



Bank reconciliations-- even the name sounds monotonous. They may not be enjoyable, but when you do them on a regular basis you protect yourself from all kinds of difficulties, like overdrawing money and becoming a victim of fraud.

First off, what is a bank reconciliation?

When you “reconcile” your bank statement, you compare it with your financial records in each period and pinpoint every inconsistency. Then, you make a record of those discrepancies, so you or your accountant can be certain there’s no money that has gone “missing” from your business.

Who’s responsible for bank reconciliations?

If you do your bookkeeping yourself, you should be prepared to reconcile your bank statements on a fixed schedule. If you work with a bookkeeper or virtual bookkeeping service, they’ll handle it for you.

You only need to reconcile bank statements if you use the accrual method of accounting.

Five compelling reasons why bank reconciliations matter

Bank reconciliations may be tedious, but the financial cleanliness will pay off. Here’s why they it’s a great idea to do them.

1. To Detect Bank Errors.
2. To Stay on Top of Receivables.
3. To Have an Accurate Depiction of your Financials.
4. To Detect Fraud.

How often to reconcile bank statements?

For the most part, how often you reconcile bank statements will depend on your volume of transactions.

Some businesses, which have money entering and leaving their accounts multiple times every day, will reconcile daily. In comparison, most companies will reconcile accounts as part of their month end process.

Rapid Hires, LLC offers bank reconciliation services contact us today to see how we can assist you 800-395-6541 or via email at info@rhires.com