**Bank Account Reconciliation**

1. The Bank Reconciliation process enables the verification of entries on the bank statement by reconciling that information with external transactions and also system generated transactions in Payables, Receivables, Payroll and General Ledger. During the bank reconciliation process external transactions can be created for bank originated entries such as bank charges and interest.
2. The Bank reconciliation process in Quantum involves the following steps:-

**Step 1: Reconciliation**

Matching of transactions in Quantum against those in the bank statements is primarily done in 2 places:

* ***Manual reconciliation*** page, requires a manual match of bank statement details with subledger transactions or GL journals. The manual reconciliation method can also be used to reconcile any bank statement details which could not be reconciled automatically.
* ***Automatic reconciliation***, a centralized process that auto-matches Quantum transactions against the bank statements loaded into Quantum via Treasury Management System (TMS) payment hub.

**Step 2: Review Autoreconcile Bank Statements Results and Resolve Exceptions**

Once the Bank Statement Auto reconciliation process has been completed, review the reconciliation results in the Bank Statements and Reconciliation work area. The Bank Statement Reconciliation region displays the lines that are reconciled,un-reconciled, and any exceptions.

Resolve exceptions from the Autoreconcile Bank Statements process by manually reconciling the exceptions.

**Step 3: Resolve unreconciled statement lines**

Resolve any un-reconciled statement lines by manually reconciling the statement lines to the available transactions. Create external transactions for bank fees and interest.

**Step 4: Create Accounting and Transfer to General Ledger**

Create journal entries for external transactions by submitting Create Accounting process. The process creates and optionally transfers and posts journal entries to General Ledger. If you do not transfer the journals to General Ledger immediately, you can later submit the Post Subledger Journal Entries process.

**Step 5: Cash to General Ledger Reconciliation Report.**

If the reconciliation steps are followed properly, there should not be any issues in going to Step 5, which is the Cash to General Ledger Reconciliation Report. The Cash to General Ledger Reconciliation Report compares the GL cash account balance against the bank account balance. It displays the unreconciled GL cash account journal entries and unreconciled bank statement lines that help identify the discrepancies between the balances. This is done based on the specified range of periods.

The Cash to General Ledger Reconciliation Report lists the subledger transactions that are accounted in GL but they are not reconciled in Cash Management.

A unique GL cash account for each bank account is assigned and using it to record all cash transactions to facilitate this book to bank reconciliation.

**Step 6: – Cash in Transit Report**

All unreconciled items from the system side such as checks, electronic transfers, payroll and deposits will appear in the Cash in Transit report. A unique GL cash clearing account is assigned to each bank account. All unreconciled items appearing in this cash clearing account are temporary as such items will be cleared once transactions have been reflected in the bank statements and reconciled.