keep in mind...

- If a transaction is on the bank statement and not in Skyward, it needs to be entered into Skyward.
 - Even if a transaction shouldn't have been in Skyward or was a mistake, it needs to be put in.
- We always need to make sure that what has actually happened, is reflected line for line in Skyward. And if something didn't happen at the bank, it shouldn't be in Skyward.
- Let's talk about some examples of this:

Example

- Checks cleared bank for the wrong amount
- Direct deposit to savings account returned "account closed" because employee didn't tell you they closed their account
- Your wire transfer payment for health insurance doesn't agree with the amount that was auto deducted from your account by the insurance company
- You overpaid KPERS, because one employee wasn't KPERS eligible and you had to adjust your KPERS report accordingly

Close your Month!






- Skyward has a great utility that can help make bank rec a bit easier – The Month End Close utility.
- This is found in Skyward at Web Financial Management> Account Management> Setup> Product Setup> Utilities> Month End.
- This allows you to close your month.
 - This stops any user in the software from posting any accounting updates using a posting date within that month.
- This makes doing your Bank Reconciliations a lot easier and will usually eliminate the possibility of someone having posted something to the month after you started the bank reconciliation, or finished it.

Month End Close

Month End Close - WF\AM\PS\UT\ME\ME - 31054 - 05.21.10.00.09 - Google Chrome
localhost/scripts/cgiip.exe/WService=wsStu/fammebrws001.w

Month End Close

Views: **General** Filters: *Skyward Default

     **2**

Year ▼	Month #	Month Name	Is Open	Closed By	Date Closed	Was Reopened	3
2022	12	December	Yes			No	
2022	11	November	Yes			No	
2022	10	October	Yes			No	
2022	9	September	Yes			No	
2022	8	August	Yes			No	
2022	7	July	Yes			No	
2022	6	June	Yes			No	
2022	5	May	Yes			No	
2022	4	April	Yes			No	
2022	3	March	No	Sky Aaron 1	03/21/2022	No	

Close Month
Open Month
Notes
Back

Valid Reasons for a Variance?

- We completed some deposits on the last day of the month, but these got sent out too late so they posted the next day in the new month – these would show as Deposits in Transit – by unchecking the deposit from the bank rec.
- Cash posting dates on checks is the #1 reason for a known variance that will fix itself in a future month
- We should REALLY avoid doing a manual adjustment just to get a bank rec done. If there are issues, it's in your best interest to find them, and fix them.
- Always put a note on the bank rec as to why you have a variance and how and when it will be corrected

Completing an Initial Reconciliation

Starting Bank Reconciliation in Skyward

Initial Bank Rec

- Before we can start Bank Rec's in the software for the first time, or for a new bank account, we need to complete an initial reconciliation.
- This will establish a starting point to move forward from.
- If there is history in the software for the bank account, Skyward will compile all of this together in the initial reconciliation.

Initial Bank Rec

- Add a new reconciliation into the software.
- Enter the Bank Statement Closing Date – You will do this for the month BEFORE the first statement that you have in hand to reconcile.
- Select your Bank Cash Account.
- An initial reconciliation message will display.

Warning: The initial reconciliation may take several minutes to run.

The Bank Reconciliation process needs an initial reconciliation to establish a starting point. The system recognizes the initial reconciliation as a period that spans the data timeline through the specified statement date.

This reconciliation record is defined as the initial reconciliation period for this bank cash account. You must balance the cash account and the bank statement to a zero variance in order to allow the system to set its internal controls for non-current historical data.

Initial Bank Rec

- You will see in the sources all activity since the account began in Skyward.
- There is no need to enter a statement balance on an initial bank rec
- It is VERY IMPORTANT that you check your outstanding checks and any deposits in transit for the month of your initial bank rec.
- Enter a Manual Adjustment if needed to bring the variance to zero, nothing else will actually balance – but you want your outstanding checks, and deposits in transit to be correct.
- Once you force reconcile your initial bank rec you can Create the Bank Reconciliation for your very first statement.

An Initial Bank Reconciliation - Example

Bank Reconciliation - WF\AP\BR\BR - 31934 - 05.22.02.00.05 - Google Chrome

Not secure | ug1/scripts/cgiip.exe/WService=wsFin1/fapbredit003.w

Bank Reconciliation

Bank Statement Closing Date:

Bank Cash Account:

Cash Account #:

Reconciled: Reconciled By:

Reconcile Your Bank Statement Balance

Ending Balance Shown on This Bank Statement:

Items Not Listed on This Statement

Checks:

Subtotal of Skyward Sources Not on Statement:

Manual Adjustments:

Adjusted Bank Statement Balance:

Ending Cash Balance as of 04/21/2022

Beginning Cash Balance:

Items from Skyward Sources

Subtotal of Skyward Sources:

Month End Balance:

Variance:

Buttons: Save and Finish Later, Close without Saving, Reconcile, Back, Help

THANK YOU!!