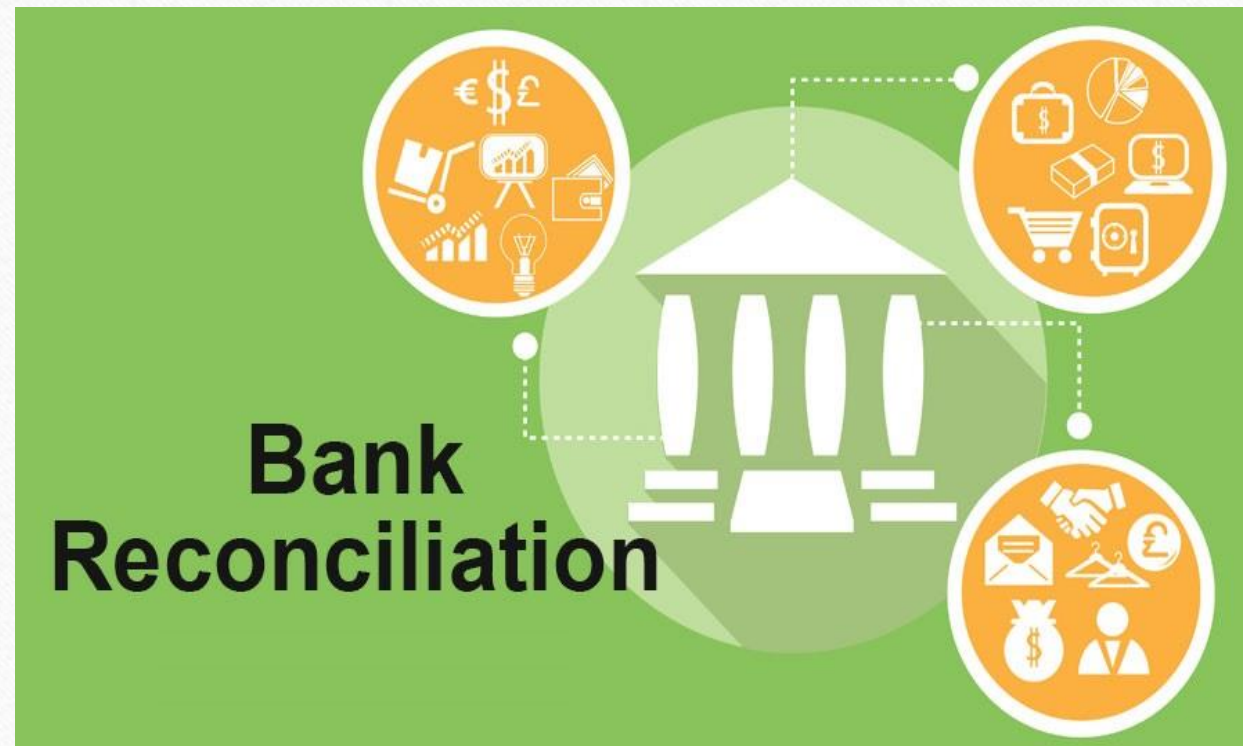


# Bank Reconciliation in Miracle



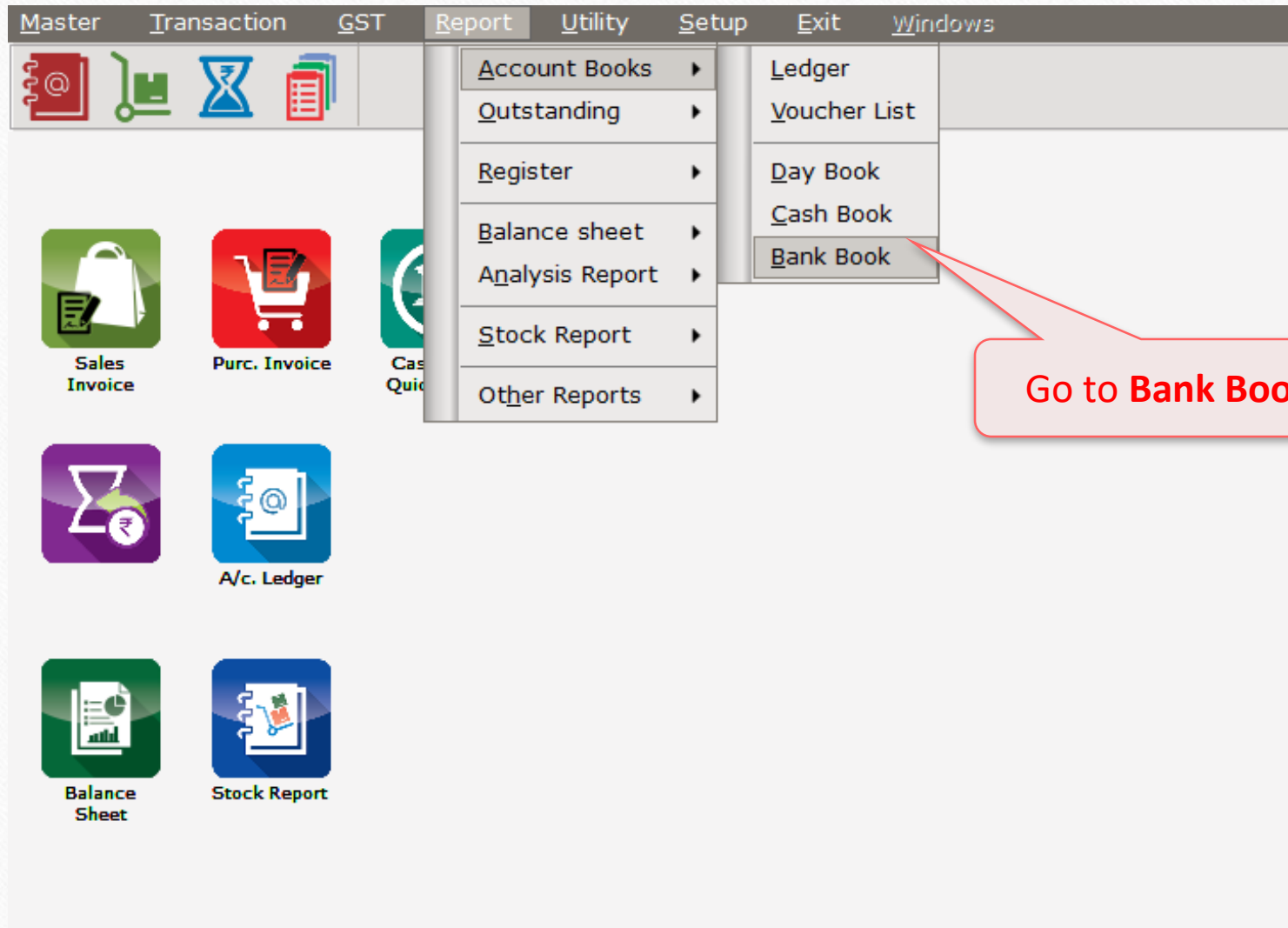
- ❖ Following topics are covered in this document:
  - Explanation of bank reconciliation.
  - How bank reconciliation is done in Miracle
    - Basic
    - Cross year (financial year) reconciliation
    - Reconciliation effective date
  - Facility of printing the statement with different formats.

# Explanation of Bank Reconciliation



- ❖ Bank reconciliation is the process of matching or verifying the balances in entity's accounting records for a bank account in books to the corresponding information on a bank statement.
- ❖ It is very normal to see minor differences due to timing, including cheque that haven't yet cleared at the bank or possibly not deposited to the bank.
- ❖ Bank reconciliation is a statement that is prepared for reconciling the difference between Book balance and Bank balance on a given date.
  - Book balance: A book balance is a bank a/c. balance in a company's accounting records. The term is most commonly applied to the balance in a company's checking account at the end of an accounting period.
  - Bank balance: A bank balance is an ending balance appearing on the bank statement for a bank account.
- ❖ Miracle makes it effortless for all customers who need to maintain the record of both the balance as per Books or Bank.
- ❖ We will adjust the bank balance and book balance using the reconciliation process in Miracle.

# Bank Reconciliation(Basic)



Click on **Reconcile** button or press **F6** key.



**Bank Balance** shows  
according to bank statement.



Here, we can see that the **Book Balance** and **Bank Balance** do not match.

So we have to reconcile the transactions to match both balances.

**Note: Here, enter the date as per on the bank statement on which day the transaction took effect on our bank account.**

**Then press Tab.**

After inserting bank date, we can see that the paid amount of Rs.5000 to the party **(K.J International)** is reconciled with **Bank Balance**(Rs.25,000-5000 =Rs.20,000) and has been updated here.

Here, we have received Rs.10,000 from party (**Kiwi Cotton Craft**). So after inserting bank date, the **Bank Balance**(Rs.20,000+10,000=Rs.30,000) has been updated accordingly.



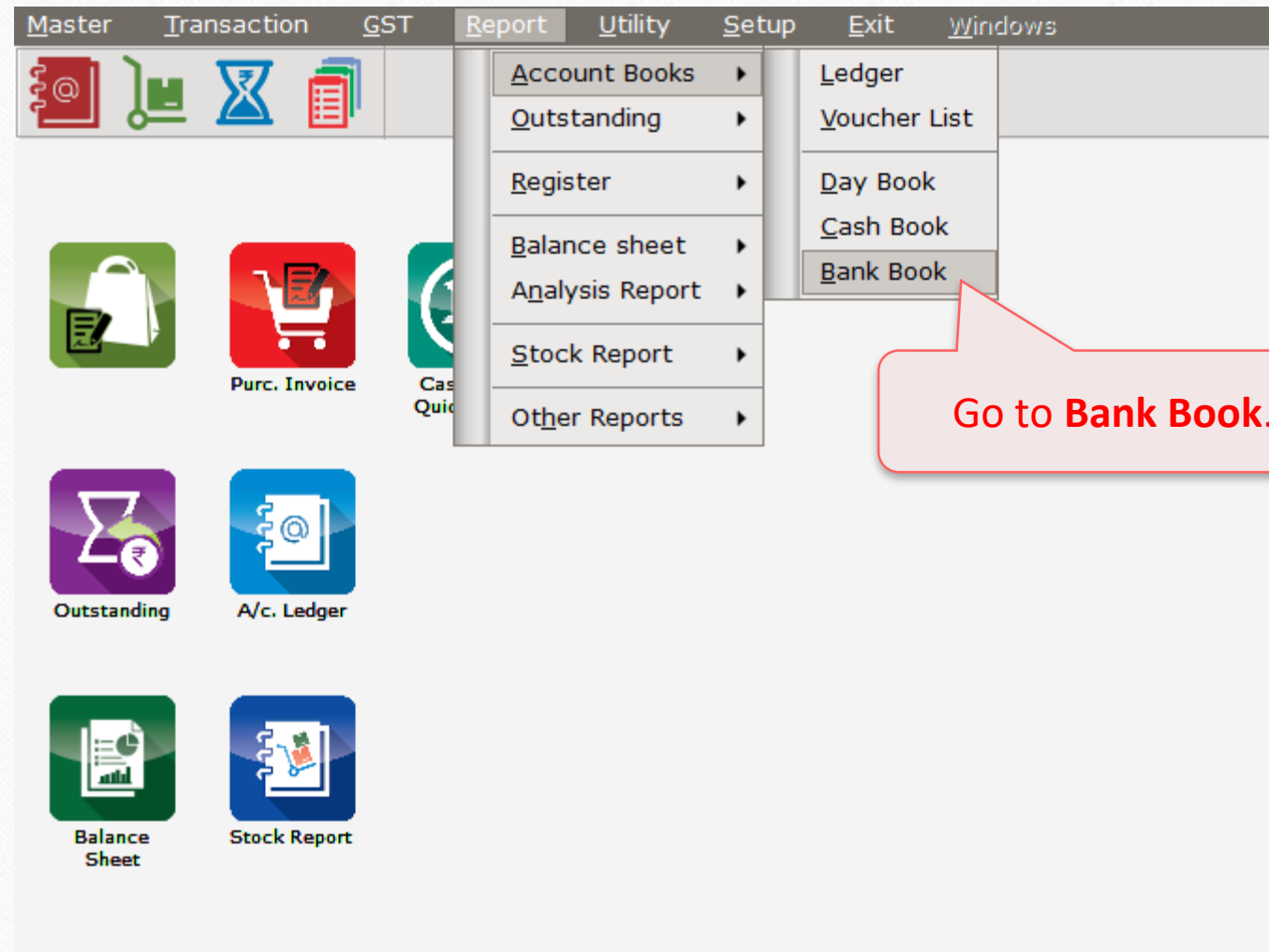
Hence, the bank reconciliation is done.

# Cross year (Financial year) reconciliation

- ❖ Sometimes our payment is deposited on the last day(suppose, 31/03/2020) of the financial year but not received yet. For this reason, we may not be able to adjust balance on the last day. At that time we need to reconcile amounts in the next year(2020-2021).
- ❖ So, let's understand with an example.















**Bank Reconciliation** From 01/04/2019 To 31/03/2021

**HDFC Bank (All) (You. Datewise)**

Opening Book Balance - 72,000.00 DB      Opening Bank Balance - 55,000.00 DB

Date	Bank Date	Chq. No.	Party Name	Withdrawal	Deposit
31/03/2020	02/04/2020	879655	Magic Steel Pvt. Ltd.	8000.00	
31/03/2020	03/04/2020	145623	Desai Computer		15000.00
31/03/2020	03/04/2020	457896	Bitra Sales & Service		10000.00
12/04/2020	13/04/2020	664760	K.J International	5000.00	
12/04/2020	13/04/2020	265432	Kiwi Cotton Craft		10000.00
15/04/2020	17/04/2020	26441	Amul Industries Ltd		30000.00
15/04/2020	16/04/2020	761	Amul Industries Ltd	5000.00	
15/04/2020	16/04/2020	2	M.A Transport	10000.00	

**3** We've inserted bank date in other entries also.

Last year's closing balance is shown as opening balance.

Let's move to previous year(2019-20).

New Edit Delete Date Clear Date Deposit Pending Bank Datewise Audit Detail Interest Report Auto Bank Reconciliation Print

Book Balance - 92,000.00 DB      Bank Balance - 92,000.00 DB

**Bank Reconciliation**

HDFC Bank (All) (Vou. Datewise)

From 01/04/2019 To 31/03/2020

Opening Book Balance - 50,000.00 DB      Opening Bank Balance - 50,000.00 DB

Date	Bank Date	Chq. No.	Party Name	Withdrawal	Deposit
20/03/2020	21/03/2020	879654	Akshay Traders	25000.00	
22/03/2020	23/03/2020	823564	Amul Industries Ltd		30000.00
31/03/2020	02/04/2020	879655	Magic Steel Pvt. Ltd.	8000.00	
31/03/2020	03/04/2020	145623	Desai Computer		15000.00
31/03/2020	03/04/2020	451236	Bitra Sales & Service		10000.00

We can see here, the **Bank Date** has automatically been updated.

Hence, the bank reconciliation is done.

Also notice this closing balance(72,000) which is shown as opening balance in the new year.

New Edit Delete Date Clear Date Deposit Pending Bank Datewise Audit Detail Interest Report Auto Bank Reconciliation Print

Book Balance - 72,000.00 DB      Bank Balance - 55,000.00 DB

# Reconciliation Effective Date

- ❖ Sometimes, a user just wants to ignore the previous years' all transactions while bank reconciling and want to start doing bank reconciliation from the current financial year.
- ❖ How can that be done? Let's understand with an example.



Master Transaction GST Report Utility Setup Exit Windows ENG M-Search

Account Books ▶  
Outstanding ▶  
Register ▶  
Balance sheet ▶  
Analysis Report ▶  
Stock Report ▶  
Other Reports ▶

Ledger  
Voucher List  
Day Book  
Cash Book  
Bank Book

1 : Bank Reconciliation.  
2019-2020

Go to **Bank Book** in previous year(2019 -2020).

**MIRACLE**  
Accounting Software  
www.rkitssoftware.com

Sales Invoice  
Outstanding  
Balance Sheet

Cash Quick  
A/c. Ledger  
Stock Report



Customer ID : MS-0

Version : 9.0 Rel (5.0) Build : 65

[illegible]





Version : 9.0 Rel (5.0) Build : 65

Let's move on to next year  
2020-2021.

[illegible]

Here, it shows the years **From 2019 to 2021** cause we still haven't reconciled the entries from previous year.



**Bank Reconciliation** From 01/04/2019 To 31/03/2021

HDFC Bank (All) (You. Datewise)

Opening Book Balance - 1,20,000.00 DB      Opening Bank Balance - 1,20,000.00 DB

Date	Bank Date	Chq. No.	Party Name	Withdrawal	Deposit
29/03/2020		879656	Saai Engineering	2000.00	
31/03/2020		879655	Magic Steel Pvt. Ltd.	8000.00	
12/04/2020	13/04/2020	664760	K.J Internatinal	5000.00	
12/04/2020	13/04/2020	65432	Kiwi Cotton Craft		10000.00
15/04/2020	17/04/2020	441	Amul Industries Ltd		30000.00
15/04/2020	16/04/2020	1	Amul Industries Ltd	5000.00	
15/04/2020	16/04/2020		M.A Transport	10000.00	

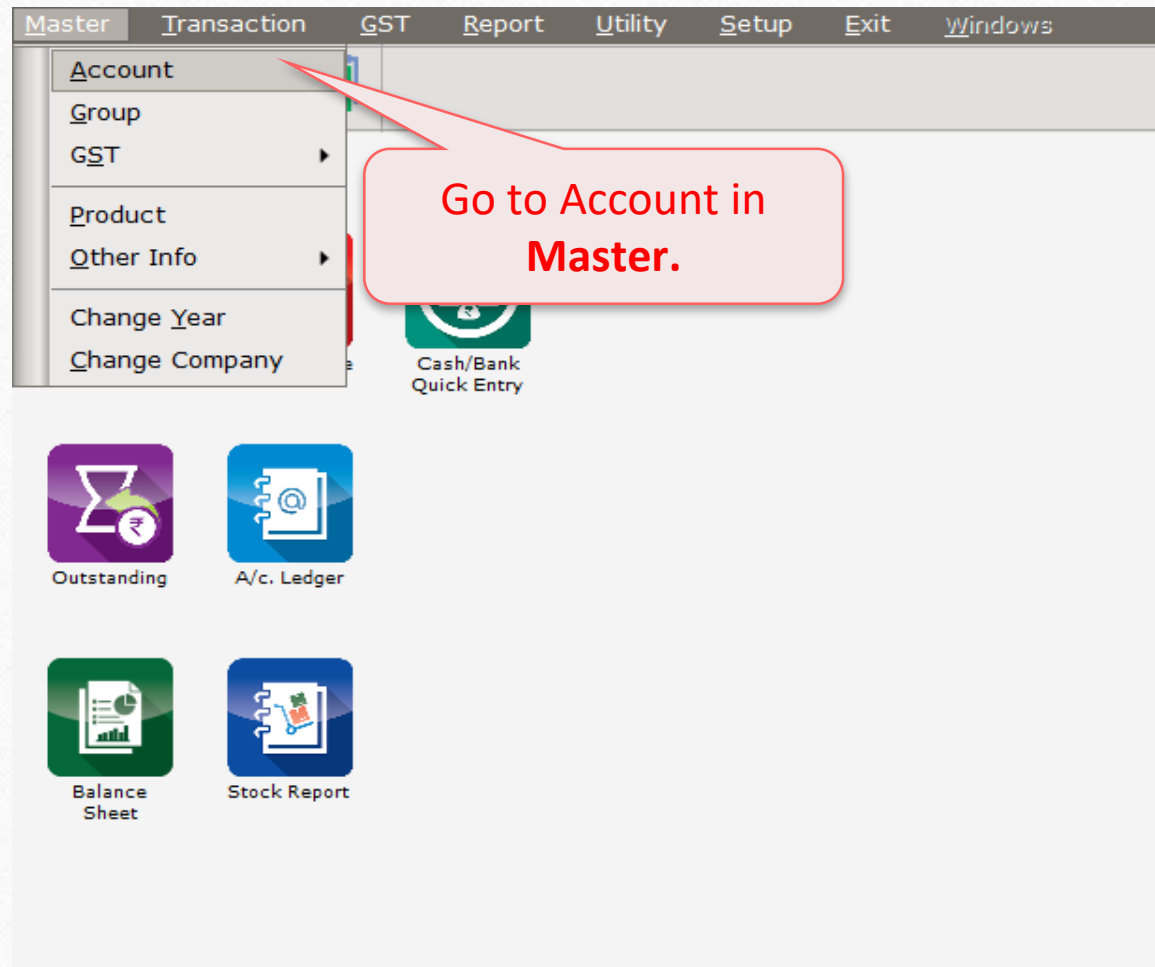
Here, we can see those entries of the previous year cause of reconciliation effective date 01/04/2020.

Now, if we don't need these entries anymore, then we have to set reconciliation effective date in the **Bank Account in Account Master..**

Let's set **Reconciliation Effective date** in Bank Account.

New Edit Delete Date Clear Date Deposit Pending Bank Datewise Audit Detail Interest Report Auto Bank Reconciliation Print

Book Balance - 1,40,000.00 DB      Bank Balance - 1,40,000.00 DB



[illegible]

2  
Then the popup will appear  
to set the **Reconciliation  
Effective Date.**

Edit Account Details - HDFC Bank

Main Details	Party Detail
Name: HDFC Bank	City: Rajkot
Alias:	Pincode:
Group Name: Bank Accounts (Banks)	Area:
	State: Gujarat
	PAN No.

**Bank Balance**

Opening Balance: 120000.00

Credit/Debit: Debit

Reconciliation Effective Date: 01/04/2020

**Note:** Leave Date empty to take effect of previous year's closing book balance in update balance

OK

**Balance Method**

Balance Method: Balance Only

Opening Balance: 120000.00

F4-Address Detail Bank Detail

OK

1  
Insert opening book balance  
or here it'll show previous  
year's closing book balance.

**Edit Account Details - HDFC Bank**

**Main Details**

Name:

City:

Pincode:

Area:

State:

PAN No.:

**Party Detail**

City:

Pincode:

Area:

State:

PAN No.:

**Bank Balance**

Opening Balance:

Credit/Debit:

Reconciliation Effective Date:

**Note:** Leave Date empty to take effect of previous in update balance

OK

**Balance Method**

Balance Method:

Opening Balance:

F4-Address Detail Bank Detail OK

**Note:** Insert opening balance for Bank Balance.

It'll be shown in header during bank reconciliation.

Insert the **reconciliation effective Date** from which we want to reconcile our data.

Here, we are inserting 01/04/2020.



Click on **OK** to save the changes  
& go to the bank book to see  
the effect.

**Bank Reconciliation**

HDFC Bank (All) (Vou. Datewise)

From 01/04/2020 To 31/03/2021

Opening Effective Date - 01/04/2020

Opening Book Balance - 1,20,000.00 DB

Opening Bank Balance - 1,20,000.00 DB

Date	Bank Date	Chq. No.	Party Name	Withdrawal	Deposit
12/04/2020	13/04/2020	664760	Patinal	5000.00	
12/04/2020	13/04/2020	265432			10000.00
15/04/2020	17/04/2020	52644			30000.00
15/04/2020	16/04/2020	66476		5000.00	
15/04/2020	16/04/2020	66476		10000.00	

Book Balance - 1,40,000.00 DB

Bank Balance - 1,40,000.00 DB

Buttons: New, Edit, Delete, Date, Clear Date, Deposit, Pending, Bank Datewise, Audit, Detail, Interest Report, Auto Bank Reconciliation, Print

Here, we'll see **Reconciliation Effective date**.

Inserted opening bank balance can be seen here.

Notice that we can't see the entries before 01/04/2020 due to inserted **Reconciliation Effective date** in Bank Account.

So in these ways, bank reconciliation is done in Miracle.

Print The Statement With Different Formats

[illegible]

Report -&gt; Account Books -&gt; Bank Book

Ledger **HDFC Bank (Rajkot)**

From 01/04/2020 To 31/03/2021

Group **Bank Accounts (Banks)**☐ Account Audit

Date	Type	Cheque No	Account Name	Opening Balance	Withdrawal	Deposit	Closing Balance
						1,20,000.00	1,20,000.00 DB
* 12/04/2020	BPmt	664760	K.J Internatinal		5,000.00		1,15,000.00 DB
* 12/04/2020	BRct	265432	Kiwi Cotton Craft			10,000.00	1,25,000.00 DB
* 15/04/2020	BPmt	664761	Amul Industries Ltd		5,000.00		1,20,000.00 DB
* 15/04/2020	BRct	526441	Amul Industries Ltd			30,000.00	1,50,000.00 DB
* 15/04/2020	BPmt	664762	M.A Transport		10,000.00		1,40,000.00 DB
22/04/2020	BPmt	664763	Bitra Sales & Service		8,000.00		1,32,000.00 DB
28/04/2020	BRct	889951	Magic Steel Pvt. Ltd.			3,500.00	1,35,500.00 DB
29/04/2020	BPmt	664764	Desai Computer		2,500.00		1,33,000.00 DB
02/05/2020	BRct	602749	Mahavir Marketing			4,000.00	1,37,000.00 DB
07/05/2020	BPmt	664765	Saai Engineering		9,000.00		1,28,000.00 DB

Here, we have few reconciled and few pending entries.

Now, click on the **Print** button or press "Ctrl + P".

Console Bal. :1,40,000.00 DB

Total Closing Balance 39,500.00 1,67,500.00 1,28,000.00 DB

Add Edit Delete Vou. Cancel **Print** Audit Filter Date Format Next A/c Prev A/c Report Setup Optional Vou. Disp. Optional Copy Vou Voucher Print Reconcile Quarterly Bal Graph



**Print**

Format Advance

Report Type Horizontal ☐ PAN & GSTIN No. Language English

Format

- Setup Base Bankbook
- Consiled Bank Book**
- Pending Entries
- With Cheque Detail
- Daily Summary
- Monthly Summary
- Cover Page Printing

Report On Screen

Copies 1

Start Page 1 End Page 32767

Printer Canon LBP2900

Windows Mode OK

Here, it shows a list of different formats.

First of all we will see **Consiled Bank Book** format.  
Click on **OK** and see the statement.

Report Preview  
Bank Book

1 1 100

### Bank Reconciliation.

Consile Bank Book For HDFC Bank (Rajkot)  
From 01/04/2020 To 31/03/2021

Page : 1

Date	Particulars	Withdrawal	Deposit	Closing Balance
	<b>Opening Balance :</b>		<b>120000.00</b>	<b>1,20,000.00 DB</b>
12/04/2020	K.J Internatinal	5000.00		1,15,000.00 DB
13/04/2020	BPmt			
	Cheque No 664760			
12/04/2020	Kiwi Cotton Craft		10000.00	1,25,000.00 DB
13/04/2020	BRct			
	Cheque No 265432			
15/04/2020	Amul Industries Ltd	5000.00		1,20,000.00 DB
16/04/2020	BPmt			
	Cheque No 664761			
15/04/2020	Amul Industries Ltd		30000.00	1,50,000.00 DB
17/04/2020	BRct			
	Cheque No 526441			
15/04/2020	M.A Transport	10000.00		1,40,000.00 DB
16/04/2020	BPmt			
	Cheque No 664762			
<b>Total :</b>		<b>20000.00</b>	<b>160000.00</b>	
		<b>Closing Balance :</b>		<b>1,40,000.00 DB</b>

Consiled Bank Book statement  
with Cheque No., Opening and  
Closing Balance.

**Print**

Format | Advance

Report Type Horizontal ☐ PAN & GSTIN No. Language English

Format

- Setup Base Bankbook
- Consiled Bank Book
- Pending Entries**
- With Cheque Detail
- Daily Summary
- Monthly Summary
- Cover Page Printing

Report On Screen

Copies 1

Start Page 1 End Page 32767

Printer Canon LBP2900

Windows Mode OK

Let's see the statement of pending entries.

Report Preview																																																																					
Bank Book																																																																					
<div> <div>1</div> <div>1</div> <div>100</div> </div>																																																																					
<div> <div>Bank Reconciliation.</div> <div> <div>Bank Reconciliation Statement For HDFC Bank (Rajkot)</div> <div>From 01/04/2020 To 31/03/2021</div> <div>Page : 1</div> </div> <table> <tr> <th>Date</th><th>Particulars</th><th>Cheque No</th><th>Withdrawal</th><th>Deposit</th></tr> <tr> <td colspan="5"><b>Amount Of Cheques Drawn But Not Presented</b></td></tr> <tr> <td>22/04/2020</td><td>Bitu Sales &amp; Service</td><td>664763</td><td>8000.00</td><td></td></tr> <tr> <td>29/04/2020</td><td>Desai Computer</td><td>664764</td><td>2500.00</td><td></td></tr> <tr> <td>07/05/2020</td><td>Saai Engineering</td><td>664765</td><td>9000.00</td><td></td></tr> <tr> <td colspan="5"><b>Amount Of Cheques Deposited But Not Cleared</b></td></tr> <tr> <td>28/04/2020</td><td>Magic Steel Pvt. Ltd.</td><td>889951</td><td></td><td>3500.00</td></tr> <tr> <td>02/05/2020</td><td>Mahavir Marketing</td><td>602749</td><td></td><td>4000.00</td></tr> <tr> <td colspan="3"><b>Total :</b></td><td><b>19500.00</b></td><td><b>7500.00</b></td></tr> <tr> <td colspan="3"><b>Book Balance :</b></td><td colspan="2"><b>1,28,000.00 DB</b></td></tr> <tr> <td colspan="3"><b>Amount Of Cheques Drawn But Not Presented :</b></td><td colspan="2"><b>19,500.00 DB</b></td></tr> <tr> <td colspan="3"><b>Amount Of Cheques Deposited But Not Cleared :</b></td><td colspan="2"><b>7,500.00 CR</b></td></tr> <tr> <td colspan="3"><b>Bank Balance :</b></td><td colspan="2"><b>1,40,000.00 DB</b></td></tr> </table> </div>					Date	Particulars	Cheque No	Withdrawal	Deposit	<b>Amount Of Cheques Drawn But Not Presented</b>					22/04/2020	Bitu Sales & Service	664763	8000.00		29/04/2020	Desai Computer	664764	2500.00		07/05/2020	Saai Engineering	664765	9000.00		<b>Amount Of Cheques Deposited But Not Cleared</b>					28/04/2020	Magic Steel Pvt. Ltd.	889951		3500.00	02/05/2020	Mahavir Marketing	602749		4000.00	<b>Total :</b>			<b>19500.00</b>	<b>7500.00</b>	<b>Book Balance :</b>			<b>1,28,000.00 DB</b>		<b>Amount Of Cheques Drawn But Not Presented :</b>			<b>19,500.00 DB</b>		<b>Amount Of Cheques Deposited But Not Cleared :</b>			<b>7,500.00 CR</b>		<b>Bank Balance :</b>			<b>1,40,000.00 DB</b>	
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Here it shows all the pending entries with Cheque No., Book Balance and Bank Balance.

Just like this, user can try other formats for their bank book statement.



 <http://www.facebook.com/miracleaccount>

 <http://www.instagram.com/miracle.accounting>

 <https://www.linkedin.com/company/miracleaccount>

 <https://www.youtube.com/channel/UCWB9FJbbVCOPvgWKUdeA31w>





thank you!