

## **CASTLE PARK – BANK REC EXAMPLE**

Partial Bank Rec for September 2012:

**Castle Park  
Bank Reconciliation  
September 30, 2012**

Balance per bank statement	\$5,754.84
Plus: outstanding deposit	1,484.38
Less: outstanding cheques:	
Ch. # 567	(148.29)
Ch. # 573	(350.00)
Reconciled cash, September 30	<b>6,740.93</b>

GL Printout for the 'Cash' account, October 2012

<b>G/L Account #100X: Cash</b>				
<b>Period Oct 1 - Oct 31 2012</b>				
		<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
30-Sep				6,740.93
2-Oct	cheque #575		372.96	6,367.97
2-Oct	cheque #576		780.62	5,587.35
2-Oct	cheque #577		587.50	4,999.85
7-Oct	receipt	843.86		5,843.71
12-Oct	cheque #578		1,687.50	4,156.21
12-Oct	cheque #579		234.15	3,922.06
15-Oct	receipt	941.54		4,863.60
16-Oct	cheque #580		157.00	4,706.60
20-Oct	cheque #581		578.84	4,127.76
24-Oct	cheque #582		921.30	3,206.46
24-Oct	receipt	808.58		4,015.04
28-Oct	cheque #583		246.03	3,769.01
31-Oct	receipt	1,067.00		4,836.01
		3,660.98	5,565.90	

## CASTLE PARK – BANK REC EXAMPLE (CONTINUED)

### Bank Statement for October 2012

<i>Regal Bank Limited</i>					
Bank Statement for: <b>Castle Park</b>					
Date:	<b>October 2012</b>				
	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>	<u>Date</u>	
<b>Bal carried forward</b>			5,754.84	1-Oct	
deposit		1,484.38	7,239.22	2-Oct	
cheque #575	372.96		6,866.26	6-Oct	
deposit		843.86	7,710.12	7-Oct	
cheque #567	148.29		7,561.83	9-Oct	
cheque #576	708.62		6,853.21	12-Oct	
deposit		941.54	7,794.75	15-Oct	
credit memo		1,000.00	8,794.75	17-Oct	
nsf cheque	220.00		8,574.75	19-Oct	
nsf fee	30.00		8,544.75	19-Oct	
cheque #579	234.15		8,310.60	22-Oct	
cheque #580	157.00		8,153.60	23-Oct	
cheque #581	578.84		7,574.76	23-Oct	
deposit		808.58	8,383.34	24-Oct	
cheque #582	921.30		7,462.04	29-Oct	
interest		200.00	7,662.04	31-Oct	
cheque #583	246.03		7,416.01	31-Oct	
service charges	15		<b>7,401.01</b>	31-Oct	

#### Other information:

- ✓ The bank did not make any errors.
- ✓ Cheque #576 was for a payment on accounts payable.
- ✓ The credit memo was a \$1,000 sponsorship for the annual fundraiser
- ✓ The NSF cheque relates to a payment by an individual for tickets for the annual fundraiser.
- ✓ Interest was received relating to a short-term GIC.

**Prepare the bank reconciliation for October 2012, as well as any journal entries that should result.**

**SOLUTION - CASTLE PARK – BANK REC FOR OCTOBER 2012**

<b>Castle Park</b>			
<b>Bank Reconciliation</b>			
<b>October 31, 2012</b>			
<b><u>BANK</u></b>			
Bal per bank		31-Oct	7,401.01
Add: outstanding deposits			
		31-Oct	1,067.00
Less: outstanding cheques			
	#573	350.00	
	#577	587.50	
	#578	1,687.50	
		2,625.00	-2,625.00
<b>Adjusted bal per bank</b>		<b>31-Oct</b>	<b><u>5,843.01</u></b>
<b><u>BOOKS</u></b>			
Bal per g/l		31-Oct	4,836.01
Add:	credit memo		1,000.00
	interest		200.00
	error in chq #576		72.00
Less:	NSF cheque		-220.00
	NSF fee		-30.00
	service charges		-15.00
<b>Adjusted bal per books</b>		<b>31-Oct</b>	<b><u>5,843.01</u></b>

## **SOLUTION - CASTLE PARK – BANK REC JOURNAL ENTRIES**

Dr. Cash	1,000.00	
Cr. Sponsorship revenue		1,000.00
Dr. Cash	200.00	
Cr. Interest revenue		200.00
Dr. Cash	72.00	
Cr. Accounts payable		72.00
Dr. Accounts receivable	220.00	
Cr. Cash		220.00
Dr. Bank charges expense (30 + 15) *	45.00	
Cr. Cash		45.00

\* Alternatively, you could add the fee the bank charged for the NSF cheque (\$30) to the accounts receivable in the previous entry and try to recover it from the individual.