

Conveyancing And Trust Account System

RECONCILING THE TRUST ACCOUNT

Starting the Reconciliation

There are two options.

New reconciliation – starts a new reconciliation as at the selected date. CATS takes a 'snapshot' of the data as it existed on that date.

Continued reconciliation – continues an existing reconciliation session. If an existing session is interrupted, work done up to that time is saved and used in a continued session later.

New Reconciliation

- Select the *New Reconciliation* option and the date to which to reconcile. By default, when there is no saved existing session, the date defaults to the end of the previous month.
- Click *Start Reconciliation*. If a saved session exists when *New Reconciliation* is selected, you will be asked to confirm that it is in fact a new session. This is because much time may have gone into an existing session, which will be lost when a new session is started.

The following is a typical screen display after clicking *Start Reconciliation* with the *New reconciliation* option selected.

Trust Account Reconciliation on 14 April 2011

Reconciliation Client Balance Summary Cash Book

Last reconciled on 05 Apr 2011

New reconciliation Reconcile to 7/04/2011 Start Rec.

Continue saved reconciliation

Ledger total at last reconciliation	\$555,081.67
Plus credits	\$24,992.81
<i>Sub Total</i>	\$580,074.48
Less debits	\$416,786.07
Total of all client ledgers	\$163,288.41

Bank balance as per statement	
Add deposits not on statement	
<i>Sub total</i>	\$0.00
Less unpresented cheques	\$23,707.29 Mark off presented chqs
Adjusted bank balance	-\$23,707.29

Trust ledger exceeds Bank balance by \$186,995.70

Lock Reconciliation Print Summary Refresh Totals

- In the *Bank balance as per statement* box, enter the closing balance for the period to be reconciled, from the trust account bank statement.
- If any deposits have been made before the reconciliation date which do not appear on the bank statement, enter the total in the *Add deposits not on statement* box.

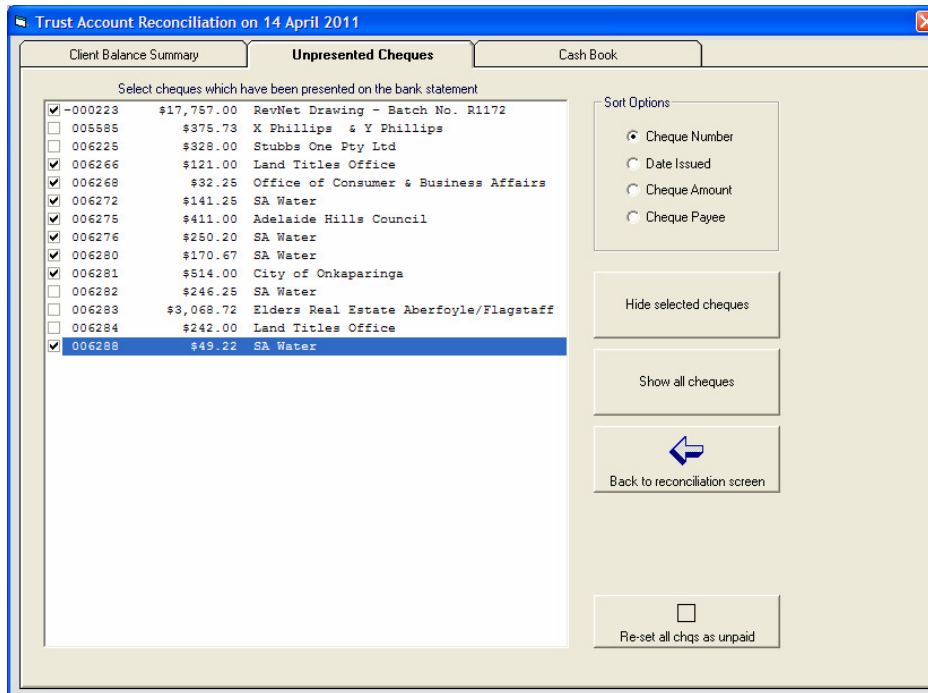
To refresh the *Adjusted bank balance* figure click on the *Refresh Totals* button at any time.

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- Mark off Presented Cheques

Click *Mark off presented cheques* to show the screen as below. Work through the bank statement and click the check box at left to mark cheques as presented.



To assist in the marking off of cheques, the following facilities are included.

Hide Selected cheques button

If the list is long, you can temporarily hide those cheques already marked off so that the need to scroll up and down is reduced.

Show all cheques button

Click to redisplay hidden cheques.

Re-set all chqs as unpaid button

De-selects all cheques marked as presented.

Sort options for the unpresented cheques list

Use the options at top right of the unpresented cheques screen to sort the list either by order of cheque number, date issued, cheque amount or cheque payee as required.

- Return to the main reconciliation screen.

Click the *Back to reconciliation screen* button.

The unpresented cheques total is automatically updated

If the reconciliation has balanced, a message to that effect displays in green.

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RECONCILING THE TRUST ACCOUNT (Cont)

If it hasn't balanced, a message in red displays the amount of the discrepancy as shown in the specimen screen seen on page 1 of this chapter, and also displays whether the bank balance exceeds the ledger balance or vice versa.

The following screen shows the reconciliation screen in a state of balance.

The screenshot shows the 'Trust Account Reconciliation on 14 April 2011' window. It features three tabs: 'Reconciliation', 'Client Balance Summary', and 'Cash Book'. The 'Reconciliation' tab is active. At the top, it shows 'Last reconciled on 05 Apr 2011' and options for 'New reconciliation' and 'Continue saved reconciliation'. A 'Reconcile to' dropdown is set to '7/04/2011' with a 'Start Rec.' button. The main area displays two tables. The first table shows the ledger total at last reconciliation (\$555,081.67), plus credits (\$24,992.81), a sub-total (\$580,074.48), less debits (\$416,786.07), and a total of all client ledgers of \$163,288.41. The second table shows the bank balance as per statement (\$167,549.11), add deposits not on statement (\$0.00), a sub-total (\$167,549.11), less un-presented cheques (\$4,260.70), and an adjusted bank balance of \$163,288.41. A 'Mark off presented chqs' button is next to the un-presented cheques line. At the bottom, there are three buttons: 'Lock Reconciliation', 'Print Summary', and 'Refresh Totals'. The text 'Reconciliation Balances' is displayed in green at the bottom right.

Ledger Total	
Ledger total at last reconciliation	\$555,081.67
Plus credits	\$24,992.81
<i>Sub Total</i>	\$580,074.48
Less debits	\$416,786.07
Total of all client ledgers	\$163,288.41

Bank Balance	
Bank balance as per statement	\$167,549.11
Add deposits not on statement	\$0.00
<i>Sub total</i>	\$167,549.11
Less un-presented cheques	\$4,260.70
Adjusted bank balance	\$163,288.41

Printing the Reconciliation Summary

Once the reconciliation has balanced, and before locking the reconciliation, click the button captioned *Print Summary*. This will print out a series of reports.

- The reconciliation summary
- Unpresented cheques
- Listing of all individual file balances which existed in the trust account on the date of reconciliation, and the total of those balances.
- Cash book – this is a list of all items including journals which were debited or credited to the trust account since the last reconciliation was finalised.

If any other reports are required, they can be printed from the various reports available in the Trust Account/Reports menu accessible from the CATS opening screen.

These should be kept with any other documents/reports required by your auditors, e.g. the relevant trust account bank statements.

A summary can be printed whether or not the reconciliation balances.

Locking the Reconciliation Summary

Ensure the Reconciliation Summary has been properly printed before locking the session.

The *Lock Reconciliation* button will not be active until the reconciliation is balanced. Click this button to lock the reconciliation. This records the date of the reconciliation and will prevent changes to the database for any transactions prior to the reconciliation date.