

Accounting controls: A bank reconciliation case for principles of accounting

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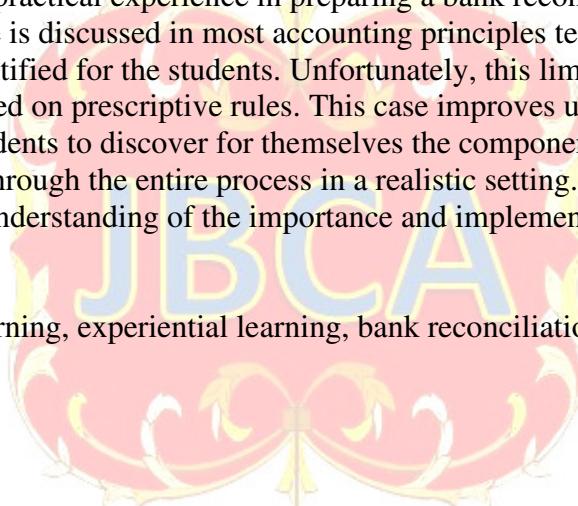
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ABSTRACT

This research presents a novel class activity that elicits discovery and experiential learning as students gain practical experience in preparing a bank reconciliation. While this key internal control procedure is discussed in most accounting principles textbooks, frequently the reconciling items are identified for the students. Unfortunately, this limits the discussion of the reconciliation to be focused on prescriptive rules. This case improves upon the common textbook approach by allowing students to discover for themselves the components of a bank reconciliation and work through the entire process in a realistic setting. Results indicate that students gained a better understanding of the importance and implementation of this critical internal control activity.

Keywords: Discovery learning, experiential learning, bank reconciliation, internal controls



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INTRODUCTION

In the 2022 Occupational Fraud Report, the Association of Certified Fraud Examiners (“ACFE”) reported 2,110 worldwide cases of fraud totaling \$3.6 billion in losses (ACFE 2022). The findings indicate that 49% of the fraud occurred due to the override or lack of effective internal controls. Further detail in the report indicates that 86% of fraud occurrences related to asset misappropriation schemes with an average loss of \$100,000. Of those occurrences, 53% directly related to cash transactions. Thus, it is important for business students to understand the importance of internal controls and, more importantly, be able to apply key internal control procedures such as those related to cash.

One critical cash control that businesses of all sizes should employ is the monthly preparation of a bank reconciliation. The objective of a bank reconciliation is to control cash by comparing the company’s records of cash with those of the bank and identifying any differences. Through this process, the business may detect errors or the misuse of cash. Ideally, an employee who does not record cash transactions should prepare the bank reconciliation. In small organizations, an employee with little to no accounting experience sometimes needs to perform the reconciliation to ensure the appropriate segregation of duties. Since business students are required to take at least one introductory accounting course, the accounting principles course is a natural place to cover the bank reconciliation process.

The accounting principles textbooks reviewed during this case preparation do not give this important control process much attention and only focus on selected details. Rather than requiring the student to identify reconciling items (i.e., differences between the company’s cash records and bank statement), students are usually provided with the aggregate amount of outstanding checks, deposits in transit, interest, bank fees, errors, and other reconciling items. Students then simply use those amounts to adjust the company’s cash balance and the bank balance to the reconciled cash balance (i.e., the true cash balance). While this approach exposes students to the bank reconciliation process at a basic level, this process can and should be improved with an experiential learning exercise that includes discovery learning.

The exercise discussed in detail below begins with a task where students are provided with different cash balances between the general ledger and bank statement but not the necessary reconciling items to correctly calculate the true cash balance. The task of comparing transactions on a bank statement and transactions in an accounting system is not a natural process for students. Their prior financial experience is based on online access to bank accounts, electronic bill payment, and digital wallets. By not providing students with the individual reconciling items, the case invokes discovery learning such that students will ultimately determine that additional steps are necessary (i.e., a bank reconciliation) before the true cash balance can be determined. Subsequent case activities lead students through the preparation of a complete bank reconciliation including identification of timing differences, bank errors, and accounting errors and omissions. Results from student responses indicate that the vast majority believe the case was a valuable learning tool that clearly demonstrated the importance of the bank reconciliation process.

LITERATURE REVIEW

Bank Reconciliation

A bank reconciliation is the process of reconciling a company's cash balance in the accounting system to the balance reported on the bank statement by the company's financial institution. This process involves identifying differences between these two reported balances and making necessary adjustments to arrive at an adjusted cash balance. Differences often exist for a variety of reasons. For example, the company's reported cash balance may need to be adjusted for reconciling items such as bank fees incurred, interest earned but not yet recorded by the company, checks deposited from customers with non-sufficient funds, company errors, etc. The bank's reported cash balance may need to be adjusted for reconciling items such as deposits-in-transit (deposits made by the company that have not been entered by the bank), outstanding checks (checks written that have yet to be deposited), bank errors, etc. The result is an adjusted bank balance that matches the adjusted company balance in the general ledger.

Onuoha and Amponsah (2012) argue that “[w]ithout bank reconciliation, the true cash balance of the organization will not be known, and any financial decision taken is like grappling in the dark.” They further state that “[w]ithout accurate, complete and timely bank reconciliation, there will be no successful guardianship of the organization’s funds,” suggesting that a bank reconciliation is a strong internal control over cash. A bank reconciliation helps the company from facing “undue dissipation by theft or other forms of cash erosion.”

Experiential Learning

Experiential learning requires students to be actively involved in the learning process rather than passively acquiring knowledge.¹ McCarthy (2010) argues that accounting topics such as a bank reconciliation exercise are well suited to experiential learning. “Students remember only a fraction of what they hear but a majority of what they actively do (Hawtrey 2007).”

Prior research has shown that experiential learning has positive effects for students. While there do not appear to be any short-term differences in learning outcomes, Specht and Sandlin (1991) found accounting students experience higher knowledge retention under experiential learning compared to traditional lecture-based learning.

Discovery Learning

The American Association of Colleges and Schools of Business (AACSB) encourages its member institutions to consider discovery learning as part of their curriculum (Kotee and Nguyen 2021). AACSB defines discovery learning as an “inquiry-based learning method that takes a constructivist approach to education, where students are encouraged to construct their own knowledge through a self-directed learning process—essentially ‘instruction-less’ learning.” Discovery learning facilitates the learning process by allowing students to contextualize the business problem, explore hypotheses, and draw conclusions. This case includes discovery learning by initially providing the bank statement as seen in Figure 1 (Appendix) and the cash general ledger as seen in Figure 2 (Appendix) and letting students’ own process of intuition drive

¹ Experiential learning is sometimes referred to as active learning, involved learning, learning by doing, and interactive learning.

their curiosity to determine why these two records of the same account do not produce the same ending cash balance.

The overall learning outcome of this case is for students to learn about the importance of a bank reconciliation as an internal control. By performing a more realistic bank reconciliation process, the students will gain deeper learning, understanding, and appreciation for this critical internal control procedure.

LEARNING OBJECTIVES

After completing this case, students will:

1. Learn there are often differences in the cash balances on the bank statement and the general ledger, which leads to the need for a formal bank reconciliation.
2. Understand the types of differences that may cause the cash balances to differ.
3. Experience the process of identifying differences and successfully completing a bank reconciliation.
4. Identify differences requiring an adjustment to the general ledger and make those adjustments.
5. Identify differences that may need additional investigation and managerial attention.



TEACHING NOTES

To accomplish these learning objectives, the instructor walks the students through an experiential process of discovery and learning. Table 1 (Appendix) provides an overview of the case activities for the instructor and the students. Each of the steps in this process relates to the learning goals listed above. Teaching ideas and clarifications are presented below with references to the steps in Table 1. While examples of the documents used in the case are provided in Figures 1-3 (Appendix), the actual documents used, including the solution, are available by contacting the authors directly.

Step 1: Self-Discovery

The instructor wants to pique the students' interest and allow them to engage in self-discovery of the task. Prior to step 1, the instructor should *not* provide any overview, lecture, or presentation about the bank reconciliation process. Rather, the instructor should simply provide the bank statement, provided in Figure 1, and the accounting records for the cash account, provided in Figure 2. This allows for a student's individual intuition or process of analysis to drive their curiosity to determine why these two records of the same account do not produce the same ending cash balance. The instructor should have the three questions listed in Table 1 on a written handout with an announcement that the handout will be collected after completion. This will encourage students to document their thoughts, not just think about the questions. It is important to let the students know that they are not being graded for the correctness of their answer; rather they are being graded for participation.

Step 2: Reflection

The instructor should ask students to share their thoughts about the three questions. Depending on class size, this step can be performed in small groups or with the entire class. Visually presenting the answers allows students to see the wide range of their responses. Students are often amazed at the differences in the numbers, further piquing their curiosity as to what is the correct answer. With respect to the second question, some students will answer something like "the bank would have the correct balance," whereas others will begin the process of comparing the two lists of transactions and mention that, "some checks or deposits are missing." Some students will also note that the beginning balances do not match, so there is "no way the ending balances can match." Remember that this process is to continue encouraging students to critically think about how this process should work. Students are then exposed to an example reconciliation in the following step.

Step 3: Prior Bank Reconciliation

The instructor will provide a basic overview of the format of a bank reconciliation by examining the previous month's reconciliation, provided in Figure 3. The instructor should explain to students that the reconciliation consists of two sections where the company is reconciling both the bank's balance and the company's cash balance to the correct balance. Begin now to emphasize that the two adjusted balances should match. Make sure the students understand the two most common reconciling items: deposits in transit and outstanding checks.

After explaining these concepts, students should be directed to realize that this reconciliation only contains reconciling items on the top half of the reconciliation. Further, students should be told that all items relate to timing differences rather than errors. Make sure that students understand why deposits in transit are added and why outstanding checks are subtracted. Explain that these reconciling items do not require either the bank or the company to make any changes to their accounting records. Inform students that there are no errors reported on the bottom half because this is the “final” bank reconciliation after all the errors have been corrected. In the next step, students will address potential errors and other reconciling items that may require adjustments to the organization’s accounting records.

Step 4: Walkthrough

Students are performing the reconciliation process for the current month. They should be instructed to compare each transaction between the current month’s bank statement and the general ledger to see which transactions do not match. Encourage the students to make some type of notation on the two documents (e.g., check marks) so that what remains does not match and is therefore a reconciling item. Explain that whatever does not match could be a timing difference, an error, or an indication of fraud. Usually using the word “fraud” raises a sense of excitement and gives students additional motivation to continue with the task. The instructor should perform the same task simultaneously with the students in a way that allows students to periodic observations as to the correctness of their process. Once this process is complete, highlight the items that do not match and ask the students to provide some possible reasons as to why. Remind them about the timing differences of deposits in transit and outstanding checks that are reported on the top portion. For the “new” non-matching items, discuss each of these outstanding items and whether they are added or subtracted to arrive at the balance per books on the bottom portion of the bank reconciliation. Last, if not already discovered by the students, direct them to the prior month’s final bank reconciliation and remind them that these were reconciling items from the prior month that should have now cleared. If they did not clear, they would carry forward on the bank reconciliation again. Spend a few minutes making sure they understand these concepts.

Step 5: Preparation

The students and the instructor will work together to complete the formal bank reconciliation by placing the identified reconciling items on the correct upper or lower portions of the bank reconciliation form. See Figure 4 (Appendix) for the form that can be used for the current month’s reconciliation. Remind the students that timing differences will self-correct and if there were any bank errors, they would have to be corrected by the bank. Remind them that any errors that need to be corrected in the organization’s accounting records will be shown in the bottom portion of the reconciliation. At this point, concentrate on getting the reconciling items in the correct portion of the reconciliation form. Point out that the “adjusted balance” for both the upper and lower portions of the reconciliation should match. However, just because they match, it does not mean the reconciliation was done correctly. For example, a student can have the reconciling items in the wrong portion, and it still may mathematically balance. Review with the students again regarding what reconciling items go on the top and bottom portions of the reconciliation. Remember that students should already understand the deposits in transit and outstanding checks from step 3, so they will likely feel comfortable with those items. However,

the bottom portion of the reconciliation will have items that may need additional clarification and discussion (e.g. checks with non-sufficient funds). Point out to students that these items on the bottom half of the reconciliation indicate that something needs to be corrected in the accounting records for the “balance per books” to equal the adjusted balance.

Step 6: Adjusting Entries

Students are challenged to make the appropriate adjusting journal entries to adjust the book balance to the adjusted balance. Students can use the bottom of Figure 4 for these entries. Remind students that items that are added on the lower portion of the reconciliation indicate that the entry would increase (debit) cash and any items subtracted would indicate a decrease (credit) to cash. Work with the students to understand the other side of the entry and record the complete entries and the related explanations. Show the students the bank reconciliation from the previous month and remind them that there were no reconciling items on the bottom portion of the final bank reconciliation because all of these adjusting entries were made. Ask students how the current month’s bank reconciliation would change if they did the next step and prepared a final bank reconciliation.²

Step 7: Adjusting Entries

Students are encouraged to go back and play the role of a manager and focus on the bank reconciliation as an internal control. Some possible questions to ask the students:

1. What would be your next step if you discovered some reconciling items on the top portion of the reconciliation that were not timing differences (i.e., the bank made an error)?
2. Are there adjustments that you needed to make that could have been caught earlier rather than waiting until the end of the month?
3. If any outstanding items carry over into a second month, what additional attention should it receive?
4. What are some indicators of fraud that you could maybe see on the bank reconciliation? Additional questions can be added based on instructor experience and the nature of the student population of the class.

Step 8: Next Problem

Students should be given another bank reconciliation problem to practice that requires the same level of detail. For this second problem, make sure some of the reconciling items on the lower portion of the bank reconciliation are different or add something not previously discussed. For example, if the accounting error in the class case required the students to add back to the cash balance; perhaps make the second case error subtract from the cash balance. The instructor could also add something like a collection of a note receivable that was received by the bank but not yet reflected in the accounting records.

² We normally do not prepare the “final” bank reconciliation with the students as this just adds an additional piece of paper and a point of possible confusion. However, pointing out that these adjusting entries are made allows them to see that the cash balance will actually change.

RESULTS

At the conclusion of the bank reconciliation exercise, students were asked six questions to gauge their perceptions about the efficacy of the instructional tool³. For each prompt, students were asked to respond on a seven-point Likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (7). Thus, higher responses generally indicate more positive perceptions about the exercise. A total of 85 students across multiple sections and instructors participated in the exercise, but one student failed to respond to the second prompt. Table 2 (Appendix) shows a summary of responses to all questions.

As shown in Table 2, student responses were overwhelmingly positive (i.e., they mostly agreed with the six prompts). Each question had a mean response of at least five out of seven. Moreover, the median response was six or seven for all but one of the questions.

With respect to the first prompt, “the exercise helped me to understand how a bank statement and a company accounting system can have different cash balances,” students responded with a mean (median) score of 5.7 (6.0). This is especially important as having this initial understanding provides the baseline for the reconciliation process. Roughly half of the students responded they strongly agreed that “working through the bank reconciliation process was a good use of class time” (mean = 6.2, median = 7.0) and that “the bank reconciliation exercise involved a realistic business situation” (mean = 6.1, median = 6.0).

Eighty four percent of students agreed to some extent (i.e., they responded 5 or higher) that “this exercise enhanced my understanding of the importance of performing a bank reconciliation” and that “a bank reconciliation is important for any business.” Perhaps not surprisingly, the prompt with the lowest level of agreement was, “I enjoyed the processing of reviewing the solution and evaluating my own work.” Despite the relatively lower numbers, however, only eleven percent of students responded that they disagreed to some extent.

Overall, these results provide evidence that students appear to have enjoyed and benefited significantly from the bank reconciliation exercise. The process of active learning and discovery learning in a more realistic context allowed the students to be more engaged and see the process unfold from beginning to end rather than seeing a snapshot of just a portion of the bank reconciliation process.

In addition to the six questions discussed above, students were also given the opportunity to provide comments and suggestions for future use of the exercise. Of the 85 participants, 59 (69%) voluntarily submitted a relevant written response. Based on the content of the comment, open responses were assigned to one of four categories: format/process/organization, insufficient background information, general positive comments, and other general comments. A sample of comments from each category is shown in Table 3 (Appendix).

Comments about the format/process/organization were the most frequent responses (total of 25 comments). In addition to concerns over the quantity of paper, pace of the exercise, and the information provided throughout, five students mentioned this exercise was an opportunity to easily incorporate technology into the classroom. Specifically, they believed the case should have been offered as an Excel download. Another student had a similar opinion, responding, “Do it in Excel so we can be more comfortable using it.” Table 3 shows a few additional comments students made about the general format of the bank reconciliation exercise.

³ This study was approved by the Institutional Review Board at Belmont University (Protocol #1387). Informed consent was obtained from participants in writing prior to the completion of the six questions.

Regarding the background information at the beginning of the case, 14 students expressed frustration with being given only limited information at the beginning of the exercise. Of course, this was an intentional component of the case as we wanted the students to engage in discovery learning and we expected such comments. For example, one student said, "Before answering the 3 questions and turning them in, it would have been helpful to have a better grasp on what we were supposed to be doing." Another student similarly commented that it would have been helpful for the exercise to contain "...more information on what to look for and what is the main objective overall" prior to attempting the first bank reconciliation. Given the students' overall positive responses to the case, it appears that any frustration related to discovery learning was outweighed by their overall learning and enjoyment. Whether students would have understood the bank reconciliation process better with more background information at the onset could be the subject of future research in this area.

There were also nine other positive or general comments about the overall usefulness of the exercise. As shown in Table 3, students continued to provide positive feedback and indicated that more complications would be desirable.

CONCLUSION

In summary, the purpose of this case was:

1. To provide further learning opportunities for students to learn about one of the key internal controls over cash.
2. To continue to use experiential and discovery learning types of techniques in the classroom in an effective manner.

The results of the measures of student perceptions indicate that these goals were met. Therefore, it was our desire to share this case and results with a wider audience. It is our hope that faculty members will continue to share ideas and techniques to further improve business and accounting education.

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APPENDIX**Table 1 - Suggested Case Process**

Step	LO	Actions by the Instructor	Activities by the Students
1 (Self-Discovery)	1	1. Provide the students with Figure 1, the current month's bank statement and Figure 2, general ledger activity for the cash account. 2. Provide the students with a hand-out containing the three questions.	Questions to answer: 1. What is the correct cash balance for the end of the month? 2. How did you determine your answer to question #1? 3. Is there any additional information you would have liked to have?
2 (Reflection)	1	Allow students individually or in groups to share the answers to their questions.	Students will share their answers.
3 (Prior Bank Reconciliation)	2	1. Provide the students with Figure 3, the prior month's bank reconciliation. 2. Explain the format of the bank reconciliation. 3. Ask and clarify students about their understanding of deposits in transit and outstanding checks.	Students can examine the prior month's bank reconciliation to see an example and gain an understanding of deposits in transit and outstanding checks.
4 (Walkthrough)	3	1. Refer the students back to the current month's bank statement and general ledger activity that was made available in step 1. 2. Provide the student with Figure 4, a blank reconciliation form, for the current month. 3. Ask students to perform the bank reconciliation process by comparing each transaction on the bank statement and the general ledger to see what does not match.	Students will cross through transactions on each document that match resulting in a set of transactions that do not match
5 (Preparation)	3	Work with the students to formally prepare the bank reconciliation by filling in the blank reconciliation form. Explain and clarify the nature of the reconciling items, where they are reported on the bank reconciliation, and whether they are added to subtracted to arrive at the adjusted balances. Highlight the fact that the adjusted balances should match.	Students will prepare the formal bank reconciliation by placing reconciling items on the correct portion of the bank reconciliation.
6 (Adjusting Entries)	4	Work with the students to prepare the adjusting entries needed to correct the cash balance on the organization's accounting records.	Students will record the entries needed to correct the accounting records.
7 (Manager Review)	5	Encourage the students to think about their role as a manager in the organization and how the bank reconciliation is an important internal control by asking questions for their further consideration.	Students will reflect on the importance of the bank reconciliation as an important internal control of the organization.
8 (Next Problem)	3,4,5	Provide the students with an additional comprehensive problem to practice. Answers to the problem can be made available as the instructor sees fit.	Students are encouraged to prepare another comprehensive bank reconciliation as practice.

Table 2 – Student Responses

Questions	Mean (Median)	1	2	3	4	5	6	7
1. The exercise helped me to understand how a bank statement and a company accounting system can have different cash balances.	5.7 (6.0)	0%	2%	4%	7%	25%	29%	33%
2. Working through the bank reconciliation process was a good use of class time.	6.2 (7.0)	0%	2%	0%	10%	7%	30%	51%
3. The bank reconciliation exercise involved a realistic business situation.	6.1 (6.0)	1%	0%	0%	4%	22%	29%	44%
4. This exercise enhanced my understanding of the importance of performing a bank reconciliation.	5.8 (6.0)	1%	2%	2%	11%	14%	33%	36%
5. I enjoyed the processing of reviewing the solution and evaluating my own work.	5.0 (5.0)	4%	6%	1%	25%	28%	15%	21%
6. I believe that the ability to complete a bank reconciliation is important for any business.	6.4 (7.0)	2%	0%	0%	5%	9%	16%	67%

Note: 1 = Strongly Disagree, 4 = Neutral, and 7= Strongly Agree. N=85 for all questions except question 2 (n=84).



Table 3 – Student Open Responses

Comments about format/process/organization (25 comments)
<ul style="list-style-type: none"> • Too much paper! • Too much paper. Offer an excel download on Blackboard instead. • Give hints on the handout and more written prompts. • Do it in Excel so we can be more comfortable using it. • I would have liked to have had the Excel spreadsheet so that I could color code along with you. • Easier handout organization.
Comments about insufficient background information (14 comments)
<ul style="list-style-type: none"> • Before answering the three questions and turning them in, it would have been helpful to have a better grasp on what we were supposed to be doing. • Maybe give more info on what to look for and what is the main objective overall. • Was unclear how to start the process. • Introduce some basic concepts beforehand so we realize that something is missed without you telling us.
General positive comments (11 comments)
<ul style="list-style-type: none"> • I thought it was very helpful in terms of helping me understand bank reconciliation. • It helped me understand reconciliations better by seeing/working through a real-life example. • This really helped me understand the reconciliation a lot better. • Honestly, this was the best class ever.
Other general comments (9 comments)
<ul style="list-style-type: none"> • Maybe a few more twists and turns? • Maybe write it out as a mystery that has to be solved. • Include what would happen if a transaction wasn't accounted for. How does the accounting team or business respond?

Note: Of the 85 total participants, 59 (69%) provided relevant comments. This table lists a sample of those comments within four categories.

Figure 1 - Bank Statement**Big Nashville Bank and Trust**

**123 Gulch Ave
Nashville, TN 37122**

Statement of Account

Statement Date: May 31, 20__

**Nashville Wire
1900 Acklen Ave
Nashville, TN 37212**

Summary

May 1 Balance	13,000
Total Deposits and Credits	16,500
Total Checks and Debits	(15,450)
Total Service Charge	(50)
May 31 Balance	14,000

Deposits and Credits

05/01/20__ Deposit	1,500
05/05/20__ Deposit	5,000
05/12/20__ Deposit	3,500
05/19/20__ Deposit	2,500
05/28/20__ Deposit	4,000
Total Deposits	16,500

Checks and Debits

<u>Date paid</u>	<u>Check number</u>	
05/01/20__	1522	150
05/03/20__	1528	1,250
05/04/20__	1529	600
05/10/20__	1530	1,000
05/20/20__	1531	500
05/19/20__	1532	250
05/20/20__	1533	1,500
05/27/20__	1534	5,500
05/31/20__	1536	2,000
05/30/20__	1537	200
05/31/20__	Returned Check from BR Inc.	2,500
		15,450

Service Charge

05/31/20__ Monthly fee	50
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Figure 2 - Accounting Records

Nashville Wire
Accounting Records
Month Ended 05/31/20

<u>Date</u>	<u>Description</u>	<u>DR (CR)</u>
		<u>Cash</u>
05/01/20	Beginning Balance	12,500
05/05/20	Deposit - WiresRUs	5,000
05/07/20	Yellow Freight - Chk #1530	(1,000)
05/12/20	Deposit - Fastenal	3,500
05/17/20	Staples - Chk #1531	(500)
05/17/20	Supply Inc - Chk #1532	(250)
05/17/20	Wire Products - Chk #1533	(5,100)
05/19/20	Deposit - BR Inc.	2,500
05/22/20	Jane Jones, CEO - Chk #1534	(5,500)
05/28/20	Deposit - Pool Builders	4,000
05/29/20	Coffee Inc - Chk #1535	(100)
05/29/20	NES - Chk #1536	(2,000)
05/29/20	Water District - Chk #1537	(200)
05/29/20	Home Depot - Chk #1538	(800)
05/31/20	Wire Products - Chk #1539	(3,100)
05/31/20	Deposit - Road Concrete	4,500
05/31/20	Ending Balance	<u>13,450</u>

Figure 3 - Previous Month's Bank Reconciliation

Nashville Wire	
Bank Reconciliation	
4/30/20	
Balance per bank statement	\$ 13,000
Deposits in transit 4/30/20	1,500
Outstanding checks	
4/25/20 #1522	(150)
4/30/20 #1528	(1,250)
4/30/20 #1529	<u>(600)</u>
Total Outstanding Checks	<u>(2,000)</u>
Correct balance reconciled to accounting records	<u>\$ 12,500</u>
Balance per accounting records	\$ 12,500
Correct balance reconciled to bank records	<u>\$ 12,500</u>

Figure 4 - Current Month's Bank Reconciliation (to be completed)

Nashville Wire	
Bank Reconciliation	
<u>5/31/20</u>	
<hr/>	
Balance per bank statement	<hr/>
Deposits in transit	<hr/>
Total Deposits in Transit	<hr/>
Outstanding checks	<hr/>
Total Outstanding Checks	<hr/>
Correct balance reconciled to accounting records	<hr/>
Balance per accounting records	<hr/>
Correct balance reconciled to bank records	<hr/>