

Auto Bank Reconciliation in Tally.ERP 9

Did you know that with Tally.ERP 9, reconciling your company's bank book with the bank statement can be done automatically and accurately?

Bank reconciliation is an important process that helps a business to cross-verify its own books of accounts with the bank statement. Comparing the two statements with long list of transactions is stressful and error-prone using the manual and conventional method. However, Tally.ERP 9 will minimize the time spent and risk of making errors during bank reconciliation using the newly introduced auto bank reconciliation option.

Auto bank reconciliation in Tally.ERP 9 provides a simple and no-frills method of reconciling your company bank books with the bank statement. Using this option, you just need to import the e-statement you received from the bank to Tally.ERP 9 (in Excel or CSV format) and hit the reconcile button. Reconciliation will happen automatically. Not only this, Tally.ERP 9 also shows you a complete detail of any unaccounted for transactions, like Bank Charges or Bank Interests, between the bank statement and company's books.

To carry out the auto bank reconciliation process, let's suppose that a company receives its bank statement from State Bank of India and needs to be reconciled. To use Auto Bank Reconciliation in Tally.ERP 9, firstly, you need to enable this option in the bank ledger as shown:

- Open the bank ledger (State Bank of India in this case) in alteration mode

Ledger Alteration		ABC Company	
Name	: State Bank of India	Total Op. Bal.	
(alias)	:		
		2,00,000.00 Dr	
		Difference	
		2,00,000.00 Dr	
Under	: Bank Accounts (Current Assets)	Mailing Details	
Effective Date for Reconciliation	? 1-Apr-2012	Name	: State Bank of India
Set/Alter Cheque Books	? No	Address	: #2A, 2nd Floor Richmond Tower Residency Road
Set/Alter Banking Configuration	? yes	State	: Karnataka
		PIN Code	:
		A/c No.	: 409875634512
		A/c Holder Name	:
		Branch Name	: Residency Road
		BSR Code	:
		IFS Code	:
		Provide e-Bank Details	? No
Opening Balance (on 1-Apr-2012) : 2,00,000.00 Dr			

- Set 'Yes' to 'Set/Alter Banking Configuration'
- Select the relevant bank from the 'List of Banks'

- Set 'Yes' to 'Activate Auto Reconciliation' as shown:

- Accept the screen

Note: Valid Tally.NET Subscription and Internet Connectivity are required for performing auto bank reconciliation

Using Auto Bank Reconciliation in Tally.ERP 9

After enabling the Auto Bank Reconciliation option, now you can go ahead and reconcile the bank statement with the company's books as follows:

- Go to 'Gateway of Tally > Banking > Bank Reconciliation'
- Select the required bank from the 'List of Bank'

P: Print	E: Export	M: E-Mail	O: Upload	S: Shop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Select Bank ABC Company Ctrl + M									
Current Period 1-4-2012 to 31-3-2013		Current Date Sunday, 1 Jul, 2012		Name of Bank					
List of Selected Companies				List of Bank					
Name of Company ABC Company				Kotak Bank Kotak Bank - OD A/c State Bank of India State Bank of India - OD Account					

- On the 'Bank Reconciliation' screen, press 'B: Bank Statement' or 'Alt + B'

P: Print E: Export M: E-Mail O: Upload S: Shop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help										F2: Period
Bank Reconciliation ABC Company Ctrl + M										S: Set All Dates
Ledger: State Bank of India 1-Apr-2012 to 1-Jul-2012										C: Create Voucher
(Reconciliation)										U: Opening BRS
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit		B: Bank Statement
2-4-2012	Cash	Contra	Cash		2-4-2012		10,000.00			R: Reconcile Unlinked
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012			1,500.00		
3-4-2012	Raghvendra Caterers	Payment	Cheque	234502	3-4-2012			3,500.00		
5-4-2012	Phoenix Services	Payment	Cheque	234504	5-4-2012			7,000.00		
7-4-2012	Info Logistics	Payment	Cheque	234505	7-4-2012			6,201.00		
8-4-2012	ABL Ltd	Payment	Cheque	234507	8-4-2012			7,110.00		
10-4-2012	TTK Enterprises	Payment	Cheque	234508	10-4-2012			650.00		
12-4-2012	Services	Payment	Cheque	234509	12-4-2012			5,500.00		
15-4-2012	M/s Mahalakshmi Traders	Payment	Cheque	234510	15-4-2012			4,500.00		
15-4-2012	Consultancy Services	Payment	Cheque	234512	15-4-2012			5,541.00		
30-4-2012	Cash	Contra	Cash		30-4-2012		5,000.00			
2-5-2012	3M Stationaries	Payment	Cheque	234514	2-5-2012			35,200.00		
10-5-2012	TTK Enterprises	Payment	Cheque	234515	10-5-2012			1,450.00		
15-5-2012	Cash	Contra	Cash		15-5-2012		6,000.00			
31-5-2012	Raghvendra Caterers	Payment	Cheque	234517	31-5-2012			4,571.00		
15-6-2012	Info Logistics	Payment	Cheque	234513	15-6-2012			25,000.00		
28-6-2012	M/s Mahalakshmi Traders	Payment	Cheque	234516	28-6-2012			6,300.00		
1-7-2012	TTK Enterprises	Payment	Cheque	234518	1-7-2012			1,800.00		
Balance as per Company Books :							1,05,177.00			
Amounts not reflected in Bank :							21,000.00	1,15,823.00		
Amounts not reflected in Company Books :										
Balance as per Bank :							2,00,000.00			
Balance as per Imported Bank Statement :										

- Specify the 'Directory', where you have saved the downloaded bank statement
- In case you need to change the 'File Type', you can press 'Backspace' to select the appropriate 'File Type' for the bank statement to be imported

Select File ABC Company Ctrl + M									
Ledger: State Bank of India		Directory : C:\Program Files\Tally.ERP9 (Supported format(s) for selected Bank: Excel)			File Type : Excel		List of File Types		
Date Particulars		File Name :					1-Jul-2012		
2-4-2012	Cash	Contra	Cash		2-4-2012				
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012			1,500.00	

- Once you've selected the required 'File Type', select the required bank statement file from the 'List of Files', reconciliation will happen automatically

Select File ABC Company Ctrl + M									
Ledger: State Bank of India		Directory : D:\ABRS Data (Supported format(s) for selected Bank: Excel)			File Type : Excel		1-Apr-2012 to 1-Jul-2012		
Date Particulars		File Name :					S: Show Imported		
List of Files : D:\ABRS Data									
2-4-2012	Cash							000.00	
2-4-2012	3M Stationaries							1,500.00	
3-4-2012	Raghvendra Caterers							3,500.00	
5-4-2012	Phoenix Services							7,000.00	
7-4-2012	Info Logistics							6,201.00	
8-4-2012	ABL Ltd							7,110.00	
10-4-2012	TTK Enterprises							650.00	

- Once the reconciliation happens, a 'Success!!' notification will be displayed with details like 'Total Entries in Bank Statement', number of entries reconciled and 'Additional Bank Entries'

Select File		ABC Company				Ctrl + M	
Ledger: State Bank of India	Directory : D:\ABRS Data	(Supported format(s) for selected Bank: Excel)		File Type : Excel	1-Apr-2012 to 1-Jul-2012		
Date	Particulars	File Name : SBI409875634512L.xlsx			Debit	Credit	
2-4-2012	Cash	Contra	Cash	2-4-2012	10,000.00		
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012	1,500.00	
3-4-2012	Raghvendra Caterers	Payment	Cheque	234502	3-4-2012	3,500.00	
5-4-2012	Phoenix Services	Payment	Cheque	234504	5-4-2012	7,000.00	

Success!!

Total Entries in Bank Statement: 14

Reconciled: 10

Additional Bank Entries: 4

(press any key)

- Press any key and the Bank Reconciliation Statement with Imported bank statement details will appear. It shows the unreconciled list of entries from the bank statement under 'Amounts not reflected in Company Books' as shown:

Bank Reconciliation		ABC Company				Ctrl + M		
Ledger: State Bank of India	(Reconciliation)				1-Apr-2012 to 1-Jul-2012			
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
2-4-2012	Cash	Contra	Cash		2-4-2012		10,000.00	
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012	4-4-2012		1,500.00
3-4-2012	Raghvendra Caterers	Payment	Cheque	234502	3-4-2012	4-4-2012		3,500.00
5-4-2012	Phoenix Services	Payment	Cheque	234504	5-4-2012			7,000.00
7-4-2012	Info Logistics	Payment	Cheque	234505	7-4-2012			6,201.00
8-4-2012	ABL Ltd	Payment	Cheque	234507	8-4-2012	10-4-2012		7,110.00
10-4-2012	TTK Enterprises	Payment	Cheque	234508	10-4-2012	14-4-2012		650.00
12-4-2012	Services	Payment	Cheque	234509	12-4-2012	15-4-2012		5,500.00
15-4-2012	M/s Mahalakshmi Traders	Payment	Cheque	234510	15-4-2012	17-4-2012		4,500.00
15-4-2012	Consultancy Services	Payment	Cheque	234512	15-4-2012	18-4-2012		5,541.00
2-5-2012	3M Stationaries	Payment	Cheque	234514	2-5-2012			35,200.00
10-5-2012	TTK Enterprises	Payment	Cheque	234515	10-5-2012			1,450.00
15-5-2012	Cash	Contra	Cash		15-5-2012		6,000.00	
31-5-2012	Raghvendra Caterers	Payment	Cheque	234517	31-5-2012	1-6-2012		4,571.00
15-6-2012	Info Logistics	Payment	Cheque	234513	15-6-2012	15-6-2012		25,000.00
28-6-2012	M/s Mahalakshmi Traders	Payment	Cheque	234516	28-6-2012			6,300.00
1-7-2012	TTK Enterprises	Payment	Cheque	234518	1-7-2012	1-7-2012		1,800.00
Amounts not reflected in Company Books								
	CASH Desposit--		Deposit		30-4-2012	30-4-2012	5,000.00	
	Bank Charges Till June		Withdrawal		30-6-2012	30-6-2012		500.00
	TO DEBIT THROUGH CHEQUE-S		Withdrawal	100510	3-7-2012	3-7-2012		12,345.00
	CHEQUE WDL- TRF-		Withdrawal	100508	3-7-2012	3-7-2012		2,234.00
Balance as per Company Books :							1,04,677.00	
Amounts not reflected in Bank :							16,000.00	49,151.00
Amounts not reflected in Company Books :							5,000.00	15,079.00
Balance as per Bank :							1,27,749.00	
Balance as per Imported Bank Statement :								1,30,249.00
Difference :								2,500.00

Reconciliation of Amounts not reflected in Company Books

Entries that appear under 'Amounts not reflected in Company Books' are those which have not been reconciled and there can be two scenarios for the same.

Scenario 1: This could be because of either an incorrect or missing instrument number during the voucher creation. For example, Cash Deposit to the bank will not have an instrument number in your company books.

To reconcile these unreconciled amounts:

- Select the required entry (Cash Deposit in this case) under 'Amounts not reflected in Company Books' and press 'R: Reconcile Unlinked' or 'Alt+ R'

Bank Reconciliation									ABC Company		Ctrl + M	
Ledger: State Bank of India											1-Apr-2012 to 1-Jul-2012	
(Reconciliation)												
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit				
2-4-2012	Cash	Contra	Cash		2-4-2012		10,000.00					
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012	4-4-2012		1,500.00				
3-4-2012	Raghvendra Caterers	Payment	Cheque	234502	3-4-2012	4-4-2012		3,500.00				
5-4-2012	Phoenix Services	Payment	Cheque	234504	5-4-2012			7,000.00				
7-4-2012	Info Logistics	Payment	Cheque	234505	7-4-2012			6,201.00				
8-4-2012	ABL Ltd	Payment	Cheque	234507	8-4-2012	10-4-2012		7,110.00				
10-4-2012	TTK Enterprises	Payment	Cheque	234508	10-4-2012	14-4-2012		650.00				
12-4-2012	Services	Payment	Cheque	234509	12-4-2012	15-4-2012		5,500.00				
15-4-2012	M/s Mahalakshmi Traders	Payment	Cheque	234510	15-4-2012	17-4-2012		4,500.00				
15-4-2012	Consultancy Services	Payment	Cheque	234512	15-4-2012	18-4-2012		5,541.00				
30-4-2012	Cash	Contra	Cash		30-4-2012		5,000.00					
2-5-2012	3M Stationaries	Payment	Cheque	234514	2-5-2012			35,200.00				
10-5-2012	TTK Enterprises	Payment	Cheque	234515	10-5-2012			1,450.00				
15-5-2012	Cash	Contra	Cash		15-5-2012		6,000.00					
31-5-2012	Raghvendra Caterers	Payment	Cheque	234517	31-5-2012	1-6-2012		4,571.00				
15-6-2012	Info Logistics	Payment	Cheque	234513	15-6-2012	15-6-2012		25,000.00				
28-6-2012	M/s Mahalakshmi Traders	Payment	Cheque	234516	28-6-2012			6,300.00				
1-7-2012	TTK Enterprises	Payment	Cheque	234518	1-7-2012	1-7-2012		1,800.00				
Amounts not reflected in Company Books												
	CASH Desposit--		Deposit		30-4-2012	30-4-2012	5,000.00					
	Bank Charges Till June		Withdrawal		30-6-2012	30-6-2012		500.00				
	TO DEBIT THROUGH CHEQUE-S		Withdrawal	100510	3-7-2012	3-7-2012		12,345.00				
	CHEQUE WDL- TRF-		Withdrawal	100508	3-7-2012	3-7-2012		2,234.00				
Balance as per Company Books :							1,05,177.00					
Amounts not reflected in Bank :							21,000.00	56,151.00				
Amounts not reflected in Company Books :							5,000.00	15,079.00				
Balance as per Bank :							1,30,249.00					
Balance as per Imported Bank Statement :								1,30,249.00				
Difference :												

- This will show in 'Unreconciled Amounts' screen and it will display all the transactions matching the selected unreconciled transaction.
- Select the appropriate transaction and press 'Enter' to reconcile

Unreconciled Amounts								ABC Company		Ctrl + M
Ledger: State Bank of India								Unreconciled Amounts		Apr-2012 to 1-Jul-2012
Date	Particulars	Date	Particulars	Payment Favoring	Transaction Type	Instrument/Ref No.	Debit	Credit	Debit	Credit
2-4-2012	Cash	30-4-2012	Cash	Tally Solutions Private Limited	Cash		5,000.00		00.00	
2-4-2012	3M Stationaries									1,500.00
3-4-2012	Raghvendra Caterers									3,500.00
5-4-2012	Phoenix Services									7,000.00
7-4-2012	Info Logistics									6,201.00
8-4-2012	ABL Ltd									7,110.00

Success !!!

Reconciled Successfully.

(press any key)

Scenario 2: Deposits or withdrawals recorded in bank statement but not recorded in your company books due to lack of information. For example, 'Bank Charges' levied by the bank. To reconcile these entries:

- Place the cursor on the required transaction (Bank Charges in this case),

Bank Reconciliation								ABC Company		Ctrl + M
Ledger: State Bank of India								(Reconciliation)		1-Apr-2012 to 1-Jul-2012
Date	Particulars	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit		
2-4-2012	Cash	Contra	Cash		2-4-2012		10,000.00			
2-4-2012	3M Stationaries	Payment	Cheque	234501	2-4-2012	4-4-2012		1,500.00		
3-4-2012	Raghvendra Caterers	Payment	Cheque	234502	3-4-2012	4-4-2012		3,500.00		
5-4-2012	Phoenix Services	Payment	Cheque	234504	5-4-2012			7,000.00		
7-4-2012	Info Logistics	Payment	Cheque	234505	7-4-2012			6,201.00		
8-4-2012	ABL Ltd	Payment	Cheque	234507	8-4-2012	10-4-2012		7,110.00		
10-4-2012	TTK Enterprises	Payment	Cheque	234508	10-4-2012	14-4-2012		650.00		
12-4-2012	Services	Payment	Cheque	234509	12-4-2012	15-4-2012		5,500.00		
15-4-2012	M/s Mahalakshmi Traders	Payment	Cheque	234510	15-4-2012	17-4-2012		4,500.00		
15-4-2012	Consultancy Services	Payment	Cheque	234512	15-4-2012	18-4-2012		5,541.00		
2-5-2012	3M Stationaries	Payment	Cheque	234514	2-5-2012			35,200.00		
10-5-2012	TTK Enterprises	Payment	Cheque	234515	10-5-2012			1,450.00		
15-5-2012	Cash	Contra	Cash		15-5-2012		6,000.00			
31-5-2012	Raghvendra Caterers	Payment	Cheque	234517	31-5-2012	1-6-2012		4,571.00		
15-6-2012	Info Logistics	Payment	Cheque	234513	15-6-2012	15-6-2012		25,000.00		
28-6-2012	M/s Mahalakshmi Traders	Payment	Cheque	234516	28-6-2012			6,300.00		
1-7-2012	TTK Enterprises	Payment	Cheque	234518	1-7-2012	1-7-2012		1,800.00		
Amounts not reflected in Company Books										
	Bank Charges Till June		Withdrawal		30-6-2012	30-6-2012		500.00		
	TO DEBIT THROUGH CHEQUE-S		Withdrawal	100510	3-7-2012	3-7-2012		12,345.00		
	CHEQUE WDL- TRF-		Withdrawal	100508	3-7-2012	3-7-2012		2,234.00		
							Balance as per Company Books :	1,05,177.00		
							Amounts not reflected in Bank :	16,000.00	56,151.00	
							Amounts not reflected in Company Books :		15,079.00	
							Balance as per Bank :	1,30,249.00		
							Balance as per Imported Bank Statement :		1,30,249.00	

- Press 'C: Create Voucher' or press 'Alt+C'

- On the voucher creation screen, the amount field and the narration field are already filled with details captured from the bank statement
- Select the required Ledger and the instrument number in the bank statement will be automatically captured in the 'Bank Allocations' screen

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 26		30-Jun-2012 Saturday
Account : State Bank of India Cur Bal: 1,04,677.00 Dr			
Particulars		Amount	
Bank Charges Cur Bal: 500.00 Dr		500.00	
Narration: Bank Charges Till June		Accept ? Yes or No	

- Press 'Enter' to accept the screen

Hence, Tally.ERP 9 provides a quick, simple and stress-free Automatic Bank Reconciliation option for your business to save you time, manpower and money.

Get more 'Tally Tips' on Tally.ERP 9 at www.tallysolutions.com/website/html/contactus/tally-tips.php