

Bank Reconciliation:

Green Company has a checking account at First National Bank. First National Bank provides a bank statement and cancelled checks at the end of the month. The cutoff date is the last day of the month.

The bank statement for March is summarized below:

First National Bank								
Account Holder: Green Company				Statement Date: March 31, 20X2				
Beginning Balance		Deposits and Credits		Withdrawals and Debits			Ending Balance	
March 1, 20X2		No.	Total	No.	Total		March 31, 20X2	
\$23,600		7	\$29,600	8	\$26,800		\$26,400	
Deposits and Credits			Withdrawals and Debits			Daily Balance		
Date	Amount	Desc	Date	No.	Amount	Desc	Date	Amount
4-Mar	\$ 3,600	DEP	1-Mar		\$ 7,200	EFT	1-Mar	16,400
8-Mar	5,900	DEP	12-Mar		4,500	EFT	4-Mar	20,000
12-Mar	4,200	DEP	16-Mar		3,300	DC	8-Mar	25,900
20-Mar	7,400	DEP	24-Mar	1416	2,700	CHK	12-Mar	25,600
25-Mar	6,300	DEP	24-Mar		2,100	DC	16-Mar	22,300
29-Mar	2,000	NOTE	24-Mar		4,100	EFT (Utilities)	20-Mar	29,700
29-Mar	200	INT	31-Mar		2,800	NSF	24-Mar	20,800
			31-Mar		100	SF	25-Mar	27,100
	<u>29,600</u>				<u>26,800</u>		29-Mar	29,300
							31-Mar	26,400
Desc	DEP Customer deposit		INT Interest earned		SF Service fees			
	DC Debit card		CHK Customer check		NSF Nonsufficient funds			
	EFT Electronic funds transfer		NOTE Note Receivable collected					

Green Company's books show \$34,300 in the cash accounts.

March records for Green Company:

Cash Receipts (CR)			Cash Payments (CP)			
Date	Description	Cash Debit	Date	Memo	Description	Cash Credit
1-Mar	Sales	3,600	5-Mar	Salaries	EFT	7,200
5-Mar	Sales	5,900	12-Mar	Rent	EFT	4,500
10-Mar	Sales	4,200	16-Mar	Advertising	DC	3,300
17-Mar	Sales	7,400	20-Mar	Supplies	CHK 1416	2,700
23-Mar	Sales	6,300	24-Mar	Repairs	DC	2,100
28-Mar	Sales	8,500	30-Mar	Insurance	CHK 1417	5,400

Prepare the Bank Reconciliation:

Green Company
Bank Reconciliation
March 31, 20X2

Bank's Cash Balance	Company's Cash Balance
Per bank statement \$ 26,400	Per Books \$ 34,300
Add: Deposits outstanding # 8,500	Add: NOTE 2,000 INT 200
Deduct: Checks outstanding CHK 1417 (5,400)	Deduct: EFT (Utilities) (4,100) NSF (2,800) SF (100)
 Bank balance per reconciliation <u>\$ 29,500</u>	 Company balance per reconciliation <u>\$ 29,500</u>

Record Journal Entries:

Utilities Expense 4,100		
Cash		4,100
To record payment of utilities		
 Accounts Receivable 2,800		
Cash		2,800
To record NSF check returned by bank		
 Bank Service Fee Expense 100		
Cash		100
to record bank service fee		
 Cash 2,000		
Notes Receivable		2,000
To record collection of Notes Receivable		
 Cash 200		
Interest Income		200
To record interest earned on bank account		

Prepare the Bank Reconciliation:

Green Company
Bank Reconciliation
March 31, 20X2

<u>Bank's Cash Balance</u>		<u>Company's Cash Balance</u>	
Per bank statement	\$ 26,400	Per Books	\$ 34,300
Add: Deposits outstanding #	8,500	Add: NOTE	2,000
		INT	200
Deduct: Checks outstanding CH # 1417	(5,400)	Deduct: EFT (Utilities)	(4,100)
		NSF	(2,800)
		SF	(100)
Bank balance per reconciliation	<u>\$ 29,500</u>	Company balance per reconciliaton	<u>\$ 29,500</u>

Record Journal Entries:

