

Instructional Scenario

Reconciling a Bank Statement and Journalizing Banking Transactions



Course/Duty Area: Accounting I/Understanding Cash Control Systems

Scenario: Prepare a reconciliation statement for Davidson Associates Private Law Practice through guided practice to build the necessary framework to allow students to demonstrate their knowledge of competencies. After the guided practice and lesson, students will generate a bank reconciliation statement and journalize corresponding entries for a scenario based on the information provided for Green Care Lawn Services.

Big Question: What is the importance of bank reconciliation?

Focused Questions:

- What documents are necessary to complete a bank reconciliation?
- What are the required steps to complete bank reconciliation?
- What information can be provided by completing a bank reconciliation statement?
- What steps need to be taken upon completion of a bank reconciliation statement to get company records up to date if any adjustments need to be made?

Student Project or Outcome: Preparation of Bank Reconciliation Statement and Journal Entries that are necessary to close out the month dated for November 2023 for Green Care Law Service.

Instructional Steps:

1. Begin the instructional lesson by showcasing the check processing/clearing flow chart ensuring that students know and can outline the check clearing process (having the ability to differentiate between an outstanding checking and a cancelled check) and its effect on the accounting process. Students should also be able to identify items that could be on a bank statement that would be unknown to a business. These items could include things such as interest income, service charges (i.e., maintenance fees), errors, and others.
2. Complete the Davidson Associates Private Law Practice–Bank Reconciliation Guided Lesson Simulation, going through all of the steps outlined in the note’s pages under **Teacher Resources**.
 - a. Students compare the bank statement of Davidson Associates to their own cash account, identifying the differences between the two documents, bank statement, and check registrar (Ledger Cash Book).
 - b. Complete the Bank Reconciliation Statement (*items that are displayed on the bank statement but not on the cash ledger of Davidson Associates will require journal entries in the general journal and require posting to the appropriate general ledger accounts).
 - c. Journalize items that are on bank statement that are not on cash ledger.
3. Students will then demonstrate their understanding of the bank reconciliation process by arranging a bank reconciliation statement for Green Care Lawn Service in addition to composing the corresponding journal entries required.

Teacher Resources: All the corresponding Microsoft Word and Microsoft Excel files needed for the lesson are attached.

- Bank Recon Open Notes.docx
- DABank Recon Guided Lesson KEY.xlsx
- DABank Recon Guided Lesson Student.xlsx
- GCLBank Recon Simulation KEY.xlsx
- GCLBank Recon Simulation Student.xlsx

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