sage

Bank Reconciliation
in Sage One Accounting

Contents

Introduction

Bank reconciliation is one of the most important processes in both bookkeeping and managing a business. There are different ways to handle bank reconciliation in Sage One:

- Manually, by printing out a bank statement and then checking off transactions one by one

- By importing a bank statement into Sage One

- Using live bank feeds

This guide will take you through each of these options.

What are Bank Feeds?

One of the greatest innovations in accounting, bank feeds can heavily reduce the amount of data entry in a business. The impact of bank feeds for small businesses is enormous. Accounting programs can automatically match a transaction in a bank feed with a sales invoice awaiting collection or a purchase invoice awaiting payment. This cuts out hours of manual data entry required to reconcile accounts.

They are a fast, simple way for you to reconcile your bank account on a much more regular basis.

In Sage One, we use indirect bank feeds via a third party aggregator, Yodlee.

Whilst this guide details all of the possible methods to reconcile the bank in Sage One, we recommend Sage One Bank Feeds as the most efficient and time saving method. However, which method you choose is completely up to you.

Bank Reconciliation

Bank reconciliation gives you the peace of mind that all your transactions have been accounted for and that your accounts are correct and up to date. Without this, it would be difficult to really know if your accounts were accurate. This can have a negative impact on important management reports such as your Profit & Loss.

By reconciling your bank regularly, you'll find it easier to identify any discrepancies such as unauthorised transactions. It's easy to see why most businesses will make sure they regularly reconcile their bank accounts.

Manual Reconciliation

You can use the bank reconcile option to match the bank transactions entered in Sage One Accounting with those on the statement from your bank. Reconciling these values means the bank balances and transactions in Sage One Accounting are accurate.

You should reconcile your bank account each time you receive a statement from your bank. Before reconciling your bank account you should make sure you've entered all of your transactions up to the end of your bank statement.

1. Banking > click relevant bank account link.

2. Connect to Bank drop-down > Reconcile.

3. Enter the following information:

Statement Date *	Enter the end date of the actual bank statement you're about to reconcile.
Statement End Balance *	Enter the ending balance from the bank statement.
Reference	Enter a reference for this reconciliation, for example, you could use the statement page number or date.

* These details are compulsory.

4. Check the bank account is correct > Apply.

If you previously started a bank reconciliation and saved it for later, the saved reconciliation appears. If you want to undo this reconciliation, amend the statement date and end balance as required and apply the changes > Interest and Charges drop-down menu > choose Unreconcile All Entries > OK.

5. Complete the bank reconciliation as follows:

- To reconcile all transactions at once > Interest and Charges drop-down menu > Reconcile All Entries.

- To reconcile transactions one at a time > for each transaction select the check box in the Reconciled? column.

- To unreconcile a single transaction matched in error > clear the check box in the Reconciled? column.

- To unreconcile all transactions at once if matched in error > Interest and Charges drop-down menu > Unreconcile All Entries.

- To record bank interest or charges > Interest and Charges > complete the relevant information > Save.

As you reconcile your transactions the reconciled balance adjusts. Once you've reconciled all of your transactions, the reconciled balance should match the target balance and the difference should be zero.

The starting balance is your last reconciled balance.

Manual Reconciliation cont.

6. Click Finish.

The reconciliation is not reversible. If required, you can save the reconciliation and return to it later, for example if you can't reconcile the difference to zero now. To save the reconciliation, from the Finish drop-down menu, choose Save for later.

7. To print details of the reconciliation, click Print.

Depending on your Internet browser, the report opens in a new window or tab. You can print the report from your browser menu bar then close the new window or tab.

You've successfully reconciled your bank account. When you view the bank activity a tick appears against the transactions in the reconciled column. You can view details of this and previous reconciliations from the Banking tab > click the required bank account > Reconciliations.

The bank activity shows all your bank transactions. If a transaction has previously been reconciled, a tick appears in the Reconciled? column.

What if a transaction doesn't appear as expected?

The Bank Reconciliation option only shows transactions that are currently unreconciled and are dated on or before the statement end date for the specified bank.

If a transaction doesn't appear:

- Check you've entered the correct statement date. Only transactions up to and including this date are available to reconcile. If the date is incorrect, enter the correct date > Apply > check the transaction appears.

- Check if the transaction has already been reconciled. To do this, save the reconciliation you've done so far by choosing Save for Later from the Finish drop-down menu. Activity > Refine > check the from and to date covers the date of the transaction and that transaction appears. If it does appear and there's a tick in the Reconciled? column, the transaction has already been reconciled.

- If the transaction doesn't appear on the bank activity, check the from and to date are correct. It may be possible the transaction was entered with a date outside the range. To make sure it hasn't been entered with an incorrect date, try entering a from date in the past to a date in the future, for example, 01/01/2000 to 31/12/2020. If the transaction has been entered with an incorrect date, save the reconciliation you've done so far by choosing Save for Later from the Finish drop-down menu. Activity > click the relevant transaction > amend the date > Save.

- If the transaction still doesn't appear, check the activity of your other bank accounts to make sure it hasn't been entered against a different account. If it has, delete the transaction then re-enter it using the correct account.

- If the transaction isn't showing against any of your other accounts, it's likely it hasn't yet been entered into Sage One. You should enter all of your transactions up to your statement end date before reconciling your bank account.

What if the difference isn't zero?

If you can't reconcile the difference to zero:

- Check the Statement End Balance is correct. If it isn't, enter the correct amount > Apply > check the difference is now zero.

- Ensure the correct transactions have been reconciled and none have been missed. If you've reconciled a transaction in error > clear the Reconciled? check box.

- Check the value of your reconciled transactions. If a transaction has been entered with the incorrect value > clear the Reconciled? check box. You can then save the reconciliation that you've done so far and return to the bank activity. From here you can click the relevant transaction and amend the value.

Importing a Bank Statement

As you've seen in the previous section, manual bank reconciliation usually involves going through each transaction on your bank statement and matching it against the information in your accounts. Depending on the number of transactions, this can be quite time consuming and it's easy to make mistakes.

Completing a bank reconciliation in Sage One is much easier using the bank statement import option. This feature is available to all Sage One customers, and is compatible with banks that produce bank statements in a QIF or OFX file format. We advise you to contact your banking provider to see if this option is available to your business. Import your bank statement and Sage One will automatically match the transactions on your statement with your accounts. This will make your business more efficient by saving time and reducing human error.
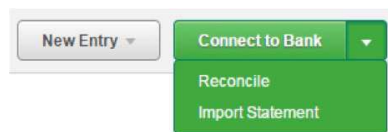
This feature is a smart bank reconciliation tool. For example, if you have a transaction appearing on your bank statement but not in your Sage One Accounting, you will be given the option to create a bank payment or receipt based on that transaction. The intuitive software will both speed up your bank reconciliation and quickly help to resolve any discrepancies.

You are also able to easily reconcile your foreign currency transactions in Sage One Accounting. A foreign currency transaction will always show up in your bank account in Sage One in Pounds Sterling. Use live exchange rates so the transaction in your accounts will exactly match your statement, saving you from calculating the conversion rate yourself.

If you've linked your bank account to a bank feed, the Import Statement option doesn't appear. You must unlink the bank account to turn off bank feeds before you can use the Import Statement option.

To download your bank statement

To import your statements, you must download them from your online banking service as QIF or OFX files.

When you download your file, depending on your Internet browser, it may automatically download to your Downloads folder, or alternatively you'll be prompted to save the file.

If you choose to save the file, we recommend saving it to your C drive rather than your desktop as this can affect the file type. You should also make a note of the statement end balance, as you need to enter this to help you reconcile your statement to your Sage One entries. If you need help downloading your file, please contact your online banking service provider.

To import your bank statements, you must log in as the owner. The owner is the person who first signed up to Accounting.

To import your bank statement

1. Banking > click relevant bank account link.

2. Import Statement.

3. Depending on your Internet browser, click Browse or Choose File > browse to the location in which you saved your bank statement file > click the file > Open.

4. Enter the following information:

Enter the statement end balance*	Enter the ending balance from the bank statement.
Enter the statement reference	Enter a reference for this reconciliation, for example, the statement date.

5. Click Upload.

Your transactions are imported and each item appears on a different line, ready to process.

To discard a bank statement imported in error, you must discard each entry > Complete > Finish.

To process your imported data

For each transaction, you can choose to:

Match	Sage One automatically matches existing payments or receipts recorded on the same day for the same value. • If the match found is correct > Match. • If the match isn't correct > to remove the match, choose Create, Transfer or Discard as appropriate. • If Sage One can't match the transaction > Find Match. Sage One checks the amount and date against existing transactions and lists any that match. • Select the check box for the relevant transaction > Confirm match.
Create	Use this option to create the transaction in Sage One. Enter the following details, then click Create: • Create transaction for – If applicable, enter the contact's name, as you type a list of your contacts appears > choose the relevant contact. • Account – Choose the ledger account you want to record this payment or receipt against. • Reference – This is the same as the reference on your statement, however you can change this. • VAT rate – Choose the relevant VAT rate. This option only appears if you're registered for VAT.
Transfer	Use this option to transfer the value from or to the selected bank account. Enter the following details, then click Transfer: • Transfer From or Transfer To – Choose the relevant bank account. • Reference – This is the same as the reference on your statements, however you can change this.
Discard	If you've already entered the transaction and you don't want to import it > click the discard button > Yes.

Once you've imported the transactions into Sage One, to save time they're automatically marked as **cleared in the bank.**

Bank feeds

In order to save even more time, you can choose the third reconciliation option – Sage One Bank Feeds.

Bank feeds are a quick and easy way to record your transactions and reconcile your bank all in one go. After you link your bank to Sage One, your banking transactions will automatically be imported into your accounts. You will only have to assign your customer/supplier accounts, nominal codes and VAT codes and you're good to go.

The more transactions you import, the easier it becomes to use. The software will begin to recognise similar transactions and will pre-empt and prepopulate those details, so bookkeeping will become a validation rather than a data entry process. Watch this introductory video about bank feeds in Sage One.

Watch this introductory video about bank feeds in Sage One.

Service and security

Bank feeds is an optional service and is provided by Yodlee, a third party online banking solution provider. Yodlee connects to your online bank account and retrieves statement and account transaction information for you to use with Sage One.

Sage One doesn't store your online banking credentials, these are stored by Yodlee.

Yodlee are certified as a **Payment Cards Industry (PCI) Level 1 Service Provider** and have **EU Privacy Safe Harbor certification.** For more information about data security, please visit **www.yodlee.com**

If your online banking service uses multi-factor authentication security, they must enter their security key or passcode when they set up bank feeds and before downloading transactions.

We recommend your confirms with their online banking provider if using bank feeds compromises the terms and conditions of their service.

Before setting up bank feeds

You can link a bank feed to current, savings and credit card bank account types in Sage One. You can't link to a Loan, Cash in hand or Other account type.

You can download transactions from the last 90 days. If you need transactions that are more than 90 days old, you can **import your bank statement**, or enter the transactions manually before continuing.

If you're in the middle of importing a bank statement, you should complete this first to avoid duplicating transactions. If you're part way through **reconciling your bank account** you should complete this.

It's important to consider the date you want to start using bank feeds and import transactions from. Ideally you should choose the day after the date you last reconciled your bank up to. If you enter a date before this, the transactions are included in the import but you can discard them.

To set up bank feeds

1. Banking > select the bank account you'd like to connect to > Connect to Bank.

[●○ Connect to Bank]

2. Read the terms and conditions > select I accept the Terms and Conditions check box.

3. Click Continue.

4. Enter the name of your bank > Search.

5. Select your bank > enter your online banking credentials.

These are the same details you use to log in to your online banking website.
If your online banking service uses multi-factor authentication security, you're requested to enter further security details.

6. Click Add.

Sage One verifies your credentials and lists your online bank accounts.

7. Close > select the account you want to link to > Continue.

8. Enter the date you want to import transactions from > Finish.

Your transactions are downloaded and each item appears on a different line, ready to process.

Incoming Bank Transactions
Review your statement lines from your bank then match, create or transfer transactions into Sage One. ⊙

RBS ✎ ✐ 5454656565654 78-76-76	Last imported: 10 days ago ↻	**2** Transactions		£9,044.78 DagBank balance	£18,957.00 Sage One balance
✕ Mon Jan 14, 2013 DESC -£3,103.00	Match Create Transfer	For: Select a contact What: General Expenses ▾	Reference: DESC VAT rate: Standard ▾	-£3,103.00	Create
✕ Wed Jan 16, 2013 DESC £3,465.00	Match Create Transfer	For: Daniel McDonald What: Sales Type A ▾	Reference: DESC VAT rate: Standard ▾	£3,465.00	Create

To process downloaded transactions

The process is now exactly the same as for **Bank Statement Import.**
For each downloaded transaction, you can choose to Match, Create,
Transfer or Discard.

Once you've imported the transactions into Sage One, to save time they're
automatically marked as **cleared in the bank.**

To download new transactions

1. Banking > click new transactions for the required bank account.

If your online banking service uses multi-factor authentication security,
you will be requested to enter your security details – you'll have to perform
this action before you can continue processing transactions.

Transactions that appear on your statement since you last imported then
appear. You can match, create transfer or discard as appropriate. For more
information, please see the previous section.

To refresh bank feeds

Bank feeds can be manually refreshed, once every 15 minutes.

1. Banking > click the refresh button for the relevant bank account.

If your online banking service uses multi-factor authentication security, you must enter your security details before the bank feed refreshes each time.

The bank feeds refreshes and any new transactions are downloaded.

For a video walkthrough on bank feeds functionality in Sage One Accounting, **click here.**

Frequently asked questions

To help you with any bank feeds queries you may have, we've put together a list of common questions.

Does activating bank feeds compromise the terms and conditions of my online banking service?

We recommend that you confirm with your online banking service provider whether using a bank feed compromises the terms and conditions of use.

Where are my online banking log in details stored?

Your online banking service credentials are held by Yodlee, a third party company. Your details are not stored in your Sage One service, or by Sage.

Yodlee are certified as a Payment Cards Industry (PCI) Level 1 Service Provider and have EU Privacy Safe Harbor certification. For more information about data security, please visit www.yodlee.com

What is multi-factor authentication?

This is an extra level of security many banks require when you log in to your online banking service. You're requested to enter further security details, for example a security code, pin number or passcode, when using bank feeds and downloading transactions.

Can I set up a bank feed for more than one bank account?

Yes, you can set up a bank feed for as many accounts as you wish.

Why should I allow cookies?

Some websites or web pages do not work as expected unless you accept cookies. For example, you may not be able to log in to a website, even though you're using your correct details.

To avoid problems linking to your online banking service, you should check if your PC, laptop or iPad settings allow cookies from other websites, including Sage One.

For more information on how to allow cookies, please visit the relevant website depending on your Internet browser: **Safari, Chrome, Mozilla Firefox,** and **Internet Explorer.** If you use any other Internet browser, please refer to your browser help system.

How do I turn off bank feeds?

If you decide you no longer want to use bank feeds, you must unlink your bank from Sage One.

1. Banking > Manage account drop-down > Disconnect bank account.

2. To confirm > click Disconnect.

Disconnecting your bank doesn't remove any transactions from the Sage One bank account.

How do I turn my bank feeds back on if I've turned it off?

If you disconnect a bank account, you need to set up the bank feed again. You should follow the steps to set up bank feeds. If you re-connect a bank feed to a previously connected bank, you can choose this from the Existing bank drop-down list, or select a different bank.

What should I do if I open a new bank account?

If you move to a different bank and open a new bank account, you must turn off the bank feed for your old account and set up a new one.

You must also be set up for online banking with your new bank and know your online banking credentials.

Follow the steps on how to turn off bank feeds and set up a bank feed again for your new bank account.

Can I control another user's access to bank feeds?

If you're the owner of the Sage One Accounting service you can restrict access to the bank within User Settings for the selected user.

How can I check if my feed is working?

You can check from our bank feed status page. We update this daily to confirm the status of bank feeds from different providers. We recommend that you bookmark this page.

How do I fix common bank feed errors?

To help you to resolve common bank feed errors, you can check common error codes for further information and troubleshooting tips.

Should you require any further assistance please contact us on our website **www.tectanet.co.uk**

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