# Activity: Does it Balance?

As you have learned in this module, the account balance shown on your bank statement isn’t the amount that is actually available for you to use now. It doesn’t include any deposits or withdrawals

that were made but not yet processed by the bank. You need a system to keep track of every deposit made to your account and every payment or withdrawal you make so you know the actual balance as of the current moment.

To ensure that your tracking record matches your bank’s records, reconcile what you have recorded with your bank account statement to compare transaction information. You should do this at least once a month. This is a good habit to stick to so you confirm that your transactions are recorded accurately and also regularly check for any unauthorized activity on your account.

Directions:

Reconcile Jason’s checking account to ensure that his records match his credit union’s records. Compare the credit union statement with the checking account information that Jason tracks in a spreadsheet.

Step 1. Compare the transactions listed on the statement with what Jason recorded in his spreadsheet. Check (✓) each cleared transaction in Jason’s list that is also shown on the bank statement. Any unchecked items are outstanding—meaning that Jason has recorded the transaction but the transaction hasn’t yet been processed by the bank.

Step 2. Use the formula in the box below to make adjustments to the bank statement balance. If Jason’s information has been recorded accurately and your math is correct, the adjusted bank balance should match the current balance Jason shows on his spreadsheet.

|  |  |
| --- | --- |
|  | Credit Union Statement Ending Balance |
|  | + Outstanding Deposits |
|  | - Outstanding Payments |
|  | Adjusted Credit Union Balance |
|  | |
|  | Does adjusted number match Jason's ending balance? |

Jason’s Partial Spreadsheet (recent transactions)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Ck/Code | Date | Description | Cleared | Payment | Deposit | Balance |
| deb cd | 10/5 | JC Penney (clothes) | ☑ | -62.55 |  | 299.16 |
| D | 10/5 | Deposit (BD money) | ☑ |  | 25.00 | 324.16 |
| 267 | 10/10 | West High School (fee) |  | -13.90 |  | 310.26 |
| 268 | 10/12 | Chester Food Bank (donation) |  | -25.00 |  | 285.26 |
| D | 10/20 | Deposit (BD money) |  |  | 100.00 | 385.26 |
| 269 | 11/1 | Family Insurance (car ins) |  | -126.50 |  | 258.76 |
| 270 | 11/3 | Entertainment, Inc (concert tickets) |  | -50.00 |  | 208.76 |
| D | 11/5 | Deposit (paycheck) |  |  | 60.00 | 268.76 |
| deb cd | 11/13 | Bob's MiniMart (gas) |  | -30.00 |  | 238.76 |
| auto  w/d | 11/15 | Western Mutual Funds (investment) |  | -100.00 |  | 138.76 |

**STATEMENT**

Community Credit Union June 1

Jason Price Acct. #3300-22

123 Rolling Road

Chester, MD 21999

Beginning balance on May 1 $ 324.16

Deposits and other additions $ 160.00

Checks paid and other subtractions $ -88.90

Ending balance on June 1 $ 395.26

Cleared Checks Cleared Deposits

267 13.90 10/27 100.00

268 25.00 11/5 60.00

270 50.00