

The Anatomy of a Reconciliation

A BALANCE SHEET RECONCILIATION CONSISTS OF:

Ending GL Balance

Reconcile against ending balance to ensure the entire balance is under review

Supporting Details

Information that validates the balance. Sources can be from either third party, internal systems or internal analysis

SkyStem delivers a powerful month-end close and reconciliation solution for organizations seeking to streamline their financial close.

Account#: 13500 – Advanced Deposits

Period End: 7/31

Policies/Procedures: Account activity should relate purely to deposits for product class X71P. Deposits typically remain on ledger for up to 2 years. Reconcile monthly by identifying all active deposits.

GL Balance @ 7/31	\$11,000
Adjustments & Timing Differences	
7/31 - Wyatt A. Reclass (Acct#13400)	\$1,000
Adjusted GL Balance	\$12,000
Advanced Deposits	
1/1 - Tommy V.	\$4,000
2/1 - Kresh R.	\$4,000
2/1 - Annie W.	\$2,000
Total Deposits	\$10,000
Difference	\$2,000
Write On/Off	
Unresolved >90 Days	-\$2,000
Variance	\$0

Policies and Procedures

Nature of Account and Reconciliation Procedures

Adjustments / Timing Difference

Temporary in nature. Consist of planned journal entries or transitory items. Should not be open beyond 90 days

Variance & Write-Offs

Variances that cannot be resolved beyond 90 days should be written off to remove from ledger balance.

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