# LOAN SERVICING SOFT Reconciliation

This document will guide you through the reconciliation process in LOAN SERVICING SOFT.

For additional information and/or questions please feel free to contact our support group at support@loanservicingsoft.com or 1-800-993-1839 x2.

Reconciliation or the act of balancing the LOAN SERVICING SOFT Trust Account Ledgers with your physical bank account is a simple and straight forward process. The goal is to account for all activity within your bank account(s) or trust account(s). If you have reconciled correctly, your bank ending balance will match with the ending balance in the LOAN SERVICING SOFT program.

Once reconciliation is completed for a month, the system marks that month ending date as a "closed period". No transactions are allowed to be entered or edited in a closed period. If any type of editing was allowed in the closed period, all prior reconciliation reports would become invalid and would require reprinting.

By default, the program only allows for month-by-month reconciliation. For example, you cannot reconcile 3-months of data in one Reconciliation report. Reconciliation must start from the first month and then progress month by month. You can adjust this option under Control Panel -> Configuration Options -> System Defaults & Settings -> Application Settings -> Trust Accounting Settings -> Bank Statement End Date.
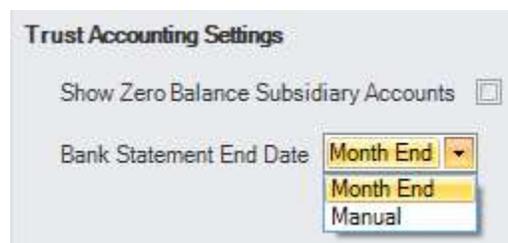
You can also have only one Reconciliation month open at one time. For example, if you have not completed the reconciliation statement for the month of January 2012, you cannot start the February 2012 reconciliation.

These restrictions will significantly help to keep the books clean and produce required reports at the time of Audits.

To begin reconciling a trust account, go to the Control Panel page and open the account. Click the "Reconciliation" button.
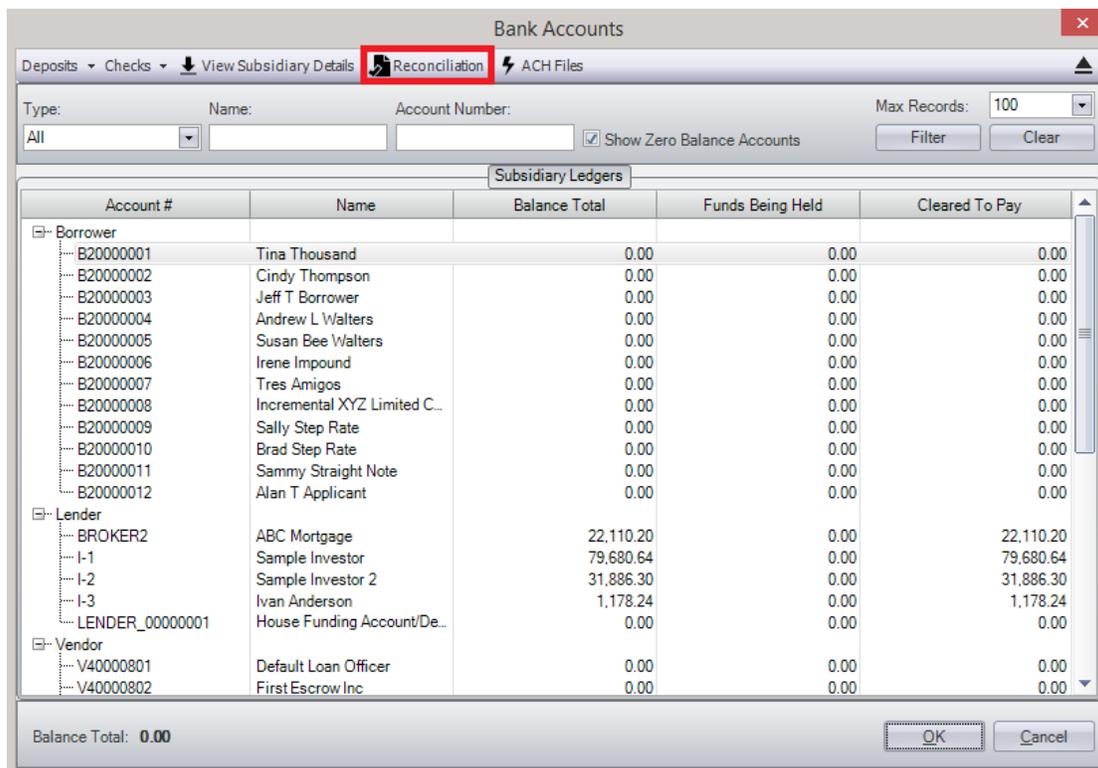
The Bank Reconciliation window opens. This window displays current and past reconciliation records. Closed months are marked "Reconciled" and the current open statement is marked "Opened". To add a new reconciliation record, click "Add".
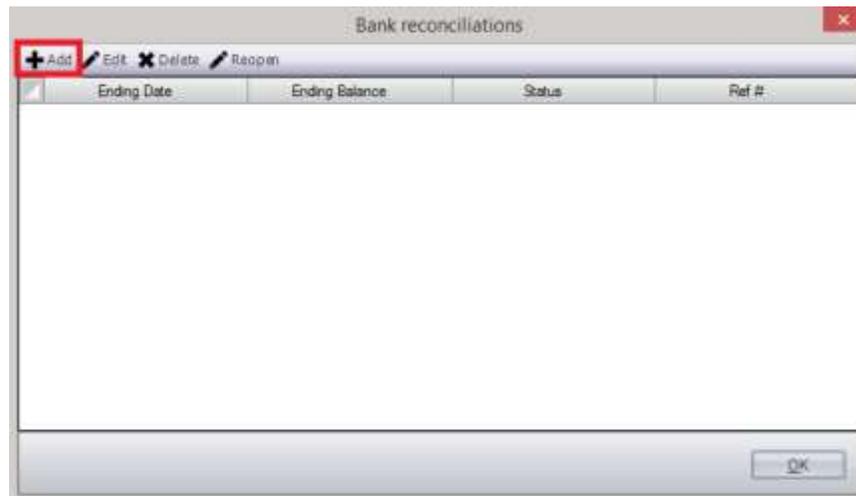
When adding the first Reconciliation statement to an account, the configuration window will appear and ask for the Bank Statement End Date and Bank Ending Balance. Because this is the first record, the program will let you reconcile all transactions prior to this end date in one statement. Be sure to select this date carefully, as you will not be able to go back to prior dates for Reconciliation.
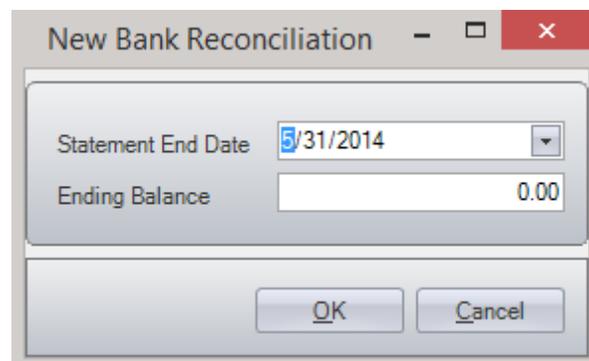
If you have already completed the prior month's Reconciliation, the program will automatically create a new open statement for the next month.

The Bank Reconciliation Detail displays a list of payments and checks made from the account and a list of deposits and credits made to the account up to the specified statement ending date. Unreconciled transactions from previous periods will also be displayed.

If there are any unprinted checks prior to the date you are reconciling, a message window "Unprinted checks were found! All unprinted checks on or before {date} must first be printed." will be displayed and Reconciliation will fail. You will need to print unprinted checks prior to the date you are trying to reconcile and come back to the Reconciliation.

- First enter the bank statement ending balance in the Bank Ending Balance field towards the bottom of the window.

- Start marking deposits / checks which have been cleared from the bank by reviewing the bank statement of the month for which Reconciliation is being performed.

- As you clear the transactions in the data grid, the selected number of deposits / checks are continuously updated towards the bottom with the total cleared amount. The difference between the bank ending balance and the program's bank balance is also continuously updated.

- The "Select All" and "Unselect All" buttons can be used to quickly select or deselect all the transactions.

- Transactions entered in this period which are not cleared from the bank will be considered as outstanding. The total number of outstanding deposits/checks along with total amounts are also continuously updated.

- The "Reconcile" button will not be enabled until the difference between the Bank Ending Balance and LOAN SERVICING SOFT is 0.

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You can leave the Reconciliation process any time by clicking the "Leave" button. You will be provided an option to save/discard changes made to the open statement. If any discrepancies are discovered at the time of Reconciliation, it is very common to "leave", make appropriate adjustments and come back to "Reconciliation". Once you have completed Reconciliation and the difference has come to 0, press the "Reconcile" button. After successful Reconciliation, the statement ending date will be considered a "Closed Period".

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Please note that you are unable to make changes to the period once it has been reconciled. If you wish to modify previously reconciled entries you will have to reopen the period.
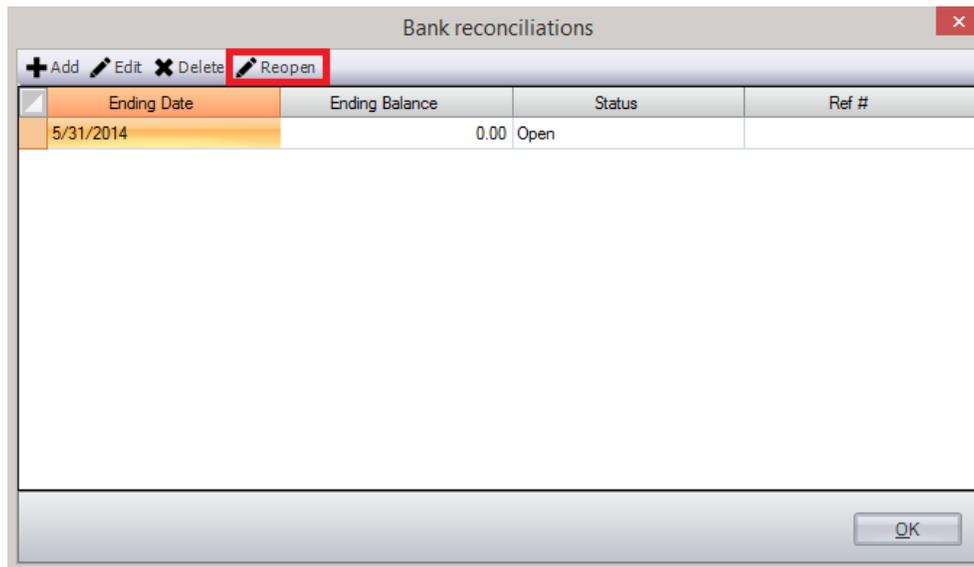
There can only be one open statement at a time. If for any reason you need to discard any changes made in this statement, you can select it and press "Delete". If the statement has already been reconciled, you will not be allowed to delete.

LOAN SERVICING SOFT maintains a Reconciliation report for each reconciled period, which can be printed from the Documents -> Reports -> Accounting & Reconciliation -> Reconciliation section.

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