Operating Bank Account

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The Business Office Financial Assistant (BOFA) reconciles the activity of the operating account daily and provides Finance at the close of each month with a copy of the accumulated monthly reconciliation. This reconciliation will identify, in detail, the following items which are then further reconciled by Finance and incorporated into the formal account reconciliation:

* Deposits in Transit from the prior month which cleared in the current month
* Deposits in Transit for the current month
* Outstanding Checks from the prior month which cleared in the current month
* Outstanding Checks for the current month
* Other unmatched activity for the current month

Verification is then conducted to ensure that the monthly reconciliation file, as provided by the BOFA, includes all bank and general ledger activity for the current month:

* The sum of the reconciliations bank activity is verified against the monthly bank statement
* The sum of the reconciliations general ledger activity is verified against the general ledger
* The sum of the reconciling items for the month is verified against the variance between the monthly bank statement activity and the general ledger activity for the month

Deposits In Transit – An Excel file is maintained by Finance which identifies the Cash Receipt Number, Payee, Cleared Date, and Amount for each individual receipt in transit to the bank at the close of each month. The detail of this file from the previous month’s Finance reconciliation is then reconciled to the detail of “deposits in transit from the prior month which cleared in the current month”, as identified by the BOFA. The detail of “deposits in transit for the current month”, as identified by the BOFA, is then incorporated into the Excel file of deposits in transit maintained by Finance. Deposits in Transit are then added to the ending bank balance as part of the Finance operating bank account reconciliation.

Outstanding Checks (Reference “Policies and Procedures – Clearing Checks Electronically in Colleague”, which generates the monthly outstanding check register). The Colleague generated outstanding check register is then reconciled to the monthly reconciliation activity provided by BOFA. Begin with the balance of the Colleague generated outstanding check register from the previous month’s reconciliation, remove the detail of “outstanding checks from the prior month which cleared in the current month”, as identified by the BOFA, and add “outstanding checks for the current month”, as identified by the BOFA. This roll-forward of outstanding checks is an Excel file maintained by Finance. Outstanding Checks are then deducted from the ending bank balance as part of the Finance operating bank account reconciliation.

Reconciling Items – “Other unmatched activity for the current month”, as identified by the BOFA is then compared to the reconciling items listed on the previous month’s reconciliation, as prepared by Finance. Corresponding items are then removed as reconciling items, and new items are then added, to determine the current month’s reconciling items, as prepared by Finance. Reconciling Items are then listed individually in detail as pending adjustments to the general ledger balance as part of the Finance operating bank account reconciliation.

Addressing Reconciling Items – Finance then becomes the lead in addressing all reconciling items. This activity often involves collaboration with Bursar, Payroll, and Finance personnel to include the BOFA. Once an item has been resolved, the Finance lead notifies the BOFA of the associated activity which is to be included as “other unmatched activity for the current month” within the BOFA daily reconciliation.