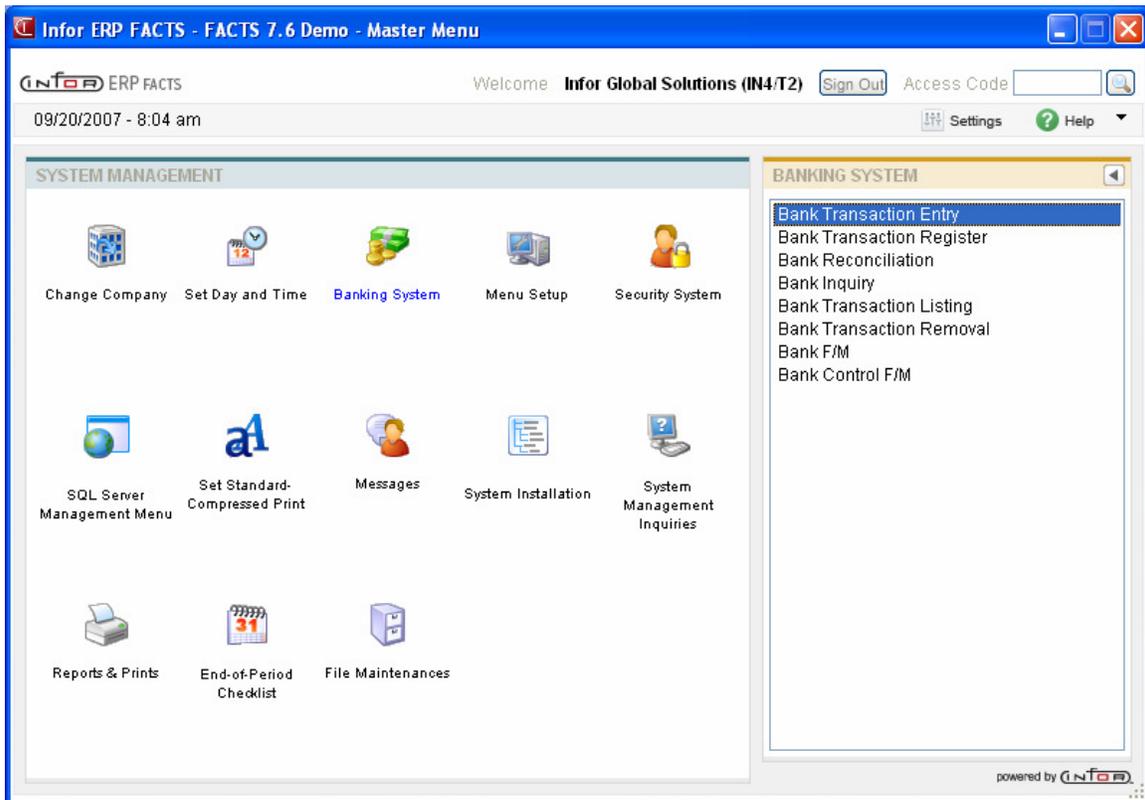


BANK RECONCILIATION FACTS 7.5 / 7.6

Beginning at version 7.5, FACTS provides a comprehensive bank reconciliation sub-module. It reflects all bank transactions that occur during regular processing, including AP checks, PR checks, AR returned checks, AR cash receipts, SO invoices, and AR invoices. In addition, you can enter other transactions such as bank transfers and fees; these will post to the General Ledger when a subsequent bank transaction register is run and updated.



I. Preliminary Setups

A. Bank Control F/M

The Bank Control must be configured to allow bank reconciliation:

01-FACTS 7.6 Demo, Bank Control F/M (SMF580) - Infor

Help

Bank Transfer Clearing GL# 116-00-0   **Transfer Clearing**

GL Distribution 3 - Print & Post Detail

Journal 8000  **Miscellaneous & Sundry**

Auto Display Bank Notes N - No

Last Transaction Register # 0005

 Save  Delete  New  Exit

Enter the clearing GL acct # for bank transfers, F1-Not Used, F2-Search

- ◆ **Bank Transfer Clearing GL#:** Enter the GL account number for bank transfer transactions. This account is used as an offset for the transactions in each bank's GL account. This is strictly for bank transfers. This is not the clearing account for deposits.
- ◆ **GL Distribution:** Select the method of GL distribution for bank transactions: 0 – not used; 1 – Print Only; 2 – Print & Post Summary; 3 – Print & Post Detail
- ◆ **Journal:** Enter the GL Journal Code to use for bank transactions.
- ◆ **Auto Display Bank Notes:** Select the display for bank notes: N – None; A – All Notes; U – Urgent Notes Only
- ◆ **Last Transaction Register:** The system will display the number of the last Bank Transaction Register.

B. Bank F/M

For each bank, complete the following fields in the Bank F/M.

Bank 01 First National Bank of Atlanta

General Reconciliation History

Bank Name First National Bank of Atlanta

Address 1 1647 West Hillwood Ave.

Address 2 Atlanta, GA 30030

Address 3

Contact Midas Mulligan

Phone # 800-978-3475

Bank Account # 01-947856-30A

Current Balance 239683.84

Bank G/L# 100-01-0 Cash

Security Codes

Unrestricted Access 0

Limited Access 0

Save Delete New Exit

Enter bank name

On the General screen, enter security codes:

- ◆ **Unrestricted Access:** Enter a character from a-z, A-Z or 0-9 to define the security code that authorizes users to have unrestricted access to bank information and processing in Transaction Entry. To authorize a user for the unlimited access to this bank, make sure this security code appears in the security code field of the user's record in User Code F/M.
- ◆ **Limited Access:** Enter a security code a-z, A-Z or 0-9 to define the security code that authorizes users to see open bank transfers and deposits in Transfer Entry. To authorize a user for the limited access to this bank, make sure this security code appears in the security code field of the user's record in User Code F/M.

On the Reconciliation screen, enter the following:

- ◆ **Use Deposit System** Indicate whether your company uses the deposit system for indirect transactions from the AR Sales Register and Cash Receipts Register and the Daily Sales Register. If the "Use Deposit System" flag is set to "Yes", the system enables the Bank Transfer Clearing Account field in Bank F/M to indicate the cash clearing GL account for the bank account.

If turned on-

- a) Deposit ticket does not print after the cash receipts register.

If not turned on-

- a) Deposits still flow to the reconciliation file but they are marked as cleared and ready for reconciliation (no transaction register required)

- ◆ **Bank Clearing GL #:** Enter the account number of a clearing account for deposits. Deposit amounts will be posted to this account until the Bank Transaction Register is run. **NOTE: if you do not wish deposits to post to a clearing account, enter the GL account number for the bank account.**

- ◆ **Auto Create Deposit:** Check this box if you wish to automatically create deposit records in the bank file.

If Yes- the system creates deposit entries to the Bank file ready for the reconciliation process. The deposit totals are from the various register updates (Cash Receipts Register, AR Invoice Register, Daily Sales Register).

If No- the deposits get posted to the bank transaction file waiting for a user manually create a deposit entry in bank transaction entry. The deposit would then be made up of the user selected deposit transactions.

In either instance, the bank clearing GL account is utilized during the system register updates.

- ◆ **Separate Deposit for Credit Card:** Check this box if you wish credit card /debit card, EFT, and check/cash deposit totals to be posted as separate deposits. Only available if Auto Create Deposits is turned on. Other wise the total payments figure from a register is posted as one lump sum deposit.
- ◆ **Separate Deposit for Debit Card:** Check this box if you wish credit card, debit card, EFT, and check/cash deposit totals to be posted as separate deposits. Only available if Auto Create Deposits is turned on. Other wise the total payments figure from a register is posted as one lump sum deposit
- ◆ **Use Bank Reconciliation:** Check this box if you want to use the reconciliation programs.

Very important that this be turned on if the company is going to ever want to reconcile checks. If this is not turned on- there are no check records written to the reconciliation file and there Is NO manual way to enter a check record.

- ◆ **Last Statement End Date:** Enter the date of the last statement from this bank (prior to the first reconciliation). The system will update this field automatically when reconciliations are performed.
- ◆ **Last Ending Balance:** Enter the ending balance of the last statement from this bank (prior to the first reconciliation). The system will update this field automatically when reconciliations are performed.

C. AR Terms Codes

If you will be entering payments from within Sales Order Documents (e.g., Confirmation, Direct Invoices, and Counter Sales), it is necessary to create terms codes for the various types of payments that are received. These are created within the AR Terms Code F/M program

01-FACTS 7.6 Demo, Terms Code F/M (ARF954) - Infor

Help

Terms Code DC

Terms Description DEBIT CARD

Terms Type S - A/R Based on Specific Date

of Payments 1 - Cash - Check
2 - Cash - Credit Card
3 - Cash - Debit Card
4 - Cash - Gift Certificate/Coupon

Discount % C - Cash - Currency

First Net Due D - A/R Based on Day of Month

Cutoff Day Current Month N - A/R Based on # of Days

Subsequent Due S - A/R Based on Specific Date

Specific Date Due Discount Date

Cash GL # 000-00 0

Save Delete New Exit

Enter A/R terms type or cash type

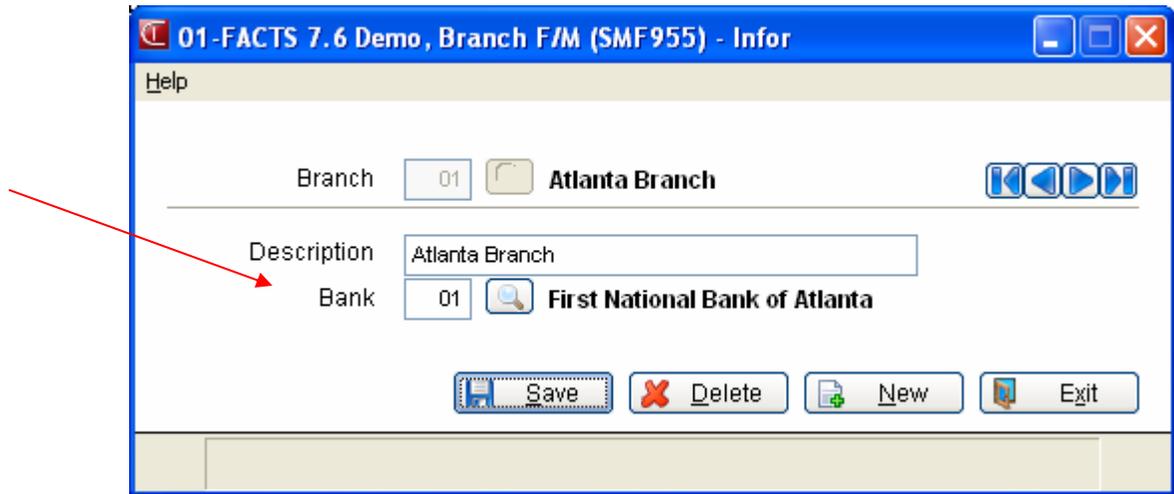
Enter a terms code with type C or 1-4. All of the other fields on the screen are blanked out, except for the Cash GL# field.

***YOU MUST USE THE Ø BUTTON TO SELECT "BANK GL NUMBER".
IF YOU ENTER AN ACTUAL GL ACCOUNT NUMBER IN THIS FIELD,
DEPOSITS WILL NOT POST TO BANK RECONCILIATION.***

If you do not want payments from sales orders or AR invoices to post directly to the bank file- then enter a specific GL account here instead of the option to use Bank GL. Example- cash drawer account could be used. Then on a periodic basis- the user collects money from the cash drawer and creates a deposit using the AR Cash Receipts entry to book the deposit which will also update the bank record.

D. Branch F/M

The Branch F/M program has not changed. However, it is used to determine which bank payments will post to when there are payments entered on a sales order transaction. Sales Order payments received from each customer will post to the bank specified in the branch based on the sales document initiating warehouse/branch.



Note that AR Cash Receipts deposits will post by batch to the bank specified in the Cash Receipts and Adjustments Register program. Checks will post to the bank specified in the Check Register program.

Bank Reconciliation Procedures

Transactions that affect bank accounts will post automatically from the following registers:

- ◆ Accounts Payable Checks
- ◆ Payroll Checks (if using the PR module)
- ◆ Accounts Receivable Returned Checks
- ◆ Accounts Receivable Cash Receipts and Adjustments
- ◆ Accounts Receivable Invoices
- ◆ Sales Order Invoices
- ◆ Bank Transactions (see below)

Once the transactions are displayed in the Bank Reconciliation screen, they can be individually cleared (e.g., confirm that they appear on the bank statement), and then the statement may be reconciled.

Bank Reconciliation Programs

A. Bank Transaction Entry

Tran Date	Type	Stat	In Bal	Adj	Clrd	Amount	GL# / Bank	Check#	Memo
06/30/2008	D	C				3000.00			Created by AR Cash Receipts Register
06/19/2008	D	C				500.00			Created by AR Cash Receipts Register
06/18/2008	D	C				500.00			Created by AR Cash Receipts Register
06/18/2008	D	C				1300.00			Created by AR Cash Receipts Register
06/18/2008	D	C				3653.05			Created by AR Cash Receipts Register
06/18/2008	C	C				81.11		003209	Created by AP Check Register 0365
06/18/2008	C	C				200.00		003208	Created by AP Check Register 0365
06/18/2008	C	C				75.00		003207	Created by AP Check Register 0365
06/18/2008	C	C				1726.00		003206	Created by AP Check Register 0365
06/18/2008	C	C				156.00		003205	Created by AP Check Register 0365
06/18/2008	C	C				689.00		003204	Created by AP Check Register 0365
06/18/2008	C	C				1000.00		003203	Created by AP Check Register 0365
06/18/2008	C	C				2100.00		003202	Created by AP Check Register 0365
06/18/2008	C	C				430.00		003201	Created by AP Check Register 0365
06/18/2008	C	C				1000.00		003200	Created by AP Check Register 0365
06/18/2008	C	C				300.00		003199	Created by AP Check Register 0365
06/18/2008	C	C				4064.20		003198	Created by AP Check Register 0365
06/17/2008	D	C				1000.00			Created by AR Cash Receipts Register
06/16/2008	D	C				500.00			Created by AR Cash Receipts Register

You may view all un-reconciled transactions, or just open ones (e.g., transactions that may be changed). Note that each check is listed individually, but deposits are shown as totals. However, the line detail of each deposit will show the list of documents that make up the total. In the case of AR cash receipts, a separate total will be shown for checks, EFT's, and credit card payments; for SO payments, separate totals will be shown for checks, credit cards, and debit cards (if the Bank F/M is set to show these separately).

This program may be used to enter transactions that are not posted from the registers listed above.

Note that the Bank Transaction Entry program may also be used to edit deposit-type transactions, e.g., if a fee is deducted from credit card deposits, etc.

Adding Manual Transactions:

- a. Misc. Bank Transaction: Use this entry to record bank fees and other transactions that appear on the bank statement.

The screenshot shows a dialog box titled "Transaction Entry - Infor". The "Transaction Type" is set to "M - Misc Bank Transaction". The "Date" is "06/30/2008". The "Amount" is "-35.00". The "Memo" is "Bank Service Fee". The "GL #" is "650-01-1" with a magnifying glass icon and the text "Bank Charges" next to it. The "To Bank" field is empty. There are "OK" and "Cancel" buttons at the bottom right.

Note: when entering miscellaneous bank transactions, be sure to use a minus sign if the amount is to be deducted from the account.

- b. Bank Transfer

The screenshot shows a dialog box titled "Transaction Entry - Infor". The "Transaction Type" is set to "T - Bank Transfer". The "Date" is "06/30/2008". The "Amount" is "1500.00". The "Memo" is "TO COVER PAYROLL". The "GL #" is "000-00 0" with a magnifying glass icon. The "To Bank" field contains "02" with a magnifying glass icon and "Dallas Federal Bank" next to it. There are "OK" and "Cancel" buttons at the bottom right.

B. Bank Transaction Register

Use the Bank Transaction Register to list transactions that have been entered, and also to list updates from the Bank Reconciliation program. The update after the register is printed will post the transactions to General Ledger as well as make the transactions available for reconciliation.

01-FACTS 7.6 Demo, Bank Transaction Register (SMR510) - Infor

Template Print Options Custom Report Layout Help

Bank 01 First National Bank of Atlanta GL CP=06/2008 JUN

Include Non-Bank Transactions

Date 06/30/2008 GL Period 06/2008

Transaction

All

Template None Printer Print to file Layout Standard OK Cancel

Enter transaction number, F1-All, F2-Search, F3-Delete Last Entry

Note that the register can be run only for one bank at a time. If a transfer has been entered, you must run the register for each bank separately.

C. Bank Reconciliation

The Bank Reconciliation program allows you to match the bank transactions in FACTS with those appearing on your bank statement. You mark a transaction as “cleared” when it matches the statement. When all of the transactions from the statement are cleared, the ending balance should be the same as the balance on the statement.

01-FACTS 7.6 Demo, Bank Reconciliation (SME520) - Infor

File Edit View Options Help

Bank First National Bank of Atlanta

Statement End Date

Beginning Balance 185000.00

Ending Balance

Difference -185000.00

Tran Date	Type	Stat	In Bal	Adj	Clrd	Amount	GL# / Bank	Check#	Memo
06/01/2005	C	C				219.64		003181	Created by AP Check Register 0354
06/01/2005	C	C				362.78		003182	Created by AP Check Register 0354
06/01/2005	C	C				197.98		003184	Created by AP Check Register 0354
06/30/2005	C	C				632.00		003187	Created by AP Check Register 0354
09/18/2007	M	C				50.00	650-01-1		Bank Service Charge
09/19/2007	M	C				25.00	650-01-1		
09/20/2007	D	C				150.00			
06/15/2008	C	C				1008.91		001378	Created by PR Check Register 0413
06/15/2008	C	C				605.62		001379	Created by PR Check Register 0413
06/15/2008	C	C				837.67		001380	Created by PR Check Register 0413
06/15/2008	C	C				1073.60		001381	Created by PR Check Register 0413
06/15/2008	D	C				75.00			Created by AR Cash Receipts Register
06/15/2008	D	C				75.00			Created by AR Cash Receipts Register
06/15/2008	D	C				300.00			Created by AR Cash Receipts Register
06/15/2008	D	C				50.00			Created by AR Cash Receipts Register
06/15/2008	D	C				500.00			Created by AR Cash Receipts Register
06/16/2008	D	C				500.00			Created by AR Cash Receipts Register
06/17/2008	D	C				1000.00			Created by AR Cash Receipts Register

Clear/Unclear Clear Range Update Reconcile View Detail View Adjs Header Done

Note the following:

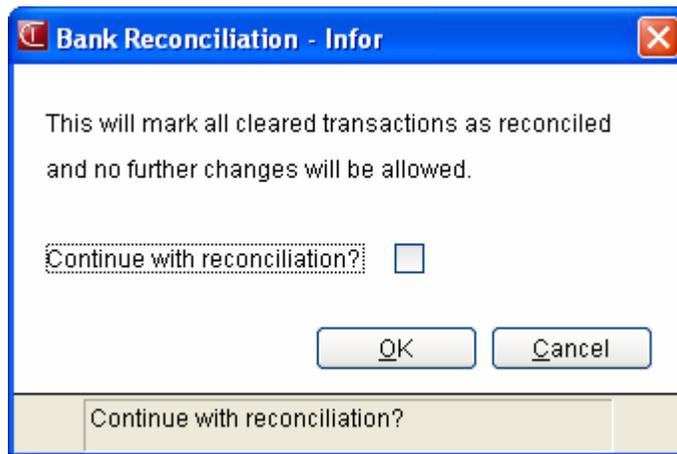
- ◆ It is possible to add transactions and transfers from this screen in the same manner as in the Bank Transaction Entry screen.
- ◆ Some transactions may be edited if necessary. These include all manual transactions and deposits. If manual transactions have already been updated through the Bank Transaction Register, they can no longer be changed.
- ◆ Editable transactions must be updated before they can be cleared. Use the “Update” button, and enter the date on which the transaction is finalized.
- ◆ You may clear a range of checks at once, without clicking on each line individually. Use the “Clear Range” button, and enter the beginning and ending check numbers to clear.

To reconcile the account, enter the statement date and ending balance. Note that the beginning balance is already present; it is taken from the ending balance of the last reconciliation. If it is incorrect, it can be changed in the Bank F/M.

Press the “Clear” button for each line that appears on the statement. After clearing all of the documents that appear on the statement, the “Difference” field in the header should be zero. If it is not, you must determine the reason for the discrepancy and correct it.

Note that you can exit from the screen without completing the reconciliation. The screen will remain as it is when you return to it.

When the reconciliation is complete (e.g., the difference from the ending balance is zero), press the “Reconcile” button. The following message will appear.

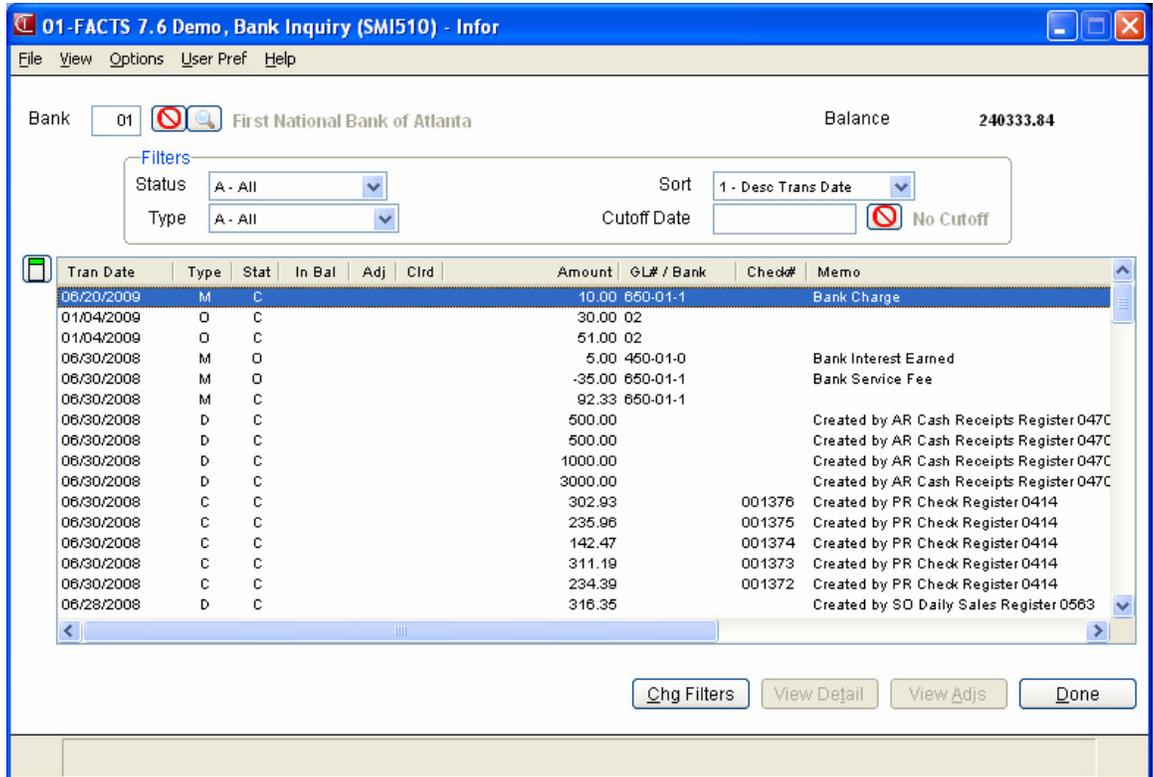


Check the box to finish the reconciliation.

Note: If any additions, changes, or updates were performed during reconciliation, it is necessary to print and update the Bank Transaction Register in order to finalize these transactions in the general ledger.

D. Bank Inquiry

The Bank Inquiry program allows you to view all or some of the transactions for each bank.



Note that you can select transactions by status (e.g., cleared, reconciled, etc.) or type (e.g., AP Checks, Deposits, Transfers, etc.). You can also select the sort method (ascending or descending dates or transaction numbers) and you can enter a cutoff date.

Check and deposit transactions will permit a detailed drill-down view.

E. Bank Transaction Listing

This program will permit you to print a list of transactions either to a physical printer or directly to Excel.

01-FACTS 7.6 Demo, Bank Transaction Listing (SMR520) - Infor

Template Print Options Custom Report Layout Help

Order: D - Date Beginning: [] Ending: [] First Last

Properties

Desc Order

Bank: 01 First National Bank of Atlanta

Status: A - All

Transaction Types

AP Checks Returned Checks Transfers

PR Checks Deposits Misc Bank

Print Cash and Check Detail Print Adjustment Detail

Template: None Printer: Print to file Layout: Standard

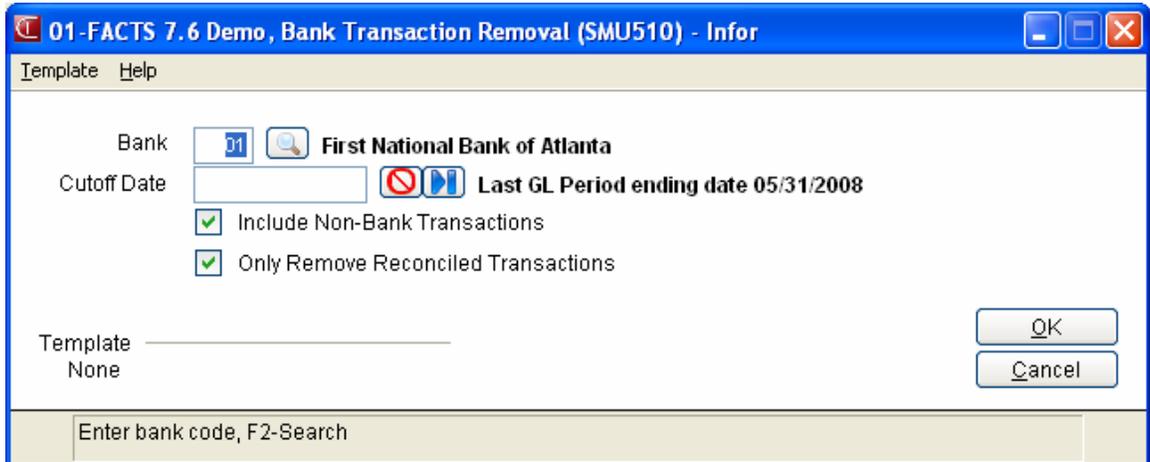
OK Cancel

Print in date or transaction # order?

Note that you can sort by date or transaction number and enter a range. You can select the status of transactions to be included, and which types of transactions. You can include the detail if you wish.

F. Bank Transaction Removal

This program allows you to remove transactions once they are no longer useful to you.



The screenshot shows a Windows-style dialog box titled "01-FACTS 7.6 Demo, Bank Transaction Removal (SMU510) - Infor". The dialog has a menu bar with "Template" and "Help". The main area contains the following fields and options:

- Bank:** A dropdown menu showing "First National Bank of Atlanta" with a magnifying glass icon.
- Cutoff Date:** An empty text input field.
- Last GL Period ending date:** A date field showing "05/31/2008" with a red 'X' and a blue double arrow icon.
- Include Non-Bank Transactions
- Only Remove Reconciled Transactions
- Template:** A text field containing "None".

At the bottom right, there are "OK" and "Cancel" buttons. At the bottom left, there is a status bar with the text "Enter bank code, F2-Search".

Note that you must enter a cutoff date – no transactions subsequent to that date will be removed. You can also determine whether or not to include non-bank transactions, and whether or not to only remove reconciled transactions.

Example of an AR Cash Receipts Batch with multiple payment methods.
Each payment method selected during entry.

Batch 30 created for a total of \$5,000.00.
3,000.00 Check
1,500.00 Credit Card
500.00 Debit Card

01-FACTS 7.6 Demo, Cash Receipts & Adj Entry (ARE210) - Infor

File Edit View Options Help

Batch Batch Total CP=06/2008 JUN
Distributed
Balance

Customer Southeastern Industrial Supply
Check # Date Type Amount
Memo

Customer	Name	Dist	Check	Date	Ty	Amount	Memo
C100	Southeastern Industrial Supply	Y	3211	06/30/2008	CK	3000.00	
C108	Sims Hardware	Y	VISA	06/30/2008	CC	1500.00	
C110	Texas Material Handling Co.	Y	DEBIT	06/30/2008	DC	500.00	

add

Apply List Pmts Done

AR Cash Receipts Register – posted to Bank 01

01 - FACTS 7.6 Demo, Cash Receipts & Adj Register (ARR210) - Infor

Template Print Options Help

AR CP=06/2008 JUN
GL CP=06/2008 JUN

Batch 30

Deposit Date 06/29/2008 GL Period 06/2008

Bank 01 First National Bank of Atlanta

Deposit # [] Next

Template None Printer [] Print to file

OK
Cancel

DATE: 06/30/08 **FACTS 7.6 Demo** ARR210 PAGE: 1
 USER: IN4 T2 CASH RECEIPTS & ADJ REGISTER #0473 TIME: 9:55 AM

DEPOSIT DATE 06/29/08, #0662
 BANK 01 First National Bank of Atlanta

DATE	ORIGINAL	ENTRY	CURRENT	DUE	-----DISCOUNT-----			AJ	MEM	
CHECK APPLIED DOCUMENT	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	PAYMENT	DISCOUNT	ADJUSTMENT CD	BALANCE
Batch # 30										
Customer C100 Southeastern Industrial Supply										
3233 06/30/08 001696-0	1676.15	06/29/08	234.90	06/27/08	70.70	06/07/08	234.90	.00	.00	.00
001724-0	2277.15	06/29/08	2277.15	07/28/08	45.54	07/08/08	2231.61	45.54	.00	.00
001771-0	1909.99	06/29/08	.00	07/28/08	6.21	07/08/08	-1766.21	-23.78	.00	1809.99
001791-0	1330.72	06/27/08	490.72	07/27/08	21.28	07/07/08	-252.56	21.28	.00	730.00
001825-0	635.74	06/29/08	260.74	07/28/08	12.71	07/08/08	248.03	12.71	.00	.00
001841-0	-468.75	06/29/08	-468.75	07/28/08	-9.38	07/08/08	-459.37	-9.38	.00	.00
001842-0	161.07	05/05/08	161.07	06/04/08	3.22	05/15/08	161.07	.00	.00	.00
001865-0	5930.77	06/10/08	4266.37	07/30/08	116.22	06/20/08	2622.53	.00	.00	1743.94
Check Amount: 3000.00 Memo:					CHECK TOTAL		3000.00	48.37	.00	
Customer C109 Sims Hardware										
VISA 06/30/08 001562-0	952.15	06/17/08	452.15	06/30/08	6.99	06/10/08	452.15	.00	.00	.00
001672-0	599.74	06/29/08	599.74	07/30/08	5.65	07/10/08	593.09	5.65	.00	.00
001720-0	642.26	06/29/08	642.26	06/30/08	6.06	06/10/08	454.76	.00	.00	197.60
Check Amount: 1500.00 Memo:					CHECK TOTAL		1500.00	5.65	.00	
Customer C110 Texas Material Handling Co.										
DEBIT 06/30/08 001545-0	2000.00	05/10/08	1000.00	06/30/08	10.00	06/10/08	500.00	.00	.00	500.00
Check Amount: 500.00 Memo:					CHECK TOTAL		500.00	.00	.00	
BATCH CHECK TOTAL: 5000.00 CHECKS: 1					BATCH TOTAL		5000.00	54.02	.00	
REPORT CHECK TOTAL: 5000.00 CHECKS: 1					REPORT TOTAL		5000.00	54.02	.00	

RECAP:

BEGINNING AR BALANCE	175135.06	PAYMENTS	5459.37
-PAYMENTS	5459.37	+ON ACCOUNTS CREATED	.00
-DISCOUNTS	54.02	-ON ACCOUNTS APPLIED	.00
+ADJUSTMENTS	.00	-CREDIT MEMOS APPLIED	459.37
+DEBIT MEMOS CREATED	.00	-DEBIT MEMOS CREATED	.00
-ON ACCOUNTS CREATED	.00		
+ON ACCOUNTS APPLIED	.00	CASH APPLIED TO AR	5000.00
+CREDIT MEMOS APPLIED	459.37	+CUSTOMER MISC CASH	.00
		+MISC CASH	.00
ENDING AR BALANCE	170091.04	DEPOSIT TOTAL	5000.00

AJ CD: Adjustment Code

BATCHES: 1

END OF REGISTER

The AR Cash Receipts Batch total posted to the bank record as 3 separate deposits.

\$3,000.00 Checks
 \$1,500.00 Credit Cards
 \$ 500.00 Debit Cards

01-FACTS 7.6 Demo, Bank Inquiry (SMI510) - Infor

File View Options User Pref Help

Bank 01 First National Bank of Atlanta Balance 245333.84

Filters
 Status A - All
 Type D - Deposits
 Sort 1 - Desc Trans Date
 Cutoff Date No Cutoff

Tran Date	Type	Stat	In Bal	Adj	Clrd	Amount	GL# / Bank	Chck#	Memo
6/30/2008	D	C				500.00			Created by AR Cash Receipts Register 0470
6/30/2008	D	C				1000.00			Created by AR Cash Receipts Register 0470
6/30/2008	D	C				3000.00			Created by AR Cash Receipts Register 0470
6/19/2008	D	C				500.00			Created by AR Cash Receipts Register 0472
6/29/2008	D	C				500.00			Created by AR Cash Receipts Register 0473
6/29/2008	D	C				1500.00			Created by AR Cash Receipts Register 0473
6/29/2008	D	C				3000.00			Created by AR Cash Receipts Register 0473
6/18/2008	D	C				500.00			Created by AR Cash Receipts Register 0497
6/18/2008	D	C				1300.00			Created by AR Cash Receipts Register 0497
6/18/2008	D	C				3653.05			Created by AR Cash Receipts Register 0497
6/15/2008	D	C				340.00			Created by SO Daily Sales Register 0561
6/15/2008	D	C				300.00			Created by SO Daily Sales Register 0561
6/15/2008	D	C				475.00			Created by SO Daily Sales Register 0562
6/15/2008	D	C				300.00			Created by SO Daily Sales Register 0562
6/28/2008	D	C				318.35			Created by SO Daily Sales Register 0563
6/28/2008	D	C				750.00			Created by SO Daily Sales Register 0563

Chg Filters View Detail View Adjs Done

