



BANK RECONCILIATION

In This Document:

Gain an understanding of the bank reconciliation process in Soluno®.

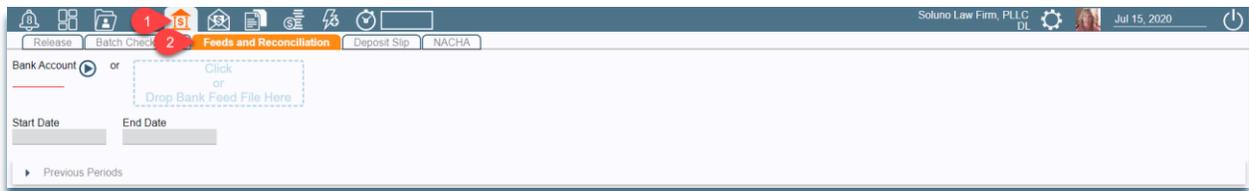
OVERVIEW

Soluno's bank reconciliation feature enables a firm to account for all the funds it manages, including trust money. It allows you to compare the data that has been entered into the system with the actual transaction(s) that have occurred at your firm's financial institution(s). It also aids in identifying stale-dated checks as well as any clerical errors made at a bank or by the firm. These errors can then be corrected, ensuring that the firm's accounting is accurate.

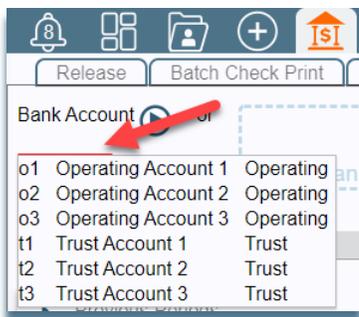
Note: Soluno reconciles trust accounts using a 3-way method: trust bank statement – trust bank journal – trust listing.

Note: Before an initial bank reconciliation for an account can be performed, a complete account history must first be entered into Soluno including all outstanding items. This provides the system with a base set of information that it can use when comparing with the account's bank data. The system can then roll any outstanding items forward automatically and assume management of subsequent reconciliations.

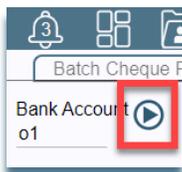
To begin a bank reconciliation, navigate to **BANK ADMIN** → **FEEDS AND RECONCILIATION**.



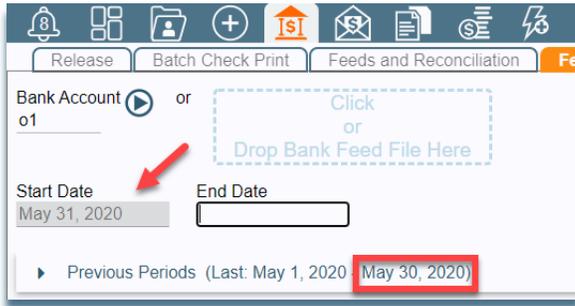
First, select the bank account to be reconciled. This can be done by clicking in the **BANK ACCOUNT** field and choosing from the drop-down list of available accounts.



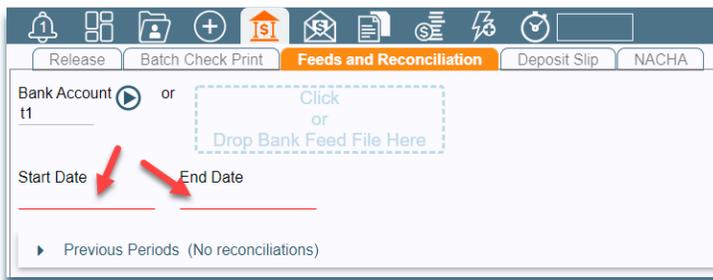
Next, click on the **PLAY** button to load the information that Soluno has for this account during the period in question.



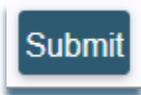
If Soluno has performed a previous reconciliation for the account, the **START DATE** is automatically set to the day after the last reconciliation end date and will be greyed out. An **END DATE** must be entered.



Note: If this is the first reconciliation for this account, both a Start Date and an End Date for the period in question must be entered. These dates can be found on the account's bank statement.



Click the **SUBMIT** button at the bottom of the screen.



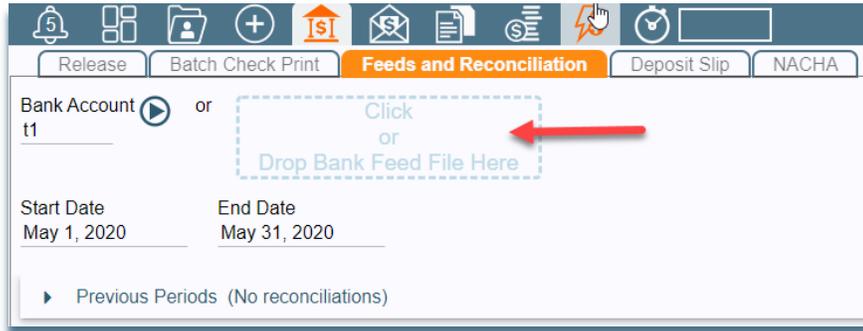
OPTIONAL - LOAD ELECTRONIC BANK FEED

An electronic bank feed file contains information about all the activity that occurred in a bank account during a specific period. Loading a bank feed file directly into Soluno has two important advantages. For the period in question, the system can

- identify entries that have not yet been recorded in Soluno (such as interest or bank charges)
- mark as cleared all items for which it has a corresponding match.

Most financial institutions will provide bank feed files in either QBX or QBO format.

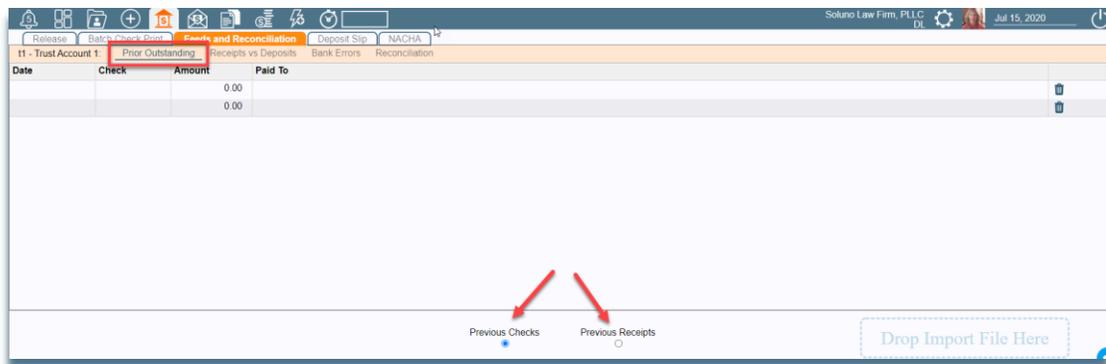
To load a bank feed file into Soluno, you can either click in the designated 'drop' area on the screen and choose from the displayed list or drag and drop the file directly onto that area.



INPUT OUTSTANDING ENTRIES

Before a reconciliation can be performed, all outstanding entries must be entered into the system. These include checks and/or receipts which are reflected in the Bank Journal Opening Balance but have not yet cleared the bank.

To begin entering your outstanding entries, select the **PRIOR OUTSTANDING** tab. Next, specify if you are entering a check or a receipt by clicking the appropriate button at the bottom of the screen.



OUTSTANDING CHECKS

For each outstanding check, enter the following information on this screen:

DATE: the date the check was issued.

CHECK NUMBER: the check number on the check.

AMOUNT: the amount of the check.

PAID TO: the payee to whom the check was written.

Date	Check	Amount	Paid To
Apr 30, 2020	688	1,000.00	Soluno Law Firm
		0.00	
		0.00	

Note: To remove an item, click on the **DELETE** icon at the right side of the entry.

OUTSTANDING RECEIPTS

For each outstanding receipt, enter the following information on this screen:

DATE: the date that the funds were received.

AMOUNT: the amount of the check.

RECEIVED FROM: the person or organization who issued the check.

Date	Amount	Received From
Apr 30, 2020	500.00	William Bartlett
	0.00	
	0.00	

Note: To remove an item, click on the **DELETE** icon at the right side of the entry.

INPUT BANK ERRORS

Any bank errors which have not been cleared must also be entered into Soluno before a reconciliation can be performed.

Begin by selecting the **BANK ERRORS** tab.

Date	Amount	Reference	Memo
	0.00		
	0.00		

For each bank error, enter the following information on this screen:

DATE: the date that the error occurred (this can be found on the bank statement).

AMOUNT: the amount of the error.

REFERENCE NUMBER: an optional identifier provided by the bank for reference purposes which can be used to track an error.

MEMO: details about the circumstances of the error.

The entries will appear in the Statement and Journal portions of the reconciliation.

Statement Reconciliation	
Opening Statement	168,094.32
Cleared Checks -	546.35
Cleared Receipts +	16,286.22
New Errors +	10.00
Cleared Errors -	0.00
Calculated Closing =	183,844.19
Closing Statement -	183,834.19
Difference =	10.00

Journal Reconciliation	
Closing Statement	183,834.19
Outstanding Checks -	179.00
Outstanding Receipts +	150.00
Outstanding Errors -	10.00
Calculated Closing =	183,795.19
Closing Journal -	183,805.19
Difference =	-10.00

The section below is used to clear PRIOR BANK ERRORS which have been carried forward and have been corrected on the current statement.

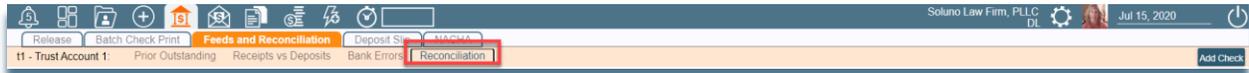
Prior Bank Errors Carried Forward (mark if cleared)				
<input checked="" type="checkbox"/>	Date ▲	Amount	Reference	Memo
<input checked="" type="checkbox"/>	Apr 30, 2020	10.00	A332	double entry on bank

If a Bank Error is entered incorrectly, it can be removed by clicking the Delete icon at the right side of the entry.

11 - Trust Account 1				
Feeds and Reconciliation				
New Bank Errors				
Date	Amount	Reference	Memo	
May 2, 2020	10.00		wrong account	
	0.00			
	0.00			

RECONCILIATION

Click on the RECONCILIATION tab to perform a bank reconciliation.



The following information is displayed/entered in the STATEMENT INFORMATION section of the screen:

OPENING DATE: will be set using information from the previous screen.

BALANCE: enter the opening balance from the bank statement.

CLOSING DATE: will be set using information from the previous screen.

BALANCE: enter the closing balance from the bank statement.

Statement Information	
<u>Opening</u>	<u>Closing</u>
Date	Date
May 1, 2020	May 31, 2020
Balance	Balance
0.00	0.00

Note: For accounts which have been reconciled previously, the Opening Date and Opening Balance will already be filled in and will be greyed out. The Opening Date will be set to the day after the end date of the previous reconciliation. The Opening Balance will be set to the closing balance of the previous reconciliation.

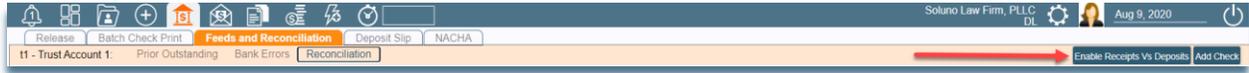
Statement Information	
<u>Opening</u>	<u>Closing</u>
Date	Date
Jun 1, 2020	Jun 1, 2020
Balance	Balance
183,834.19	0.00

Before continuing with this screen, you will need to complete some other tasks first. These are examined below.

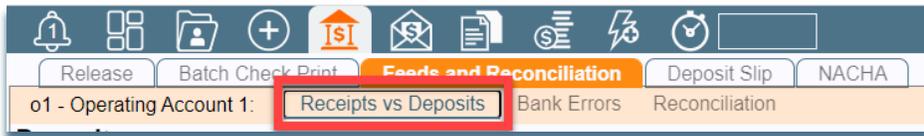
Note: Any bank errors that are identified in the following steps can be corrected by referring to the **Input Bank Errors** section of this document.

RECEIPTS VS DEPOSITS

Soluno provides an optional tool to help you group receipts so that they can be compared with deposits listed on your bank statement. If this feature is not already activated for you, it can be enabled by selecting the **ENABLE RECEIPTS VS DEPOSITS** button on the right side of the screen.



Once enabled, this feature will appear as a menu option on the tool bar. Select the **RECEIPTS VS DEPOSITS** tab.



There are three sections on this screen which we will examine next.

DEPOSITS

The **DEPOSITS** section contains items which have been deposited at the bank. Entries which have been included on a deposit slip and any electronic transfers will automatically appear here. The following information is displayed in this section:

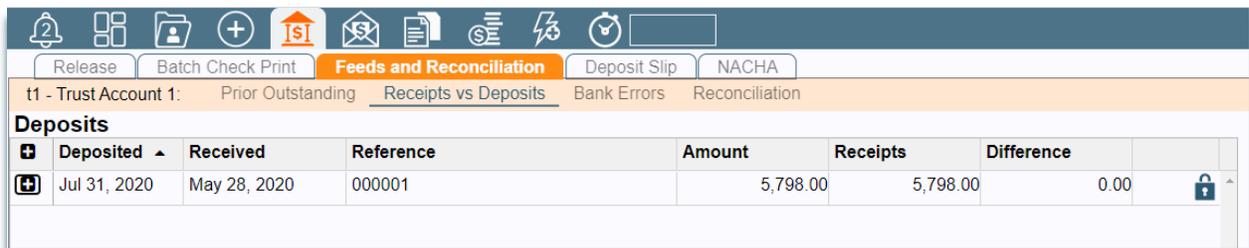
DEPOSITED: the date of the deposit slip.

RECEIVED: the date of the receipt.

REFERENCE NUMBER: the identifying number of the deposit slip.

AMOUNT: the amount of the deposit.

To expand a specific deposit, click on **+** to the left of the entry.

A screenshot of the Soluno software interface showing the 'Receipts vs Deposits' section. The interface includes a navigation bar at the top with icons and tabs. The 'Feeds and Reconciliation' tab is selected, and the 'Receipts vs Deposits' sub-tab is active. Below the navigation bar, there is a table titled 'Deposits'. The table has columns for 'Deposited', 'Received', 'Reference', 'Amount', 'Receipts', and 'Difference'. A single entry is shown in the table.

	Deposited	Received	Reference	Amount	Receipts	Difference
+	Jul 31, 2020	May 28, 2020	000001	5,798.00	5,798.00	0.00

A detailed list of all the entries contained within the deposit will be displayed.

The screenshot shows the 'Feeds and Reconciliation' interface for 't1 - Trust Account 1'. The 'Receipts vs Deposits' tab is active. A deposit summary table is displayed with the following data:

Deposited	Received	Reference	Amount	Receipts	Difference
Jul 31, 2020	May 28, 2020	000001	5,798.00	5,798.00	0.00

Below the summary, a detailed list of receipts is shown:

Date	Type	Amount	Received From
May 28, 2020	Check	150.00	ABC Insurance Company
Jun 8, 2020	Check	5,648.00	ABC Insurance

A lock icon is visible on the right side of the summary row, indicating the deposit is finalized.

The LOCK icon at the right side indicates that this deposit was made either by finalizing a deposit slip using the DEPOSIT SLIP menu option or it was made electronically. If this is incorrect, the deposit slip must be deleted and/or recreated using the Deposit Slip feature. After all deposited entries have been moved into the Deposits section of the screen, the reconciliation is ready to begin.

UNMATCHED RECEIPTS

Unmatched receipts are entries that are stored in Soluno, but the system does not know if, how, or when they were physically deposited at a bank. For example, checks and cash that are not on a deposit slip are examples of unmatched entries. This screen allows you to adjust details about how these unmatched entries were deposited at the bank.

For receipts that were deposited as individual items simply click and drag the item onto the CLICK OR DRAG RECEIPT(S) TO ADD DEPOSIT area. A single entry will appear under the Deposits section of the screen.

The screenshot shows the 'Unmatched Receipts (drag to deposit)' section. A red arrow points from a button at the bottom left to a receipt entry in the table. The button text is 'Click or Drag Receipt(s) to Add Deposit'.

The 'Unmatched Receipts' table contains the following entry:

Date	Type	Amount	Received From
Jul 14, 2020	Credit Card	5,000.00	Frank Smith

At the bottom of the screen, a summary table shows the current state:

Deposited	Received	Reference	Amount	Receipts	Difference
Jul 31, 2020	May 28, 2020	000001	5,798.00	5,798.00	0.00

The 'Receipts on Future Deposits' section at the bottom right shows another entry:

Date	Type	Amount	Received From	Deposit...
Jul 31, 2020	Check	5,000.00	John Bartlett	000002

Soluno also allows you to identify multiple receipts that were grouped on a single deposit. To do this, hold down the CTRL key; select all the entries in the group; and then drag them together onto the Click or Drag Receipt(s) to Add Deposit area.

The ONE OR MULTIPLE DEPOSITS window will appear. Select YES if you wish these entries to be listed as one deposit on the reconciliation or NO if the entries are to be shown individually.



Note: Any unmatched receipts that have not yet been deposited at the bank can be left in this section. They will be addressed at subsequent reconciliations.

RECEIPTS ON FUTURE DEPOSITS

This section of the screen shows receipts that are dated within the date range of the current reconciliation but appear on a deposit slip dated outside of the current reconciliation. The DATE of the receipt, TYPE, AMOUNT, RECEIVED FROM and the DEPOSIT SLIP reference number of each item are displayed.

Receipts on Future Deposits				
Date ▲	Type	Amount	Received From	Deposit Slips
Jul 31, 2020	Check	5,000.00	John Bartlett	000002

CLEARING ITEMS

To check items that have been cleared on the bank statement, return to the Reconciliation tab. Use the bank statement to check items such as checks and receipts/deposits.

Depending on the bank, the list of checks and deposits can be sorted by DATE, CHECK, AMOUNT, or PAID TO by clicking on the relevant heading. Entries can be sorted in either ascending or descending order.

Example: Sorted by Date

Date ▲	Check	Amount	Paid To
May 5, 2020	E3	300.00	Court Clerk
May 17, 2020	E4	200.00	DMV - Inspections
May 22, 2020	641	46.35	DEF Laboratories
May 28, 2020		81.00	Soluno Law Firm, PLLC
May 31, 2020	E5	98.00	SSS Legal Services

Example: Sorted by Amount

Date	Check	Amount ▲	Paid To
May 22, 2020	641	46.35	DEF Laboratories
May 28, 2020		81.00	Soluno Law Firm, PLLC
May 31, 2020	E5	98.00	SSS Legal Services
May 17, 2020	E4	200.00	DMV - Inspections
May 5, 2020	E3	300.00	Court Clerk

The STATEMENT RECONCILIATION and JOURNAL RECONCILIATION amounts will be adjusted by the value of each item as it is marked as cleared.

Example: Below is a screen shot of the Statement and Journal Reconciliations before a \$300 check is cleared (left) and then after (right). Notice that the values of CLEARED CHECKS, OUTSTANDING CHECKS, and DIFFERENCE have all been adjusted by the amount of the cleared check.

Before

After

Statement Reconciliation	
Opening Statement	168,094.32
Cleared Checks -	0.00
Cleared Receipts +	0.00
New Errors +	0.00
Cleared Errors -	0.00
Calculated Closing =	168,094.32
Closing Statement -	183,834.19
Difference =	-15,739.87

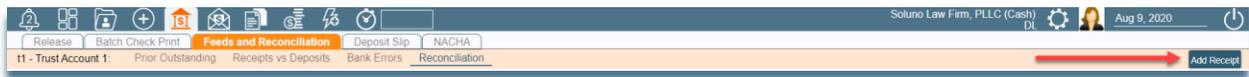
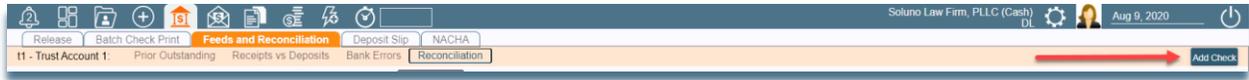
Journal Reconciliation	
Closing Statement	183,834.19
Outstanding Checks -	725.35
Outstanding Receipts +	16,436.22
Outstanding Errors -	0.00
Calculated Closing =	199,545.06
Closing Journal -	183,805.19
Difference =	15,739.87

Statement Reconciliation	
Opening Statement	168,094.32
Cleared Checks -	300.00
Cleared Receipts +	0.00
New Errors +	0.00
Cleared Errors -	0.00
Calculated Closing =	167,794.32
Closing Statement -	183,834.19
Difference =	-16,039.87

Journal Reconciliation	
Closing Statement	183,834.19
Outstanding Checks -	425.35
Outstanding Receipts +	16,436.22
Outstanding Errors -	0.00
Calculated Closing =	199,845.06
Closing Journal -	183,805.19
Difference =	16,039.87

ON STATEMENT BUT NOT IN SOLUNO

To enter a missing deposit (receipt) and/or check, go to the Feeds and Reconciliation menu. Select either the **ADD CHECK** or the **ADD RECEIPT** button near the top right corner of the screen.



Depending on the type of entry to be added, the system will display either the Operating In, Trust in, or Trust Out screen. Once the missing entry is input and saved, the system will return to the Reconciliation screen.

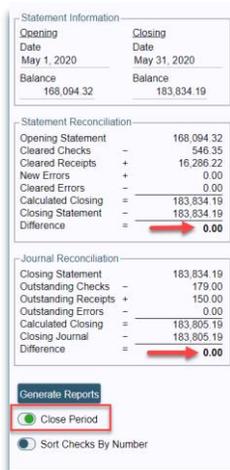
Entries can also be edited directly from within the Feeds and Reconciliation menu. Simply click on the **EDIT** icon at the right side of the entry to be changed. Once again, the appropriate input screen will appear so that any changes can be made and saved before continuing with the reconciliation.

Date	Check	Amount	Paid To	
✓ May 5, 2020	E3	300.00	Court Clerk	
✓ May 17, 2020	E4	200.00	DMV - Inspections	
✓ May 22, 2020	641	46.35	DEF Laboratories	

FINALIZE AND GENERATE REPORT

In Soluno, it is possible to produce a reconciliation report multiple times during the course of bank reconciliation. Once all items from the bank statement have been marked cleared, the Difference will be zero. At that point the reconciliation can be finalized.

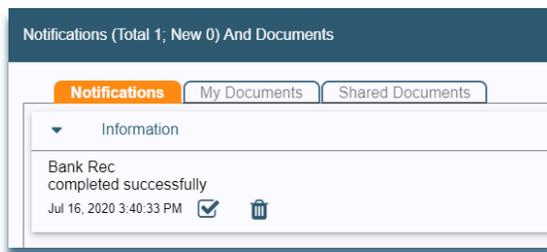
To finalize this reconciliation, click the **CLOSE PERIOD** button and select **GENERATE REPORTS**.

A screenshot of the Soluno software interface showing a reconciliation report. The report is divided into three sections: 'Statement Information', 'Statement Reconciliation', and 'Journal Reconciliation'. Each section shows a table of values. The 'Difference' row in both the 'Statement Reconciliation' and 'Journal Reconciliation' sections is highlighted with a red arrow and shows a value of '0.00'. At the bottom of the screen, there are three buttons: 'Generate Reports', 'Close Period', and 'Sort Checks By Number'. The 'Close Period' button is highlighted with a red box.

The **FINALIZING BANK REC** window will appear. Other work can be performed while processing continues.



A status message will appear in the **NOTIFICATIONS** icon on the main tool bar. Click on the icon to view the message.



Note: If you receive an error message, please contact Soluno Support.

Once the period is closed and a report is requested, the following steps will occur:

- The reconciliation is saved. A PDF of the reconciliation report is also produced. This can either be viewed onscreen immediately or downloaded and referenced later.
- Entries marked as cleared on the reconciliation are CLR on reports. Outstanding items are labelled OUT.
- The accounting for entries marked cleared is locked down by the system.
- Soluno will automatically set the starting date and opening balance of the next reconciliation period use the closing date balance of the current reconciliation to update.

RECONCILIATION REPORT

The Reconciliation Report is broken down into four sections:

BANK REC. COVER: Shows balances for the Statement Reconciliation, the Bank Journal Reconciliation, the Trust Listing, and any outstanding deposits.

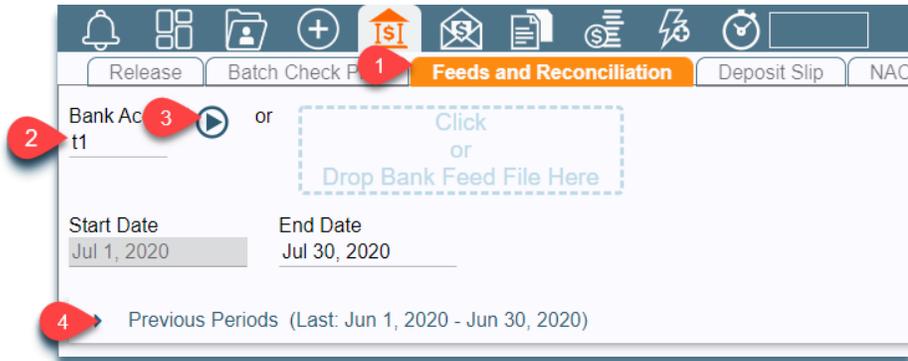
BANK REC. STATEMENT: Lists details about all cleared entries.

BANK REC. JOURNAL: Shows details about all outstanding entries.

BANK REC. TRUST LISTING: Lists details about each file that has a balance or had a transaction of funds within the trust account during the date range of the reconciliation.

PREVIOUS RECONCILIATIONS

Soluno saves the reconciliation once it is finalized. To view it, navigate back to the Feeds and Reconciliation menu. Select the required bank account and press Play to load the information pertaining to it. Then, select the **PREVIOUS PERIODS** option.



A list of all previous reconciliations completed for this account will appear. To re-open a reconciled period, click on the Delete icon to the right of the entry.

Previous Periods (Last: Jun 1, 2020 - Jun 30, 2020)

Start Date	End Date	Closed On	Closed By	
Jun 1, 2020	Jun 30, 2020	Oct 28, 2020	DL	
May 1, 2020	May 31, 2020	Oct 28, 2020	DL	

Note: To re-open more than one period, click on the Delete icon beside the oldest period. This will undo all reconciliations in one step.