

**Good Samaritan Health & Wellness Center**  
Policies and Procedures

Subject: Bank Reconciliations	Policy #: 3.20
Prepared by: Tammi Sorrells, CFO	Revision #:
Approved by:	Effective Date: 8/31/2015

### 3.20 Bank Reconciliations

**Policy:** It is the policy of GSHWC that reconciliations are performed to confirm the accuracy of bank balances shown in the general ledger.

**Purpose:** To verify bank balances on a monthly basis and assure that financial statements accurately reflect GSHWC's cash position.

**Procedures:**

**Preparing Bank Reconciliations** – Bank reconciliations will be performed by the accounting assistant or designee using the accounting system and all reports attached to bank statements. The reconciliations will not be performed by staff that handle cash deposits, post accounts receivable payments, or pay vendors through the accounts payable system.

- Bank balances, as shown by the bank statements, should be reconciled monthly with the general ledger balance. Amounts on cash receipts journals and cash disbursement journals should be compared on an item-by-item basis with the details reported on bank statements. Outstanding items will be listed and reviewed. The accounting assistant shall receive and open bank statements or print online statements and hold them until all reconciliations are completed.

**Determination of Reconciling Items**

- Discrepancies between general ledger cash balances and closing balances reported on bank statements usually result from transactions recorded in cash journals, but are not yet processed and recorded by banks (such as deposits in transit and outstanding checks) and items on bank statements not yet processed and recorded by GSHWC (such as bank service charges, interest, or EFT transfers). Most of these items do not require research.

Generally, accounting staff should research all:

- Unmatched transactions in cash receipts and disbursements journals that fail to clear banks within a reasonable period of time,
- Unmatched items on bank statements unanticipated or judged erroneous by GSHWC, and
- Mismatched items in cash receipts and disbursements journals and bank statement items.

### **Review of Bank Reconciliation**

- Bank reconciliations and proposed adjustments to general ledger cash balances and cash detail files must be approved monthly by the CFO.