

# Monthly Reconciliation Preparer Instructions

## **STEP 1 - Gather required documents for review**

For each trust account, use the following documents to complete the form and attach a copy: (1) account journal; (2) individual ledgers; (3) bank statement with check copies; (4) client ledger summary (list of clients and their balances); (5) list of outstanding deposits; and (6) list of outstanding disbursements.

## **STEP 2 - Determine reconciliation date**

Determine your reconciliation date. Review the bank statement and find the last day of the bank statement period (generally the last day of the month). Add the reconciliation date to the monthly reconciliation form.

## **STEP 3 - Reconcile the account journal to the individual ledgers**

Reconcile each account journal entry to the corresponding individual ledger entry for the current month through the reconciliation date, and mark each item in both the account journal and individual ledger that match. Make sure every account journal entry has a corresponding individual ledger entry, and every individual ledger entry has a corresponding account journal entry.

## **STEP 4 - Enter reconciliation form section #1 data**

In Section #1 of the reconciliation form, enter the account journal balance as of the reconciliation date.

## **STEP 5 - Prepare client ledger summary**

Prepare a client ledger summary of all individual client ledgers with their balances on the client ledger summary worksheet, totaling the amount of all individual client ledgers balances. (Do not include the bank charges ledger.)

## **STEP 6 - Enter reconciliation form section #2 data**

In the Section #2 of the reconciliation form, enter #2A total Individual client ledger balances, and #2B total bank charges balance as of the reconciliation date. The total of #2A and #2B will be automatically calculated.

## **STEP 7 - Compare reconciliation form #1 and #2 totals**

Compare #1 trust account journal balance and the #2 individual ledgers total. They should match. If they do not match, go back to Step 2, and identify the error between the account journal the individual ledgers. Make any adjusting entries in the account journal and individual ledgers (and update the client ledger summary, if necessary).

## **STEP 8 - Reconcile the account journal to the bank statement**

Reconcile each account journal entry to the corresponding bank statement entry, and mark each item in both the account journal and the bank statement that match.

## **STEP 9 - Prepare two lists: outstanding deposits and outstanding disbursements**

Prepare a list of all outstanding deposits and outstanding disbursements through the reconciliation date. The two lists include all transactions in the account journal that do not appear on the monthly bank statement.

## **STEP 10 - Enter reconciliation form section #3 data**

In Section #3 of the reconciliation form, enter #3A bank statement ending balance, #3B total outstanding deposits, and #3C total outstanding disbursements. The adjusted bank statement balance will be automatically calculated.

## **STEP 11- Compare reconciliation form #1, #2 and #3 totals**

Compare the balances of #1, #2, and #3. They should match. If they do, congratulations! You have properly reconciled your trust account for the month! If they do not match, go back to Step 8 and identify the error between the account journal and the bank statement. Make any adjusting entries in the account journal (and corresponding individual ledgers and client ledger summary, if necessary). If you believe the bank had made an error, contact your representative right away to correct the error.

## **STEP 12 - Sign, date, and submit to reviewing attorney (if applicable)**

Sign and date the reconciliation form. Attach the documents listed in Step 1 and submit to reviewing attorney for certification. If you are preparing the reconciliation for your own trust account, sign the attorney certification and you're done!