

Presentation Notes You Better Reconcile

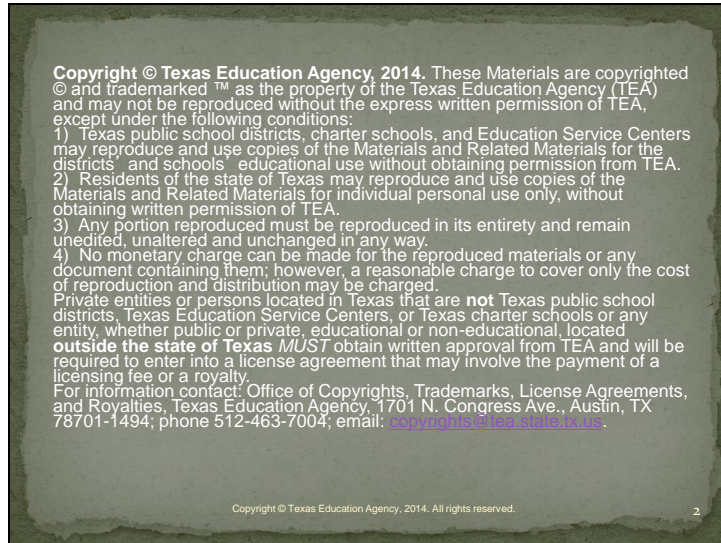
Slide 1



Presentation Notes

You Better Reconcile

Slide 2



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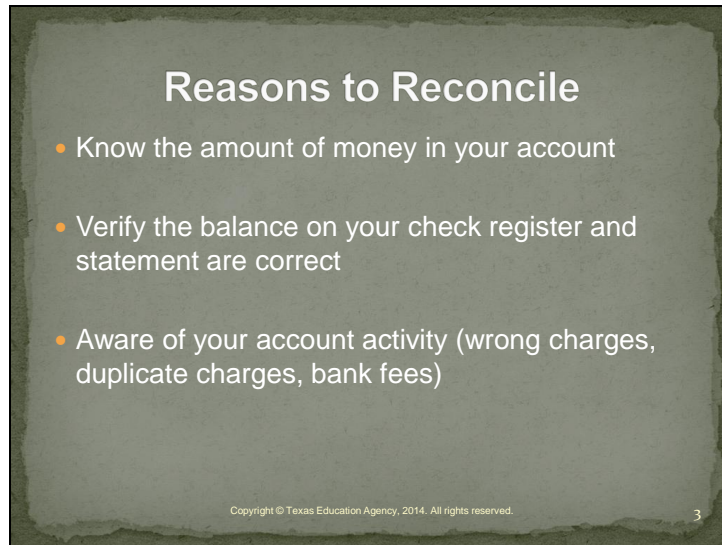
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Slide 3



Reasons to Reconcile

- Know the amount of money in your account
- Verify the balance on your check register and statement are correct
- Aware of your account activity (wrong charges, duplicate charges, bank fees)

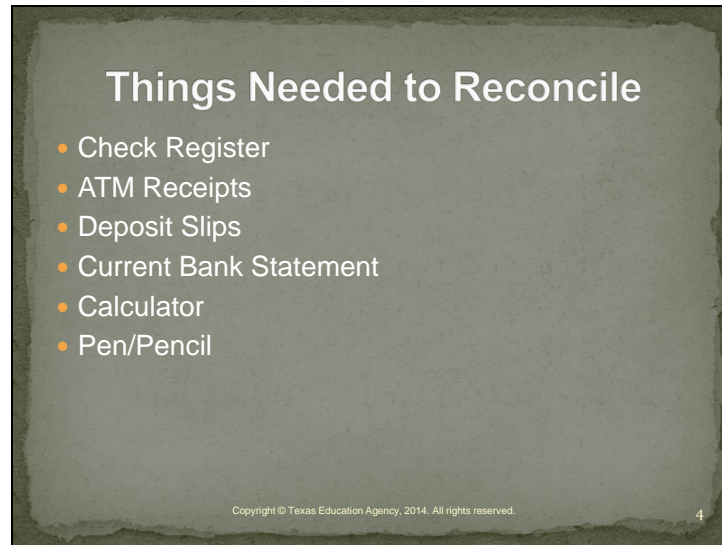
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3

While financial institutions strive for absolute accuracy in their record keeping, errors can still occur. There is always the possibility that you may have misposted a transaction in your record keeping. There are many reasons to go over your financial records. Reconciliation should be done on a regular basis so you are aware of how much money is in your account, match your records with the bank's records and you are aware of your account's activity.

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Slide 4



Things Needed to Reconcile

- Check Register
- ATM Receipts
- Deposit Slips
- Current Bank Statement
- Calculator
- Pen/Pencil

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4

Any financial records can be, and should be, reconciled regularly to ensure accuracy. Discrepancies, found early in bank activity, are more easily corrected and reconciled.

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Slide 5

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12	\$1285.93	This Statement Covers
	Total of 4 Deposits	\$1935.00	4/20/12-5/18/12
	Total of 8 Withdrawals	\$555.22	
Checks & Other Debits 123-456	Check	Date Paid	Amount
	101	4/21	\$200.00
	102	4/21	\$15.00
	104	5/11	\$35.47
	105	5/12	\$48.00
	106	5/16	\$56.75
	Withdraws at ATM	4/28	\$60.00
	5/01	\$40.00	
	5/13	\$100.00	
Deposits & Other Credits	Date Posted		Amount
		4/25	\$550.00
		5/02	\$800.00
		5/09	\$250.00
		5/16	\$335.00
Fees & Other Charges	Monthly Service Charge	\$7.99	
	Non-Bank ATM Fee	\$3.50	
Current Balance (as of 5/18/12)			\$2654.22

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When you are looking at your checking account bank statement, it will have the account number on it to inform you of the account the information is coming from.

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Slide 6

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1285.93	This Statement Covers
	Total of 4 Deposits		\$1935.00	4/20/12-5/18/12
	Total of 8 Withdrawals		\$555.22	
Checks & Other Debits 123-456	Check	Date Paid	Amount	
	101	4/21	\$200.00	
	102	4/21	\$15.00	
	104	5/11	\$35.47	
	105	5/12	\$48.00	
	106	5/16	\$56.75	
	Withdraws at ATM	4/28	\$60.00	
	5/01	\$40.00		
	5/13	\$100.00		
Deposits & Other Credits	Date Posted		Amount	
		4/25	\$550.00	
		5/02	\$800.00	
		5/09	\$250.00	
		5/16	\$335.00	
Fees & Other Charges	Monthly Service Charge		\$7.99	
	Non-Bank ATM Fee		\$3.50	
Current Balance (as of 5/18/12)				\$2654.22

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A previous statement balance will be on the bank statement signifying what the balance was at the time of the last statement. The total amount of deposits and withdraws for the current statement period will also appear on the bank statement.

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Slide 7

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1289.93	This Statement Covers
	Total of 4 Deposits		\$1931.00	4/20/12-5/18/12
	Total of 8 Withdrawals		\$555.72	
Checks & Other Debits 123-456	Check	Date Paid	Amount	
		101 4/21	\$200.00	
		102 4/21	\$15.00	
		104 5/11	\$35.47	
		105 5/12	\$48.00	
		106 5/16	\$56.75	
	Withdraws at ATM	4/28	\$60.00	
		5/01	\$40.00	
		5/13	\$100.00	
	Deposits & Other Credits		Date Posted	Amount
			4/25 \$550.00	
			5/02 \$800.00	
			5/09 \$250.00	
			5/16 \$335.00	
Fees & Other Charges		Monthly Service Charge	\$7.99	
		Non-Bank ATM Fee	\$3.50	
Current Balance (as of 5/18/12)				\$2654.22

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The statement posting date and statement dates will be at the top of the bank statement. This will let you know what dates are covered during the statement period. Anything processed after the date will show up on the next statement.

Presentation Notes You Better Reconcile

Slide 8

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1285.93		This Statement Covers	
	Total of 4 Deposits		\$1935.00		4/20/12-5/18/12	
	Total of 8 Withdrawals		\$555.22			
Checks & Other Debits 123-456	Check	Date Paid	Amount			
	101	4/21	\$200.00			
	102	4/21	\$15.00			
	104	5/11	\$35.47			
	105	5/12	\$48.00			
	106	5/16	\$56.75			
	Withdraws at ATM	4/28	\$60.00			
		5/01	\$40.00			
	5/13	\$100.00				
Deposits & Other Credits	Date Posted		Amount			
			4/25	\$550.00		
			5/02	\$800.00		
			5/09	\$250.00		
			5/16	\$335.00		
Fees & Other Charges	Monthly Service Charge		\$7.99			
	Non-Bank ATM Fee		\$3.50			
Current Balance (as of 5/18/12)					\$2654.22	

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This will show all of the transactions you have made. Checks will be listed by check number and include the amount and the date it was paid. The date paid will not always be the same as the date the check was written because it may not get deposited and processed on the same day. Debit card transactions and ATM withdraws will also be listed.

Presentation Notes You Better Reconcile

Slide 9

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1285.93	This Statement Covers	
	Total of 4 Deposits		\$1935.00	4/20/12-5/18/12	
	Total of 8 Withdrawals		\$555.22		
Checks & Other Debits 123-456	Check	Date Paid			
	101	4/21	\$200.00		
	102	4/21	\$15.00		
	104	5/11	\$35.47		
	105	5/12	\$48.00		
	106	5/16	\$56.75		
	Withdraws at ATM	4/28	\$60.00		
	5/01	\$40.00			
	5/13	\$100.00			
Deposits & Other Credits	Date Posted				
			4/25	\$550.00	
			5/02	\$800.00	
			5/09	\$250.00	
			5/16	\$335.00	
Fees & Other Charges	Monthly Service Charge		\$7.99		
	Non-Bank ATM Fee		\$3.50		
Current Balance (as of 5/18/12)			\$2654.22		

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This section will show you the deposits, or amount of money put in to your account. It will also show you if there have been any credits to your account. You may have a credit if the bank accidentally overcharges you or a business refunds you your money.

Presentation Notes You Better Reconcile

Slide 10

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1285.93	This Statement Covers 4/20/12-5/18/12	
	Total of 4 Deposits		\$1935.00		
	Total of 8 Withdrawals		\$555.22		
Checks & Other Debits 123-456	Check	Date Paid			
	101	4/21	\$200.00		
	102	4/21	\$15.00		
	104	5/11	\$35.47		
	105	5/12	\$48.00		
	106	5/16	\$56.75		
	Withdraws at ATM	4/28	\$60.00		
	5/01	\$40.00			
	5/13	\$100.00			
Deposits & Other Credits	Date Posted				
			4/25	\$550.00	
			5/02	\$800.00	
			5/09	\$250.00	
			5/16	\$335.00	
Fees & Other Charges	Monthly Service Charge		\$7.99		
	Non-Bank ATM Fee		\$3.50		
Current Balance (as of 5/18/12)			\$2654.22		

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As we discussed in the last lesson, some banks have service charges that will be taken out of your account each month. These fees and charges will also be listed on your bank statement.

Presentation Notes You Better Reconcile

Slide 11

Understanding a Bank Statement

Checking Account 123-456	Previous Statement Balance on 4/19/12		Total of 4 Deposits	\$1285.93	Total of 8 Withdrawals	\$1935.00	\$555.22	This Statement Covers 4/20/12-5/18/12
Checks & Other Debits 123-456	Check	Date Paid					Amount	
	101	4/21					\$200.00	
	102	4/21					\$15.00	
	104	5/11					\$35.47	
	105	5/12					\$48.00	
	106	5/16					\$56.75	
	Withdraws at ATM	4/28					\$60.00	
	5/01					\$40.00		
	5/13					\$100.00		
Deposits & Other Credits			Date Posted			Amount		
				4/25			\$550.00	
				5/02			\$800.00	
				5/09			\$250.00	
				5/16			\$335.00	
Fees & Other Charges			Monthly Service Charge			\$7.99		
			Non-Bank ATM Fee			\$3.50		
Current Balance (as of 5/18/12)							\$2654.22	

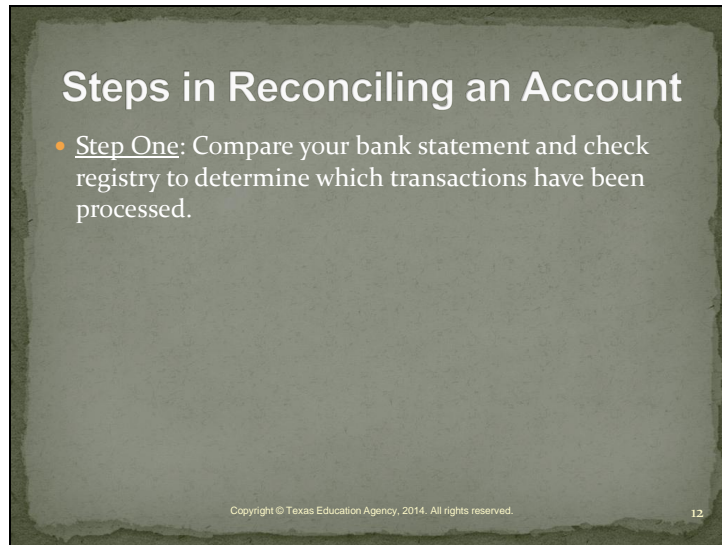
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Lastly, the bank statement will show the current balance of the account as of the posting date of the monthly statement.

Presentation Notes

You Better Reconcile

Slide 12



Steps in Reconciling an Account

- Step One: Compare your bank statement and check registry to determine which transactions have been processed.

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Step one is to compare the bank statement with your personal check registry to see which transactions have been processed. You can highlight the transaction, or check the box next to the transaction, signaling it has been processed.

Presentation Notes

You Better Reconcile

Slide 13



Steps in Reconciling an Account

- Step Two: Add any deposits listed in your check registry, but not on your statement.

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The next step in reconciliation is to add any deposits in the check registry. This may not be in the bank statement yet, if it happened after the posting date of the monthly bank statement.

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Slide 14



Steps in Reconciling an Account

- Step Three: Subtract any outstanding check/debit purchases.

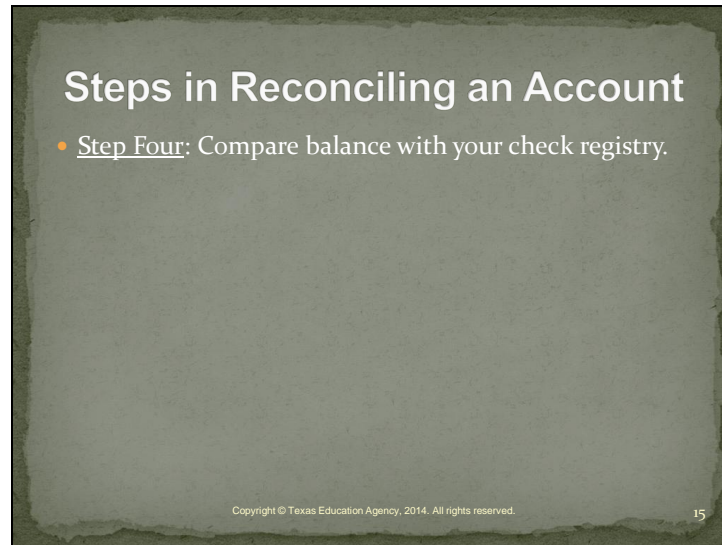
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After that, subtract any outstanding checks or debits. An outstanding amount is one that has been written, but not yet processed by the bank.

Presentation Notes

You Better Reconcile

Slide 15



Steps in Reconciling an Account

- Step Four: Compare balance with your check registry.

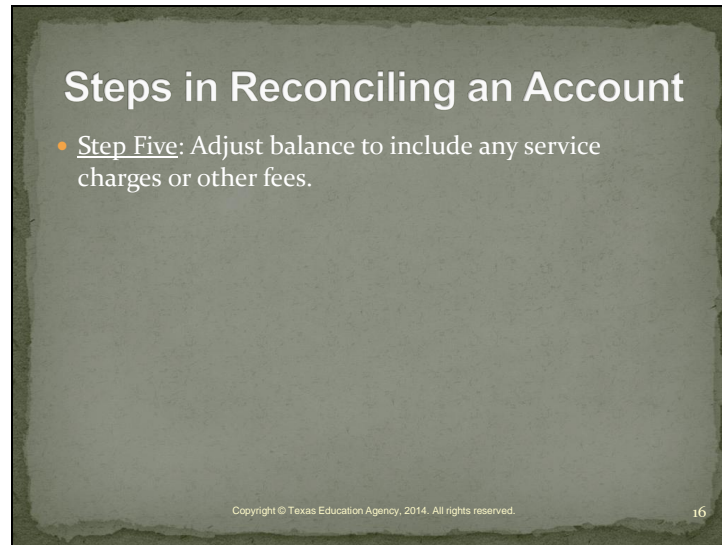
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Next, compare your balance with the check registry. Each balance should be equal to one another.

Presentation Notes

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Slide 16



Steps in Reconciling an Account

- Step Five: Adjust balance to include any service charges or other fees.

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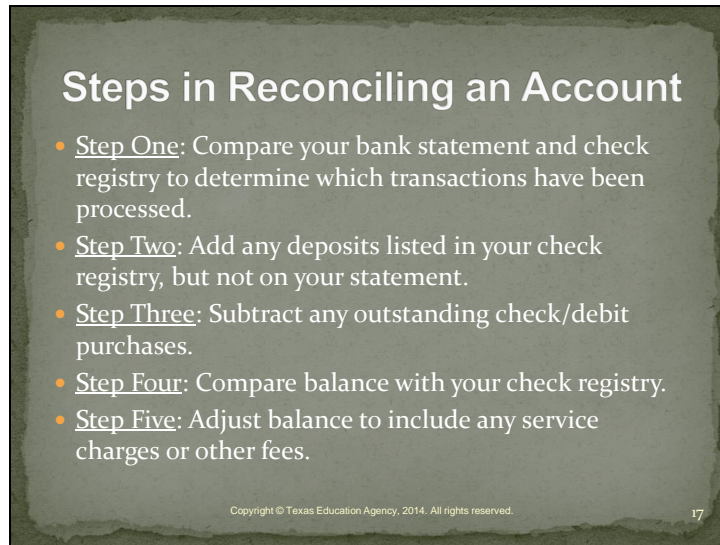
Add service charges or other fees to the balance that may not be present.

After step five, have students take out the handout, “How to Reconcile a Bank Account” and reconcile the account as a class using the bank statement on the next slide.

Presentation Notes

You Better Reconcile

Slide 17



Steps in Reconciling an Account

- Step One: Compare your bank statement and check registry to determine which transactions have been processed.
- Step Two: Add any deposits listed in your check registry, but not on your statement.
- Step Three: Subtract any outstanding check/debit purchases.
- Step Four: Compare balance with your check registry.
- Step Five: Adjust balance to include any service charges or other fees.

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Review all steps as students complete the handout together.

Presentation Notes You Better Reconcile

Slide 18

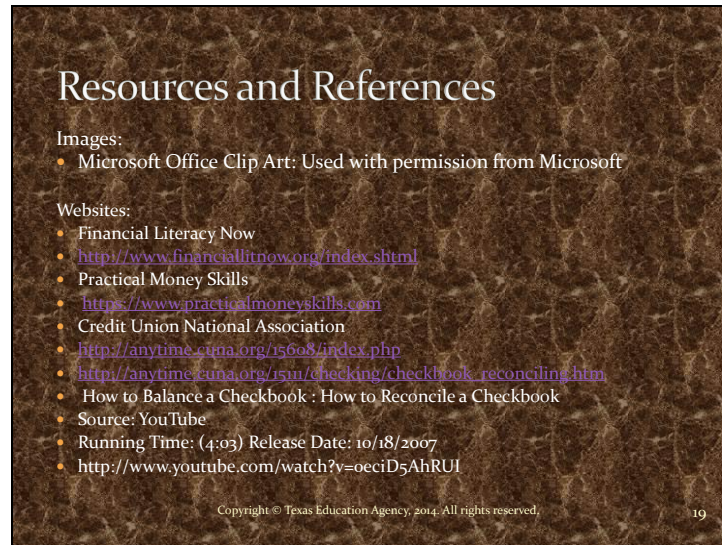
Reconciling an Account			
Checking Account 123-456	Previous Statement Balance on 4/19/12		\$1285.93
	Total of 4 Deposits		\$1935.00
	Total of 8 Withdrawals		\$555.22
			This Statement Covers 4/20/12-5/18/12
Checks & Other Debits 123-456	Check	Date Paid	Amount
	101	4/21	\$200.00
	102	4/21	\$15.00
	104	5/11	\$35.47
	105	5/12	\$48.00
	106	5/16	\$56.75
	Withdraws at ATM	4/28	\$60.00
	5/01	\$40.00	
	5/13	\$100.00	
Deposits & Other Credits	Date Posted		Amount
		4/25	\$550.00
		5/02	\$800.00
		5/09	\$250.00
		5/16	\$335.00
Fees & Other Charges	Monthly Service Charge		\$7.99
	Non-Bank ATM Fee		\$3.50
Current Balance (as of 5/18/12)			\$2654.22

Use this bank statement to complete the handout, "How to Reconcile a Bank Account" as a class. First, students will determine if there are any outstanding transactions. Lead students through the handout.

Presentation Notes

You Better Reconcile

Slide 19



Resources and References

Images:

- Microsoft Office Clip Art: Used with permission from Microsoft

Websites:

- Financial Literacy Now
- <http://www.financialliteracy.org/index.shtml>
- Practical Money Skills
- <https://www.practicalmoneyskills.com>
- Credit Union National Association
- <http://anytime.cuna.org/15608/index.php>
- http://anytime.cuna.org/1511/checking/checkbook_reconciling.htm
- How to Balance a Checkbook : How to Reconcile a Checkbook
- Source: YouTube
- Running Time: (4:03) Release Date: 10/18/2007
- <http://www.youtube.com/watch?v=oeCiD5AhRUI>

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