

# Solutions



**Unit:** Banking

**Lesson:** Managing External Reconciliations in the Bank Account - Bank Statement Processing (BSP)

**Note:**

- There is no exercise file for the BSP option, only solution.
- For demo purposes use the scenario described in this exercise.  
For student practice, consider having this exercise after teaching the setup and the working process topics.

**3-1 Select a company with Bank Statement Processing**

Choose a company where Bank Statement Processing is already installed.

Choose *Administration* → *Choose Company*.

Select the database name supplied by your instructor.

Choose *OK*.

**3-2 Define Internal Bank Operation Codes**

Define internal bank operation codes to determine the type of each transaction row in the bank statement.

Choose *Administration* → *Setup* → *Banking* → *Bank Statement Processing* → *Internal Bank Operation Codes*

Ensure you have one internal code defined for bank transfer from or to business partners.

Field Name or Data Type	Values
<i>Code</i>	<b>Bank Transfer</b>
<i>Description</i>	<b>Bank Transfer</b>
<i>Posting Method</i>	Business Partner from/to Bank Account
<i>Posting Transaction</i>	Bank Transfer

In addition, define an internal code for bank interest:

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Code</i>	<b>Bank Interest</b>
<i>Description</i>	<b>Bank Interest</b>
<i>Posting Method</i>	G/L Account from/to Bank Account
<i>Posting Transaction</i>	Bank Transfer

Choose *Update* in the *Internal Bank Operation Codes* window.

### 3-3 Define an Offsetting Account to the Bank Account for Interest Amounts

Define an offsetting account to the bank account when an interest amount is posted by the bank statement.

Choose *Administration* → *Setup* → *Banking* → *Bank Statement Processing* → *Internal Bank Operation Codes*

**Double click the bank interest row** and enter the bank interest G/L Account code for bank transfer transactions.

<b>Field Name or Data Type</b>	<b>Values</b>
<i>G/L Account</i>	<b>650000 (Bank Interest Paid) Or different account</b>

Choose *Update* in the *Operation Details* window and in the *Internal Bank Operation Codes* window.

### 3-4 Define External Bank Operation Code

Align external bank operation codes with the relevant internal bank operation codes.

Choose *Administration* → *Setup* → *Banking* → *Bank Statement Processing* → *External Bank Operation Codes*

Choose *Data* → *Add*

In the *Operation Code Category* field enter **National external codes**.

<b>Field Name or Data Type</b>	<b>Values</b>
<i>External Code</i>	<b>051</b>
<i>Operation Description</i>	<b>Bank Transfer</b>
<i>Internal Code</i>	<b>Bank Transfer</b>

<b>Field Name or Data Type</b>	<b>Values</b>
<i>External Code</i>	<b>808</b>
<i>Operation Description</i>	<b>Bank Interest</b>
<i>Internal Code</i>	<b>Bank Interest</b>

Choose *Add* in the *External Bank Operation Codes* window.

### 3-5 Set Bank Operation Code List

For the bank account specify the relevant codes list as defined in *External Bank Operation Code* window.

Choose *Administration* → *Setup* → *Banking* → *Banks*.

In the company bank account row choose:

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Bank Operation Code List</i>	<b>National external codes</b>

### 3-6 Setup Documents Matching Criteria

Specify matching criteria for reconciling sales and purchasing documents with their respective payments.

Choose *Administration* → *Setup* → *Banking* → *Bank Statement Processing* → *Matching Criteria – Documents*.

In *Round 1* define:

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Rule 1</i>	Customer/Vendor Name
<i>Rule 2</i>	BP Reference No.

In *Round 2* define:

Field Name or Data Type	Values
<i>Rule 1</i>	Customer/Vendor Name

In *Round 3* define:

Field Name or Data Type	Values
<i>Rule 1</i>	BP Reference No.

### 3-7 Create A/R Invoices with Today's Due Date

In order to process the incoming payments from the bank statement; you need to post A/R invoices in the system. Post these A/R invoices with **today's** Due Date to customer **C20000**.

**Ensure that the customer does not have a cash discount defined for him.**

Go to the customer master data. Choose the *Payment Terms* tab.

Field Name or Data Type	Values
<i>Cash Discount Name</i>	Empty entry

Choose *Update* and *OK* in the *Payment Terms -Setup* window.

- 3-7-1** Create **two** A/R invoices; each with a total invoice amount of 500. Choose any item and manually change the unit price to 500. Choose an exempt tax group.

Choose *Sales – A/R → A/R Invoice*.

Field Name or Data Type	Values
<i>Customer</i>	<b>C20000</b>
<i>Posting Date</i>	Today's date
<i>Due Date</i>	Today's date
<i>Item No.</i>	Choose any item
<i>Unit Price</i>	500
<i>Tax Code</i>	X0 (exempt)

Choose *Add*. Approve the system messages.

**Repeat these steps with the same values to create the second A/R invoice.**

**3-7-2** Create **one** A/R invoice with a total invoice amount of 2,000.

Choose any item and manually change the unit price to 2,000.

Choose an exempt tax group.

Enter a customer reference number: 666333

Choose *Sales – A/R → A/R Invoice*.

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Customer</i>	<b>C20000</b>
<i>Posting Date</i>	Today's date
<i>Due Date</i>	Today's date
<i>Customer Ref. No.</i>	<b>666333</b>
<i>Item No.</i>	Choose any item
<i>Unit Price</i>	2,000
<i>Tax Code</i>	X0 (exempt)

Choose *Add*.

Approve the system messages.

**3-8 Enter the Bank Account Statement Summary information.**

You receive a bank statement from your house bank. Select the bank details.

Choose *Banking → Bank Statements and External Reconciliations → Bank Statement Processing*.

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Country</i>	United Kingdom (or different country)
<i>Bank</i>	Barclays Bank (or different bank)
<i>Account</i>	<Choose the account number>

**3-9 Enter the bank statement details.**

Choose the *Create New* button.

Enter the following information in the bank statement details window:

<b>Field Name or Data Type</b>	<b>Values</b>
<i>Statement No.</i>	Any
<i>Statement Date</i>	Today's date
<i>Starting Balance</i>	Leave the system value
<i>Ending Balance</i>	Starting balance value + 2,940

Enter the details that appear on your bank statement. **Tip:** Step-by-step instructions follow after the table.

<b>External Bank Operation Code</b>	<b>G/L Account/Doc. Identification No.</b>	<b>Incoming Amount</b>	<b>Outgoing Amount</b>	<b>BP Code</b>
808 "Account Interest"			60	
051 "Bank Transfer"	Your A/R invoice Customer Reference Number from step 4-3-2: <b>666333</b>	2,000		
051 "Bank Transfer"		1,000		C20000

**Step-by-Step Instructions:**

Enter the items in the account statement:

**1<sup>st</sup> item**

<b>Field Name or Data Type</b>	<b>Values</b>
<i>External Code</i>	808
<i>Outgoing Amt</i>	60

**2<sup>nd</sup> item**

<b>Field Name or Data Type</b>	<b>Values</b>				
<i>External Code</i>	051				
<i>G/L Account / Doc. Identification No.</i>	<p>Choose the selection list icon. In the screen that opens, enter the following information:</p> <table border="1" data-bbox="874 920 1310 1256"> <tbody> <tr> <td><i>Document Identification</i></td> <td>Enter your A/R invoice Customer Reference Number from step 4-3-2: <b>666333</b></td> </tr> <tr> <td><i>Incoming Amt</i></td> <td>2,000</td> </tr> </tbody> </table>	<i>Document Identification</i>	Enter your A/R invoice Customer Reference Number from step 4-3-2: <b>666333</b>	<i>Incoming Amt</i>	2,000
<i>Document Identification</i>	Enter your A/R invoice Customer Reference Number from step 4-3-2: <b>666333</b>				
<i>Incoming Amt</i>	2,000				

**3<sup>rd</sup> item**

<b>Field Name or Data Type</b>	<b>Values</b>
<i>External Code</i>	051
<i>Incoming Amt</i>	1,000
<i>G/L Account / Doc. Identification No.</i>	Leave blank
<i>BP Code</i>	C20000

**3-10 Process the bank statement.**

**Create a posting proposal and assign the two A/R invoices for 500 to the uncleared incoming amount of 1000:**

Choose *Posting Proposal for Uncleared Rows*.

The first two items are automatically cleared and selected.

Select the column *Cleared/Selected* for each of the A/R invoices with an amount of 500. The system matches to the incoming amount of 1000 and sets the status to *Cleared/Selected*.

**3-11 Finalize the bank statement and check the G/L posting.**

Choose *Finalize* to post the payment transactions and to reconcile the open line items.

Approve the system message.

If there is any difference amount, enter the value recommended by the system to the *Ending Balance* field.

The bank statement detail window should switch to collapsed mode. Choose *Expand All*.

For each line in the finalized bank statement, choose the orange arrow in the *G/L Account/Doc. Identification No.* field. Check that the postings in your system match to the table:

<b>Line</b>	<b>Document posted</b>
1	Outgoing payment for 60
2	Incoming payment with the A/R invoice for 2000 selected.
3	Incoming payment with two A/R invoices for 500 selected.