***[HOSPITAL NAME]***

**ADMINISTRATIVE POLICY**

CATEGORY: Finance **CODE: B-10**

SUBJECT: Bank Reconciliation **EFFECTIVE:**

**COORDINATOR: Business Manager**

1. Bank reconciliations are performed to reconcile bank records and the Hospital’s records. Differences between the Hospital’s bank ledger account and the bank statement must be identified and reconciled. Reconciliations should look for possible discrepancies that could be caused by either error or misuse. Some of the items that could cause differences are:
2. Incoming transfers
3. Bank charges and interest booked by the bank but not yet booked by the Hospital
4. Checks issued by the Hospital but not yet presented to the bank.
5. Deposits made and recorded by the Hospital but not booked by the bank
6. The Business Manager will ensure that bank reconciliations are accomplished monthly for all bank accounts.
7. The individual assigned to accomplish the bank reconciliations will not be involved in handling receipts or disbursements. All discrepancies will immediately be called to the attention of the Business Manager.
8. Bank reconciliations will be maintained on file and be available for audit. Documents that support reconciling items must be attached to the related bank reconciliation. These documents include:
9. outstanding checks;
10. documentation of deposits in transit;
11. bank fee notices (usually on statements)
12. other relevant documents

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***[HOSPITAL NAME]***

**ADMINISTRATIVE PROCEDURE**

CATEGORY: Finance **CODE: B-10.1**

SUBJECT: Bank Reconciliation Procedure

**COORDINATOR: Business Manager**

The following procedure will be followed for bank reconciliation:

|  |  |
| --- | --- |
| **Initiator of Action** | **Action** |
| Business Manager or Senior Accountant | * Review the statements provided by the bank for each bank account and compare it to the same account in the General Ledger. Items that will affect the balance should be considered when comparing balances. (See item 1 in Policy B-11 for typical items.) * Ensure that the reconciliation starts with the opening balance brought forward from the previous reconciliation and end at an adjusted balance that reconciles with the ending balance per the bank statement. * Process a journal entry to record the reconciling items that appear on the bank statement but not recorded in the Hospital’s general ledger; |
| Business Manager | After the bank reconciliation has been accomplished it will be reviewed by the Business Manager |
| Senior Accountant | Records of all bank reconciliations should be kept safely in a file and be made available for annual audit purposes.  Any discrepancy due to error by the bank should be addressed immediately with the bank |