

BANK RECONCILIATION STATEMENT

BANK STATEMENT

Bank statement is a periodic statement prepared by the bank showing the transaction between the bank and the customer. It is a copy of a customer account in the bank. The bank sends the statement to customer periodically.

As a matter of necessity, the balance of the cashbook and bank statement must be equal but at a given date the balance of the cash is unlikely to agree with the balance of the bank statement due to certain reasons which will be explained later, when such happens, there is need for reconciliation.

Bank reconciliation statement can be defined as a statement that is prepared to reconcile the disagreement of the cash book and that of the bank statement. The reconciliation is necessary in order to test the accuracy of the postings in the cash book by reconciling the balance of the cash book and with that of the bank statement.

TERMINOLOGIES USED INCLUDES

1. Unpresented cheques
2. Uncredited cheques
3. Standing order
4. Dividend
5. Dishonoured cheques
6. Credit transfer
7. Bank charges and interest
8. Direct Debit
9. Errors by the bank
10. Casting errors.

Bank Documents includes.

1. Bank Statement
2. Cheque Book
3. Bank Teller
4. ATM cards