

Bank Reconciliation

Bank Reconciliation: Basically, this is your bank statement in Palace. It is highly recommended that the Trust Account is reconciled daily after the receipting is finished. This makes it much easier to find and correct mistakes.

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Batches for Payments and Receipts

There are a few settings in Palace to manage bulk payments and receipts i.e. Generated Owner Payments or Import Bank Statement Receipts.

You can have them showing on the unrepresented screen one by one (Which is a lot of transactions if you have a large rent roll), or you can put them together in a "Batch".

A Batch puts all the transactions into one line and gives one total. If the total does not agree with the total on your bank statement, then you can right click and select "Batch Details" to look at all the payments that make up that batch and present or unrepresent as you see fit.

- Go to the Reconciliation area
- At the top of the screen you will see a box with a drop down arrow. In this box you have the following choices:

No Batching – All Unrepresented Items: This will show all receipts and payments separately on the screen.

Batch - All Unrepresented Items (High Volume): Will put all receipts with the same date in a batch, will keep cash separate from Direct, will put all owner payments together and all creditor payments together making it easier to see and match to your bank statement.

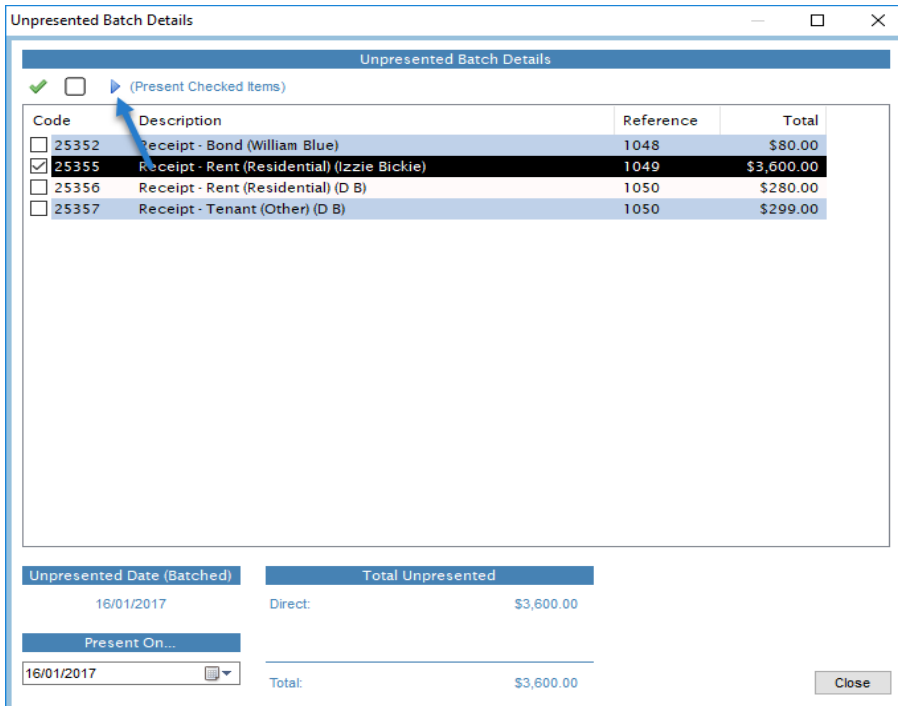
Batch – Group Tenancy Receipts: This will only batch receipts not payments.

- Select the one you want. Below is based on select Batch - All Unrepresented Items (High Volume). This will now "Batch" together any payment or receipts that were done in bulk.
Note: It will separate Generated Payments by Cheque and Direct. Cash banking will also be batched separately.



Bank Reconciliation					
Bank Recon.					
Unrepresented Items					
Code	Date	Ref.	Description	Receipts	Payments
-	12/09/2017	(Direct Receipt)	Batch Receipt (Direct)	\$1,160.00	
29947	14/09/2017	1248	Receipt - Rent (Residential) (Jane Harris)	\$320.00	
29948	15/09/2017	1249	Receipt - Rent (Residential) (Richard Castle)	-\$120.00	

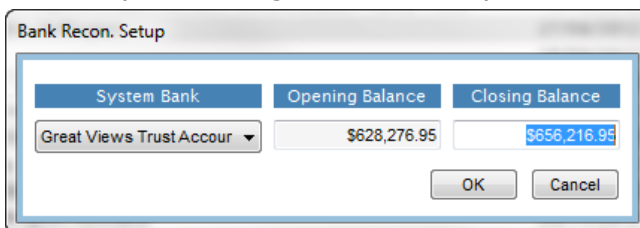
- Carry on with your reconciliation as normal (Instructions below).
- If your batch amount does not match the total on your bank statement, right click on the batch and choose "Batch Details". This will show all the transactions in the batch and you can manage from there.



- You need a print out of the transactions from the Trust bank account for the day, along with the closing bank balance. The idea of a reconciliation is to match your bank statement with Palace to make sure they agree.

Bank Reconciliation

- Click on Reconciliation - Left hand side menu
- Enter in your Closing Balance from your bank statement and click OK



- This area is date driven - so be careful with your dates
- Showing on the top half of the screen is the Unpresented Items (Transactions that have not yet shown on your bank statement).
- Showing on the bottom half of the screen is the Presented Items (Transactions that have shown on your bank statement and have been "Presented" down).
- Depending on your setting, when you receipt from your bank statement or import your bank statement, those transactions will be auto presented because Palace knows they are already in your bank account.

Note: It is recommended that you turn off this setting 'Bank Reconciliation (Auto-Present)', so you can manually present the transactions down to match your bank statement. To turn this off, this is found under File, System Setup, Company Management - Options, below Transactions.

- Reconciling for the day: Change the date on the right-hand side under "Set Presented Date" to match the date of the bank statement that you are reconciling - Normally yesterday's date.

Unpresented Items

Code	Date	Ref.	Description	Receipts	Payments
29971	28/09/2017		Payment - Bond (Tenancy Bond Centre)		\$1,800.00
29962	28/09/2017	1256	Refund - Rent (Residential) (Belinda Ireland)		\$97.14
29901	23/09/2017	1252	Receipt - Rent Commercial (Renaissance)	\$700.00	
29966	28/09/2017	1259	Receipt - Owner (Groperich - 56 Hill Streets, Hillborough, City)	\$1,000.00	
29974	29/09/2017	I*29975*	Receipt - Tenant (Other) (Bill Haliday)	\$20.00	
29975	29/09/2017	I*29974*	Receipt - Tenant (Other) (Bill Haliday)	\$20.00	

Presented Items (by date)

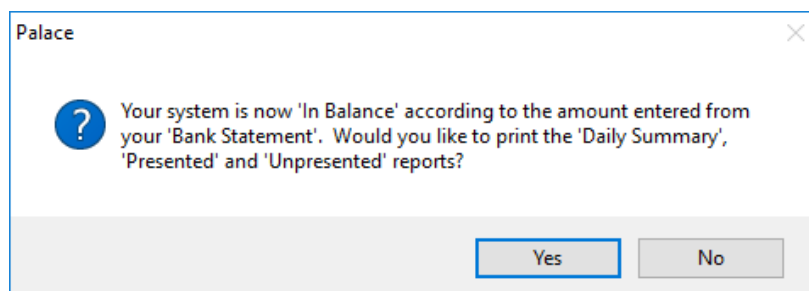
Date Presented	Receipts	Payments	Running Total
1/09/2017	\$22,002.50	\$187,518.30	\$912,135.15
4/09/2017	\$285.00	\$0.00	\$912,420.15
5/09/2017	\$340.00	\$0.00	\$912,760.15
6/09/2017	\$2,185.00	\$0.00	\$914,945.15
11/09/2017	\$55.00	\$0.00	\$915,000.15
12/09/2017	\$1,100.00	\$0.00	\$916,100.15
14/09/2017	\$320.00	\$0.00	\$916,420.15
15/09/2017	-\$120.00	\$0.00	\$916,300.15
18/09/2017	\$1,020.00	\$5,924.69	\$911,395.46
19/09/2017	\$320.00	\$0.00	\$911,715.46
25/09/2017	\$55.00	\$0.00	\$911,770.46

- Then looking at the first transaction on your bank statement, find the matching transaction in the Unpresented Items area (Top screen) in Palace. Highlight the transaction, right click then click on Present. The transaction will now pop down into the bottom screen under the date that has been set.

Note: You can present more than one transaction at the same time. To Present a bulk in a row click on the first one and hold your "shift" key down and then highlight the last one, check the 'Selected Totals (Unpresented)' amount on the bottom left corner to make sure the total selected matches the amount on the bank statement, right click and click on Present. Or: You can select them by using the "Ctrl" key, this allows you to select transactions that are not bunched together, then right click and click on Present.

Once all your presenting has been completed, you should reconcile (both amounts are in blue). If it shows a red amount it means that you do not balance and you need to work out why. See Page 4 for troubleshooting.

When reconciled, a pop up box will ask if you would like to print the Daily Summary, Presented & Unpresented reports, click Yes or No. If you click No, you can get these reports under the 'Reports' area (at the bottom of the Reconciliation screen).



Not Reconciling – Out of Balance

You have finished your reconciliation but you do not reconcile.

Check the bottom of the screen, how much are you out by? Do you have too much money in Palace or not enough?

For example:

If your Current Balance (Palace) says - \$78,600.00

And your Closing Balance (the bank) says - \$78,800.00

The system out of balance will say - \$200.00

This means that the bank has more than Palace,

OR If the Current Balance (Palace) says - \$78,800.00

And your Closing Balance (The bank) says - \$78,600.00

Then Palace has more money than the bank.

The best place to start looking is to check all the presented items that you have presented today. Sometimes the only way to do that is to print the Presented Items Report and tick them off your Bank Statement one by one.

In the Bank Reconciliation Screen, down in the Presented Items area, right click the date line of the very latest date (This should be the one that you have just done), select Batch Details.

All the items that you have presented today will show, check these off against your bank statement.

If you prefer to look at a paper report, click on Reports and click on Bank Recon – Presented, choose the date you want and click on Preview or Print.

If you find any transaction that does not belong there, you can tick the selected Transaction and then click on the blue arrow up the top of the screen to unrepresent the selected transactions. This will put it back into the Unpresented Items list.

When finished click Close.

Check your balance again if you are still not balancing. Double check the Unpresented Items against your bank statement to make sure you have presented all items that show.

If still not balancing, ask yourself the following questions:

- Have you made any corrections in the last 24 hours?
- Reversed any transactions?

If the answer is yes to any of the above questions, go back and make sure you have presented both sides of the correction (the negative and the positive).

Keeping in mind that a receipt with a payment type of "direct" will have automatically presented itself and you may still have the payment side to present (This is a common).

If still at a loss: Get your folder of bank statements and going from the 1st reconciliation to the current one, check all the closing balances on the bank statements to the ones on the screen. You may find one doesn't balance now, this could mean you have done a correction and forgotten to change the date.

Instructions - If you find something Presented that should not be

In the Presented part of the Bank Reconciliation Screen, highlight the date you want (i.e. yesterday's date as that will be the bank reconciliation that you are doing).

Right click on Details, find the transaction that has been presented in error. Select it by Ticking the box to the left of the transaction, then click on the Blue Arrow at the top of the screen to unpresent.

This will now pop up to the Unpresented Items area.

NOTE: If you find that you have not entered a transaction, then just close out of reconciliation and enter the transaction. Go back into reconciliation and present the item.

Bank Reconciliation Reports

Down on the bottom right hand side of the Bank Reconciliation Screen you will find the Report Button.

Bank Recon – Daily Summary: This gives you a summary of your reconciliation and is the best one to print daily and file with your bank statement.

Bank Recon – Presented: This will show a list of all presented items by the date or dates selected.

Bank Recon – Trust Account Reconciliation: This is the actual report used for your end of month return for Auditors but you should check it daily (see the System out of Balance notes).

Trust Account Reconciliation

For The Month Ending 30/09/2017

As Required Under Section 15 Of The Real Estate Agents (Audit) Regulations 2009

Licensee

Kadi Property Management Upper Hutt

Institute ID: 11111

Trust Account		
Closing Balance as at 31/08/2017		\$826,312.60
Receipts (This Month)		\$4,455.00
Payments (This Month)		-\$26,653.03
Closing Balance as at 30/09/2017		\$804,114.57
Bank Accounts (Closing Balances as at 30/09/2017)		
01 - Great Views Trust Account		\$911,553.32
02 - Do Not Enter A second Account		-\$229,059.61
Total (Bank Closing)		\$682,493.71
Less Unpresented Items		
Unpresented Summary		
Unpresented Receipts	(See Attached Schedule)	\$1,536.43
Unpresented Payments	(See Attached Schedule)	-\$115,087.82
Total (Unpresented Items)		-\$113,551.39
Trust Account Closing Balance		\$568,942.32

I HEREBY CERTIFY that in accordance with the requirements of section 15 of the Real Estate Agents (Audit) Regulations 2009 that on the 30/09/2017 the amounts listed in the attached reconciliation statement are correct and the total of the balance has been agreed and reconciles with the trust statement and has been shown in the foregoing reconciliation.

If this shows on your report, you must contact us immediately - do not roll over a new month.

WARNING: SYSTEM IS OUT OF BALANCE (DO NOT SIGN)

Signature: _____ Date: 02/10/2017

Applying Transactions From: 29944 To: 30003

Bank Recon– Unpresented: This will show you a list of all the unpresented items left in your system.

System out of Balance

At the bottom of the Trust Account Reconciliation report, you may see the words "Warning: System is out of balance", if you do STOP.

This does NOT have anything to do with your bank reconciliation balance, which may be fully in balance. What it means is that the Trust Account Balance does not agree with the Bank Balance minus the Unpresented total.

1. Run a System check by going into the Month End procedure and click on the first step. Then exit the Month End procedure, and check the REINZ again.
2. View the Archived properties and reinstate any that have a non-zero balance.
3. View the Archived creditors and reinstate any that have a non-zero balance.
4. View the Historic Reports and check the Institute return for each month to establish when the out of balance occurred.
5. In the month that it went out of balance, view the Unpresented report from the previous month, and check that all entries show in the next month either in the Presented report OR in the Unpresented report (So if an item was unpresented one month, by definition it must appear in the following month's report).
6. If it does not appear anywhere in the following month's presented or unpresented, but it was in the previous month's unpresented, locate the transaction in history and unpresent it.
7. In the month that it went out of balance, view the Presented report from the previous month, and check that NO entries show in the next month either in the Presented report OR in the Unpresented report (So if an item was presented one month, by definition it cannot also appear in the following month's report).
8. If it DOES appear anywhere in the following month's Presented or Unpresented, but it ALSO was in the previous month's Presented, then it can mean that the same entry was used to balance two different months. The bank statements will need to be checked to see if that amount came into both months, and a new transaction may need to be entered.