

## Now, Automate the Process of Reconciling Bank Transactions

*Did you know that you can now reconcile the banking transactions of your company for each cheque issued, and even print the payment advice and deposit slips, using Tally.ERP 9?*

Most businesses these days prefer to receive and make payments via their bank accounts. Typically, while transacting via the bank, an organization prepares a deposit slip to credit the payments received into the firm's account, generates payment advice and tracks funds in order to always ensure that the bank account has the minimum funds required at all times. But as the number of transactions increase, it becomes a challenging task for organizations to prepare a large number of deposit slips, covering letters, and reconcile the bank ledger balance and the bank statements. Tally.ERP 9 Release 3.0 has made life simple, it allows you to effortlessly print cheques, reconcile the entries in books of accounts, generate deposit slips and payment advice, whenever required.

### Bank reconciliation

Bank reconciliation explains the difference between the bank balance shown in an organization's bank statement and the corresponding amount shown in the organization's accounting records, on a particular date.

To reconcile the bank statement

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

The 'Bank Reconciliation' screen appears:

- Match every transaction with the bank statement and record the transaction date in the 'Bank Date' field.

Bank Reconciliation		ABC Company				Ctrl + M			
Ledger: National Bank						1-Apr-2011 to 30-Apr-2011			
(Reconciliation)									
Date	Particulars	Favouring Name / Received From	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
14-2011	Capital Account		Receipt	Cheque/DD	123456	1-4-2011	2-4-2011	2,50,00,000.00	
5-4-2011	Office Furniture	Horizon Furnitures	Payment	Cheque	565656	5-4-2011	7-4-2011	3,50,000.00	
10-4-2011	Office Computer	Computer Net	Payment	Cheque	56567	10-4-2011	15-4-2011	2,00,000.00	
13-4-2011	Rent Advance	Ashok	Payment	Cheque	565658	13-4-2011	15-4-2011	1,50,000.00	
13-4-2011	Rent Advance	BridgeTel	Payment	Cheque	565659	13-4-2011	16-4-2011	6,000.00	
28-4-2011	Electricity Charges	State Electricity Board	Payment	Cheque	565660	28-4-2011	30-4-2011	5,000.00	
29-4-2011	Telephone Charges	BridgeTel	Payment	Cheque	565661	29-4-2011		3,000.00	
30-4-2011	Consulting Revenue	Reliable Industries	Receipt	Cheque/DD	858585	30-4-2011		1,00,000.00	
Balance as per Company Books : 2,43,86 Amounts not reflected in Bank : 1,00,00 Balance as per Bank : 2,42,89								Accept ? Yes or No	

Accept the screen to reconcile the bank ledgers as per the corresponding banking statement.

On successfully reconciling, the 'Bank Reconciliation' screen appears as shown:

Bank Reconciliation		ABC Company						Ctrl + M	
Ledger: National Bank								1-Apr-2011 to 30-Apr-2011	
(Reconciliation)									
Date	Particulars	Favouring Name / Received From	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
29-4-2011	Telephone Charges	BridgeTel	Payment	Cheque	565661	29-4-2011			3,000.00
30-4-2011	Consulting Revenue	Reliable Industries	Receipt	Cheque/DD	858585	30-4-2011		1,00,000.00	

Tally.ERP 9 also allows you to record the un-reconciled transactions based on the nature of transactions.

### Recording un-reconciled transactions

Un-reconciled transactions can be entered by clicking 'U: Opening BRS' or pressing 'Alt+U' in the 'Bank Reconciliation' screen. In this screen, the user can enter all transactions in which the cheques were issued but not presented, or when cheques were received but not presented. This will be useful under the following circumstances:

- When a company starts bank reconciliation in the middle of the financial year by setting an effective date in the bank ledger.
- Or when the opening balance of the bank account having unreconciled transactions is brought forward to the bank's ledger of the company.

Opening Bank Allocations		ABC Company						Ctrl + M	
Ledger: National Bank								1-Apr-2011 to 30-Apr-2011	
(Reconciliation)									
Date	Particulars	Favouring Name / Received From	Vch Type	Transaction Type	Instrument No.	Instrument Date	Bank Date	Debit	Credit
29-4-2011	<b>Unreconciled Details for : National Bank</b>								000.00
30-4-2011	(Effective Date of Reconciliation : 1-Apr-2011)								
Date	Particulars	Nature of Transaction	Transaction Type	Remarks	Debit	Credit			
31-3-2011	Unique Traders	Deposit	Cheque/DD	Cheques Presented for Clearing	50,000.00				
	<i>Instrument No. : 185246</i>	<i>Instrument Date: 31-Mar-2011</i>	<i>Bank Date:</i>						
31-3-2011	Electricity Bills	Withdrawal	Cheque	Electricity Bills Paid		5,000.00			
	<i>Instrument No. : 265487</i>	<i>Instrument Date: 31-Mar-2011</i>	<i>Bank Date:</i>						
					Balance as per Company Books:				
					Amounts not reflected in Bank:	50,000.00			
					Balance as per Bank:				
					<b>Accept ?</b>				
					Yes or No				
					Balance as per Company Books :	2,43,86,000.00			
					Amounts not reflected in Bank :	1,00,000.00	3,000.00		
					Balance as per Bank :	2,42,89,000.00			

## Recording transactions

During reconciliation, some transactions like the bank's charges, the interest paid by the bank, etc., need to be recorded. These transactions can be recorded at the 'Banking' screen by simply clicking 'C: Create Vouchers' or pressing 'Alt+C' in the 'Bank Reconciliation' screen and choosing the required voucher.

## Generating deposit slips

You can generate deposit slips for the payments received through cheques or demand drafts, which can be deposited to the bank later.

To generate the deposit slip

- Go to 'Gateway of Tally > Banking > Deposit Slip'
- Select the appropriate bank.
- The 'Deposit Slip' screen appears:

Cheque Printing		ABC Company			Ctrl + M	
Ledger: National Bank		(Cheque Printing - Pending Cheques)			1-Apr-2011 to 30-Apr-2011	
Date	Particulars	Favouring Name	Instrument No.	Instrument Date	Printed ?	Amount
30-4-2011	Office Furniture	Exotic Furniture	565678	30-4-2011	No	95,000.00
30-4-2011	Office Furniture	Reliable Furniture	565679	30-4-2011	No	55,000.00

- Click 'P: Print' or press 'Alt+P'

In the 'Print Report' screen

- Set 'Print Deposit Slip' to 'Yes'.
- Click 'Accept' to print the deposit slips.

The printed deposit slip appears as shown below:

SI.No.	Received From	Cheque /DD No.	Cheque /DD Date	Bank Name	Branch	Amount
1	Mr. Kumar	123456	1-Apr-2011	State Bank	M G Road	2,50,00,000.00
2	Reliable Industries	858585	30-Apr-2011	Indian Bank	OTC Road	1,00,000.00
<b>Total</b>						<b>2,51,00,000.00</b>

Amount (in words) : INR Two Crore Fifty One Lakh Only

Deposited by \_\_\_\_\_ Received by \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

## Payment advice

Using your Tally.ERP 9 system, you can also generate the payment advice, which the company needs to send to its suppliers or other parties, along with the respective cheque/demand draft.

To generate the payment advice:

- Go to 'Gateway of Tally > Banking > Deposit Slip'.
- Select the required ledger from the 'List of Ledgers'.

The 'Payment Advice' screen appears

- Click 'P: Print' or press 'Alt+P'

The 'Payment Advice' screen for the selected ledger appears, as shown below:

1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18		19		20											
ABC Company																																																	
<u>Payment Advice</u>																																																	
M/s Office Furniture No 12, Central Street Central Business Area Bangalore																				Date : 18-May-2011																													
Dear Sir/Madam,																																																	
Please find below the payment details.																																																	
Bill Ref.										Bill Date										Amount																													
1107/2011										30-Apr-2011										1,50,000.00																													
										Nett Amount										1,50,000.00																													
Payment Detail(s)																																																	
Mode of Payment										Bank Name										Instrument No.										Instrument Date										Amount									
Cheque										National Bank										565678										30-Apr-2011										95,000.00									
Cheque										National Bank										565679										30-Apr-2011										55,000.00									
																				Total										1,50,000.00																			
Kindly acknowledge the receipt.																																																	
Thanking You																																																	
Authorised Signatory															Receiver's Signature																																		