Bank Reconciliation in Farmplan Financial Software

2018 webinar series – accompanying notes

Please note before proceeding:

These notes have been created to accompany the recent Farmplan webinar. These notes are not exhaustive and do not cover every available situation, option, or solution: depending on your farm and business setup you may need to adapt or follow a different process.

For further information please contact the Farmplan support team, who will be happy to advise you.

Why do a Bank Reconciliation

At the end of each month prior to closing VAT we advise that reconciling any bank accounts. This would highlight any duplicate items and prove the software's figures. Any unpresented items that are older than 1 month need to be investigated, it may be they are duplicate entries or a payment has gone astray.

If a cashflow needs to produced for management purposes then this is very important to check that the software records match to the bank's.

This is an example of a very simple bank statement. We would recommend doing the bank reconciliation page by page giving each page its own unique reference, until you are familiar with the process.

BANK OF FARMERS

Greenway Farms Ltd
Farm Lane
Faraway
The Shire

Branch:	Bank of Farmers
Sheet Number:	55
Sort Code:	01-23-45
Account Number:	01234567

08124 567890

Greenway Farms Current Account   30 March 2018 to 28 April 2018

Balance on 30 March 2018	Money in	Money out	Balance on 28 April 2018
–£25,910.21	£2,795.75	£1,100.06	–£24,406.02

Date	Description	Ref.	Money Out (£)	Money In (£)	Balance (£)
30 March	STATEMENT OPENING BALANCE				-25,910.21
1 April	Cheque	12498	545.75		-26,455.96
3 April	Pay In	501		450.00	-26,005.96
7 April	BT	DD	58.99		-26,064.95
10 April	Ross Market	DC		2,250.00	-23,814.95
14 April	NFU Mutual	DD	45.87		-23,860.82
19 April	Highland Finance	SO	241.77		-24,102.59
21 April	Shell Petrol	CD	78.43		-24,181.02
26 April	D Moore	TFR	225.00		-24,406.02
28 April	STATEMENT CLOSING BALANCE				-24,406.02

How to do your first Bank Reconciliation

- Click on Data Entry

- Click on Bank Reconciliation

- Say Yes to entering a new statement

- Enter the statement reference, which may be on the paper statement. If not you can use your own sequence of numbers, perhaps the year and the month, e.g. 1804 for April 2018

- Enter the statement date, which should be the last date on your paper statement

- Enter the opening and closing balances, which would be the first and last figures on the statement. *Remember to prefix with a negative if overdrawn*

From the second statement in your software the opening balance should be prepopulated from the closing balance of the previous statement and must not be overtyped. Differences should be investigated before entering any data

- If this is the first statement on the software then the adjustment total box can be used to enter an adjustment if required. Enter the details of any transactions causing an adjustment into the Adjustment Description box

Adjustments will be needed on the first statement for entries accounted for in the last financial year on previous bookkeeping system, but not presented through the bank until the current financial year. They would therefore not be entered into the Farmplan software and are not income or expenditure relating to this financial year so it would be incorrect to enter them dated April.

- Click OK to save the statement details

The statement details can be edited at any time using the Edit button at the top left of the Bank Reconciliation window

- Now the bank reconciliation screen will be open and the full transaction details will be visible with a red cross against each line. If there a lot of entries the columns can be sorted by double clicking or right clicking on the column headings. For example it is possible to sort by type or entry date, we recommend sorting by entry date.

- Now match the items shown on the paper statement with the items displayed on the screen, by clicking on the cross that becomes a tick, meaning that entry has been reconciled. Do this for all entries that can be matched, leaving any not on the paper statement with crosses by them on the screen

When everything is reconciled and the difference in the bottom right is 0 click Save at the bottom of the window

Unreconciled statements have a * next to their statement number. It is possible to save an unreconciled statement for editing later