



A – Clear the checks

1. Note the first check number on the bank statement the bank paid.
2. Find that check number in the district's accounting software and mark it as cleared.
3. Repeat #1 and #2 until all checks are cleared.
4. Compare the total of the checks cleared in the software to the bank's total of checks cleared.
5. The two totals should match. If not, check that the amount each check was written for is the same as the amount it cleared the bank. For amounts that don't match, note the check number and the amount of the difference between the two amounts.*
6. All of the checks not cleared are totaled and referred to as checks outstanding.

B – Record the revenues

7. Record in the accounting software the revenues received for the month.
8. Compare the total with the deposits recorded on the bank statement.
9. If the total differs, compare each transaction individually to determine if there was an error in recording the deposit by either party. Note the difference for any such occurrence.
10. Note any deposits made by the district but not yet recorded at the bank.



C – Adjust the bank balance

11. Note the bank balance on the bank statement for the end of the month.
12. Add to it any items found in #10.
13. Subtract the total found in #6.
14. Add or subtract bank errors found in #5 or #9.

D – Adjust the district balance

15. Note the balance on the district's books for the end of the month.
16. Subtract bank fees not recorded on the books (journal entry these to get the accounting software current).
17. Add interest earned (journal entry this to get the accounting software current).
18. Add or subtract district errors (journal entry these to get the accounting software current).

E – Confirm balances match

19. The balance determined in section C should match the balance determined in section D.
20. If the balances don't match, start over and verify that the numbers in each step are correct.

***Check the MICR number in the lower right-hand corner to make sure it's the same as the amount for which the check was written. It could be different. The vendor that cashed the check could have cashed it for a different amount, or someone could have keyed the wrong number.**