**Introduction/ Issue**

Introduction

• Bank Statement Reconciliation

– Match Statement Lines and Transactions

– Automatic and Manual Reconciliation

– 1 to 1, 1 to Many, Many to 1 and Many to Many reconciliation

– Automatic Reconciliation Exceptions

• **Benefits**

* Automatically upload and reconcile statements
* Ability to generate external transactions for bank fees and other costs
* Use auto reconciliation when processing a large volume of bank statements or wanting
* to automate the reconciliation process.
* The Automatic Reconciliation program uses the reconciliation rule set assigned to the
* bank account to reconcile bank statement lines and system transactions.
* Cash Management provides the ability to automatically upload and reconcile
* statements, minimizing the need for manual intervention.
* Automatic Reconciliation or Auto reconciliation, is the most common process used for
* reconciling system transactions with bank statement lines.

**Why we need to do / Cause of the issue:**

Key Features to Highlight

1. Automatic Reconciliation setup

• Bank Statement Reconciliation Matching Rules

• Bank Statement Reconciliation Tolerance Rules

• Bank Statement Reconciliation Rule Sets

1. Matching Type
2. Automatic Reconciliation process

**Setup Data Required**

1. Bank Account
2. Bank Statement with lines that correspond to system transactions
3. Bank Statement Processing setup (Please, refer to the (2) Bank Statement Processing Training for additional information)

• Bank Statement Transaction Codes

• Bank Statement Transaction Type Mapping

• Bank Statement Parse Rule Sets

4.Auto-reconciliation setup

• Reconciliation Matching Rules

• Reconciliation Tolerance Rules

• Reconciliation Rule Sets

By performing these setup and check list we could avoid the issue who performing the auto recon

**Conclusion:**

**Best Practices**

**– Bank Account Setup**

• Assign a unique GL cash account to each bank account and use it to record all cash transactions for

the bank account. This will facilitate book to bank reconciliation.

**– Mark Reviewed**

• After completing the reconciliation of a bank statement use the mark reviewed feature to prevent

accidental reconciliation.

**– Book to Bank Reconciliation**

• After completing bank statement reconciliation and accounting all transactions for the period run

the Cash to General Ledger Reconciliation report to investigate differences between your ledgers’

cash account balance and the bank account balance.

– Automatic Reconciliation Rule Set Structure

• Rule sequencing is used to determine the order of execution

• Optimize the reconciliation rate using sequencing

**Note: Post the blog in SharePoint. After your manager’s review, you can post it in our website.**