Unit: **Banking**

Topic: **Managing External Reconciliations in the Bank Account – Reconciliation**

1-1 **Record the *External Bank Statement* received from the bank.**

    1-1-1 Create an outgoing payment on account:

    Choose *Banking → Outgoing Payments → Outgoing Payments*.

Field Name or Data Type	Values
Code	<Code of a vendor>

Do not select any invoice.

Choose **Goto → Payment Means**, or choose the **Payment Means** icon from the menu bar. You can also right click and choose the **Payment Means** option.

Choose the *Bank Transfer* tab.

Ensure that the company bank account appears in the *G/L Account* field.

Click in the *Total* field.

Enter an amount of 1000 to the *Total* field and choose TAB.

Choose *OK*.

Choose *Add* and confirm the warning message.

    1-1-2 You have received by mail a printed Bank Statement from your bank. Enter few rows manually:

    Choose *Banking - Bank Statements and External Reconciliation → Process External Bank Statement* (if the menu option is not displayed in the main menu, display it, using the *Form Settings* icon of the main menu window).

Field Name or Data Type	Values
G/L Account	**The company bank account**
Date	Today
Reference	<any>
Details	<Outgoing Payment>
Credit Amount/ Debit Amount	**<1000>** in the *Debit Amount*

Repeat these steps with different values to record few more rows.

Date	Today
Reference	<any>
Details	< Fee or Interest >
Credit Amount/ Debit Amount	**<55>** in the *Debit Amount*

Choose *Update.*

1-2 **For the *bank Account*, reconcile the *External Bank Statement* transactions with the transactions recorded in your books in *SAP Business One.***

1-2-1 Open the *Reconciliation* window.

Choose ***Banking → Bank Statements and External Reconciliations → Reconciliation.***

The External Reconciliation – Selection Criteria window opens.

Field Name or Data Type	Values
G/L Account	The bank account
Option	Manual
Due Date To	Today

Choose *Reconcile*.

1-2-2 Reconcile externally the transactions you have just recorded in the *External Bank Statement* and if required, perform balancing transactions to match your data with the bank's data.

The bank transactions recorded in your books in *SAP Business One* appear on the left. The transactions recorded by your bank appear on the right.

On the right side, locate the rows you entered manually in the *Process External Bank Statement* window.

Double-click the rows to move them to the bottom tables.

On the Books side, find the corresponding transactions in SAP Business One.

Double-click the rows to move them to the bottom tables.

Make sure you select the extra row of fee or interest in the External Statement side.

Click *Reconciliation.*

1-2-3   Create balancing transaction.

The system displays the message: *Reconciliation is not balanced. Create balancing transaction?* Choose *OK* to open the *Journal Entry* window.

The bank account with the amount of the fee or interest is already displayed. Select an offsetting account to complete the journal entry.

Click Add.

The rows are reconciled.