

## CHAPTER 4: CASH MANAGEMENT

### Objectives

The objectives are:

- Describe the Bank Account Card.
- Demonstrate the process for entering and posting payments received from customers.
- Demonstrate the process for entering and posting payments to vendors.
- Explain and demonstrate the process of financially voiding a check.
- Review the Bank Account Reconciliation window and the options for populating the bank reconciliation lines.
- Demonstrate how to process a bank reconciliation.

### Introduction

Cash management in Microsoft Dynamics® NAV 2009 is used to manage the company's bank accounts.

One of the main features of cash management is the Bank Account Card, which contain all company's bank details, on the Bank Account Card, users can perform the following:

- Processing payments received from customers
- Processing payments to vendors
- Voiding posted checks (referred to as financial voiding)

In addition to these procedures, users must become familiar with the **Bank Acc. Reconciliation** window and the bank reconciliation process, this will ensure that transactions always are reconciled and the user can follow the balances on the bank accounts.

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**NOTE:** To successfully perform all demonstrations in this course, a clean Microsoft Dynamics NAV 2009 database must be used.

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## Bank Account Overview

For each transaction made in Microsoft Dynamics NAV 2009 using a bank account, the system will post a entry in the bank account ledger. The bank account posting group assigned to each bank account enables the program to post the related G/L entries with the transaction.

In addition, if the user make a manual or computer check payments, the system post a entry to the check ledger to record the check transaction and the current status of the check.

Each bank account has its own card that contains information, such as the following:

- Name, address, and contact information
- Account numbers
- Posting specifications
- International banking
- Wire transfers

### Bank Account window

To access the **Bank Account** window from the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Bank Accounts**.

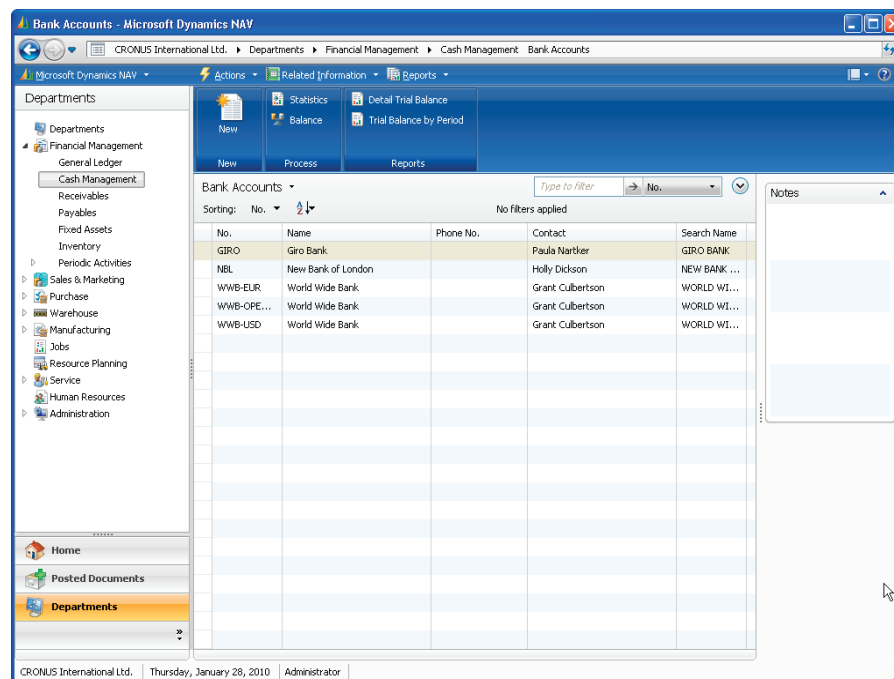


FIGURE 4.1 BANK ACCOUNT WINDOW

## Bank Account Card

Double-click on the bank account to see the Bank Account Card.

The screenshot displays the 'Edit - Bank Account Card - GIRO - Giro Bank' window. The 'General' tab is selected, showing the following fields:

- No.:** GIRO
- Name:** Giro Bank
- Address:** 2 Bridge Street
- Address 2:**
- Post Code:** W1 3AL
- City:** London
- Country/Region Code:**
- Phone No.:**
- Contact:** Paula Nartner
- Bank Branch No.:** GO284033
- Bank Account No.:** 14-55-678
- Search Name:** GIRO BANK
- Balance:** -196,645.00
- Balance (LCY):** -196,645.00
- Min. Balance:** 0.00
- Our Contact Code:** JR
- Blocked:** ☐
- Last Date Modified:** 9/16/2008

The 'Communication' tab shows:

- Phone No.:**
- Fax No.:**
- E-Mail:** giro.bank@cronuscorp.net
- Home Page:**

The 'Posting' tab shows:

- Currency Code:**
- Last Check No.:**
- Transit No.:**
- Last Statement No.:**
- Balance Last Statement:** 0.00
- Bank Acc. Posting Group:** LCY2

The 'Transfer' tab shows:

- Bank Branch No.:** GO284033
- Bank Account No.:** 14-55-678
- Transit No.:**
- SWIFT Code:**
- IBAN:** GB 80 RBOS 161732 41116737

FIGURE 4.2 BANK ACCOUNT CARD

## General FastTab

The **General** FastTab contains all the general information about the bank where the account is held such as the:

- Name
- Address
- Main contact person at the bank
- Search name

In addition to this information, the **General** FastTab includes the following fields:

- **No.** - A unique identifier to represent the bank account. This field is not used to specify the bank account number.

- **Bank Branch No.** - The alphanumeric code used to represent the bank branch number for the bank account. All banks have a number series that specifies the branch of the bank the account was opened.
- **Bank Account No.** - The bank account number that is used by the bank.
- **Balance and Balance (LCY)** - These fields are flow fields that calculate the current bank balance based on the bank ledger entries.
- **Min. Balance** - The minimum balance the bank account can have. The amount is in the currency of the bank account and can be positive or negative.
- **Our Contact Code** - The contact person in the user's company responsible for the bank account. In the program, this must be someone set up in the Salespeople/Purchasers window.
- **Blocked** - If selected, prevents the bank account from being used in transactions.

### Communication FastTab

The **Communication** FastTab contains the following information:

- Telephone and fax numbers
- E-mail
- Home page addresses for the bank

### Posting FastTab

The **Posting** FastTab contains the following fields:

- **Currency Code** - The currency for the bank account. Be aware that you can only make check payments in the currency of the bank account.
  - If the **Currency Code** field of a bank account is blank, you can only make check payments in local currency (LCY) for that account. If a currency code is selected in this field, only use this bank account to receive and make payments in the currency selected in this field.
  - If a currency code is not selected, you can receive payments by using any currency including LCY. Non-check payments can use any currency including LCY. You can only make check payments in LCY.
- **Last Check No.** - If you are using checks, specify the last check number that is used. The program updates this number every time that a new check is created.
- **Transit No.** - An alphanumeric code used to represent the bank where the account is held, such as a transit number.

- **Last Statement No** - The statement number of the last Bank Account Statement reconciled in the program.
- **Balance Last Statement** - The statement ending balance of the last Bank Account Statement reconciled in the program.
- **Bank Acc. Posting Group** - The posting group assigned to this bank account. Microsoft Dynamics NAV 2009 uses this to post the related G/L entries for each transaction by using the bank account.

### Transfer FastTab

The **Transfer** FastTab contains the following fields needed to make transfers to and from the bank account:

- **Bank Branch No.** - Defaults from the **General** FastTab
- **Bank Account No.** - Defaults from the **General** FastTab.
- **Transit No.** - Defaults from the **Posting** FastTab.
- **SWIFT Code** - The international bank identifier code assigned to the bank. SWIFT Codes are typically used in automatic payment transactions.
- **IBAN** - The bank account's International Bank Account Number (IBAN). The program checks whether the IBAN entered has the correct format and length.

### Bank Account Card Action Pane

The Bank Account Card includes the following options on the Action Pane:

- **Cash Receipt Journal** - use to register and post payments from customers.
- **Payment Journals** - use to register and post payments to vendors
- **Statistics** - displays the current balance for the account in the bank account currency and LCY and comparative figures from prior periods
- **Statements** - displays the reconciled Bank Account Statements for this bank account.
- **Bank Account Reconciliation** - displays the Bank Acc. Reconciliation List, which is described later in this chapter.
- **List** - displays a list of all bank accounts in the system.
- **Detail Trial Balance** - displays options to print a detail trial balance for bank accounts.
- **Check Details** - displays options to print a detailed trial balance for selected checks.

### Bank Account Function

The Bank Account Card includes the function **Bank Acc.** To view the **Bank Acc.** function, click **Related Information** and point to **Bank Acc.** and the following options are available:

- **Statistics** - same function as on the Action Pane.
- **Comments** - displays or enters any detailed comments that relates to this bank account.
- **Dimensions** - displays or enters default dimensions for this bank account.
- **Balance** - displays the Bank Account Balance window; it shows the balance or net change in the bank account in the bank account currency and LCY over time.
- **Statements** - same function as on the Action Pane.
- **Ledger Entries** - displays bank account ledger entries for this bank account.
- **Check Ledger Entries** - displays only the check ledger entries for this bank account. Use this option to financially void checks, as described in the "Financially Voiding Checks" lesson in this course.
- **Contact** - displays the company contact card for this bank account. When you create a new bank account, the system also creates and links a Company contact card to the bank account.
- **Online Map** - displays information about what map to display in the online map. The online map is set up in the Online Map Parameter Setup Window.

### Create a Bank Account

To create a bank account, follow these steps:

1. In the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Bank Accounts**.
2. Click **New**.
3. In the **No.** field, enter a unique identifier for the bank account.
4. In the **Name** field, enter the name of the bank.
5. In the **Adress** field, enter the adress of the bank.
6. In the **Post Code** field, click the drop-down list and select the bank account's postal code. The **City** field is automatically populated.
7. In the **Country/Region Code** field, click the drop-down list and select the country/region where the bank account is located.
8. In the **Phone No.** field, enter the bank's telephone number.
9. In the **Contact** field, enter the name of the contact person in the bank.

10. In the **Bank Branch No.** field, enter the bank's branch number.
11. In the **Bank Account No.** field, enter the bank account number.
12. In the **Our Contact Code** field, click the drop-down list and select the person responsible in the company.
13. On the **Communication** FastTab, complete the information in the fields.
14. In the **Currency Code** field, click the drop-down list and select the bank account's currency.
15. Complete the **Last Check No.**, **Last Statement No.**, and **Balance Last Statement** fields.
16. In the **Bank Account Posting Group** field, click the drop-down list and select the appropriate posting group for this bank.
17. Complete the **Transit No.**, **SWIFT Code**, and **IBAN** fields.
18. Click **OK**.

## Lab 4.1 - Create a Bank Account

### Scenario

CRONUS International Ltd. recently opened a new account at the Super Krone Bank in Denmark. As the accounting manager, it is your responsibility to set up the bank account in Microsoft Dynamics NAV 2009 with the criteria shown in the following table.

Field	Value
Bank No.	SK Bank - DK
Address	1-3 Remouladevej
City	Vedbaek
Postal Code	DK-2950
Phone No.	46 75 75 34
Contact Name	Anne Hellung-Larsen
Bank Branch No.	2396824
Bank Account No.	9652833

Additionally, Linda Martin is the resource responsible for all interactions with this bank. The bank's currency is Danish Kroner (DKK) and the bank must be assigned to the Currencies posting group.

Close the **Bank Account Card** when you have finished the setup process.

### Challenge Yourself!

Create the bank account in the **Bank Account Card** window.

### Need a Little Help?

1. Open the **Bank Account Card**.
2. Insert a new record.
3. Complete each FastTab using the criteria specified in the scenario.



### Step by Step

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Bank Accounts**.
2. Click **New**.
3. In the **No.** field, enter SK Bank / DK.
4. In the **Name** field, enter Super Krone Bank.
5. In the **Address** field, enter Remouladevej 1-3.
6. In the **Post Code** field, click the drop-down list and select DK-2950 and then click **enter**.
7. In the **Country/Region Code** field, click the drop-down list and select DK from the list.
8. In the **Phone No.** field, enter 46 75 75 34 and then click **enter**.
9. In the **Contact** field, enter Ann Hellung/Larsen and then click **enter**.
10. In the **Bank Branch No.** field, enter 2396824 and then click **enter**.
11. In the **Bank Account No.** field, enter 9652833 and then click **enter**.
12. In the **Our Contact Code** field, click the drop-down list and select Linda Martin.
13. On the **Posting** FastTab, in the **Currency Code** field, click the **AssistButton** and select DKK.
14. In the **Bank Account Posting Group** field, click the drop-down list and select CURRENCIES.
15. Click **OK**.

## Entering and Posting Receivables Payments

In Microsoft Dynamics NAV 2009, payments received from customers are recorded in the Cash Receipt Journal.

The Cash Receipt Journal can be accessed from the following two areas on the Financial Management menu:

- Cash Management
- Receivables

In this lesson, the Cash Receipts Journal is accessed from the Cash Management folder.

Posting Date	Document ...	Document ...	Account Type	Account No.	Description
1/28/2010		G02001	G/L Account		

Account Name	Bal.	Account Name	Balance	Total Balance
World Wide Bank			0.00	0.00

FIGURE 4.3 CASH RECEIPT JOURNAL

The "Enter a Cash Receipt Payment" demonstration shows the most frequently used cash receipt payment capabilities including posting a full and a partial payment and posting an amount to the customer account.

A comprehensive description of the **Cash Receipt Journal** window and cash receipt payment processing is provided in the "Receivables Management" course of this Finance in Microsoft Dynamics NAV 2009 courseware.

### Demonstration: Enter a Cash Receipt Payment

**Scenario:** On January 14, 2010, Arnie, the accounts receivable administrator at CRONUS International Ltd. receives a payment from customer 10000, The

Cannon Group PLC. The following table shows the breakdown of the 63,269.04 payment.

Invoice/Document No.	Amount
00-16	30,000.00
103005	8,269.04
n/a	25,000.00

The 30,000 is a partial payment for Document No. 00-16 and the payment for Document No. 103005 is a full amount.

Because the 25,000 is not assigned to an invoice, Arnie decides to apply the amount to the customer account without applying it to a particular invoice.

The Cash Receipt Journal is used to post the payment.

### Steps: Enter a Cash Receipt Payment

To enter the payment for this customer, follow these steps:

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Receivables**, and then click **Cash Receipt Journals**.
2. In the **Batch Name** field, click the drop-down list and select Bank and then click **OK**.
3. In the **Posting Date** field, enter 01/14/10.
4. In the **Document Type** field, click the drop-down list and select Payment.
5. In the **Account Type** field, click the drop-down list and select Customer.
6. In the **Account No.** field, enter 10000.
7. In the **Amount** field, enter -63,269.04.
8. In the Action Pane, click **Apply Entries**.
9. In the line for **Document No.** 00-16, select the **Amount to Apply** field and enter 30000
10. Press **TAB** or **ENTER**. This is the partial amount applied to invoice 00-16.
11. Locate and select the line for **Document No.** 103005.
12. Click **Set Applies-to ID**. This is the full amount applied to invoice 103005.
13. Notice that the **Amount** field at the bottom of the window contains -25,000.00. This is the open amount to be posted to the customer account without being applied to an invoice.
14. Click **OK**.
15. Notice that the **Bal. Account No.** field is populated with the WWB-OPERATING bank account. This is set up on the Bank batch.

To post the Cash Receipt Journal, follow these steps:

1. Click **Post**.
2. Click **Yes** to post the journal lines.
3. Click **OK**.
4. Click **OK** to close the **Cash Receipt Journal**.

To review the entry posted to the bank account, follow these steps:

1. In the Cash Management folder, click Bank Accounts.
2. Locate and select bank account WWB-OPERATING.
3. Click **Related Information**, point to **Bank Acc.**, and then click **Ledger Entries**.
4. Locate the payment line dated 01/14/10 in the amount of 63,269.04. This entry represents the payment posted in the Cash Receipt Journal.
5. Close the **Bank Account Ledger Entries**.

To review the posted Customer Ledger Entries for this payment, follow these steps:

1. On the Financial Management menu, click **Receivables** and then click **Customers**.
2. Locate and select customer 10000, The Cannon Group PLC.
3. In the Action Pane click **Ledger Entries**.
4. Review the payment lines. Notice that the **Remaining Amount** field for the:
  - o Partly paid invoice (00-16) displays the unpaid amount of 3,852.35.
  - o Fully paid invoice (103005) displays a zero balance.
  - o Payment line dated 01/14/10 displays the open 25,000.00 credit that was not applied to any invoice.
5. Click **OK** to close the **Customer Ledger Entries**.

## Lab 4.2 - Apply and Post Cash Receipts

### Scenario

On January 28, 2010, you receive a payment from customer 30000, John Haddock Insurance Co., in the amount of 154,251.63. This payment is for the following invoices:

Invoice/Document No.	Amount
00-10	76,167.75
00-13	40,000.00
n/a	38,083.88

As the accounts receivable administrator for CRONUS International Ltd., it is your responsibility to apply and post this payment to this customer's invoices. Use the Bank batch for this posting.

After posting, review the posted customer ledger entries.

### Challenge Yourself!

1. Create the payment line for customer 30000.
2. Apply the full and partial payments.
3. Post the journal lines.
4. Review the customer ledger entries.

### Need a Little Help?

1. Open the Bank batch in the Cash Receipt Journal.
2. Create the payment line for customer 30000.
3. Open the **Apply Customer Entries** window.
4. Apply the full amount to **Document No.** 00-10.
5. Apply the partial payment to **Document No.** 00-13.
6. Verify the unapplied amount to post to the customer account.
7. Close the **Apply Customer Entries** window.
8. Post the journal lines.
9. Open the **Customer Card** window.
10. Access the **Customer Ledger Entries** window.
11. Review the posted entries for this payment.

### Step by Step

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Receivables**, and then click **Cash Receipt Journals**.
2. Make sure that the Bank batch is selected.
3. In the **Posting Date** field, enter 01/28/10.
4. In the **Document Type** field, click the drop-down list and select Payment.
5. In the **Account Type** field, click the drop-down list and select Customer.
6. In the **Account No.** field, enter 30000.
7. In the **Amount** field, enter -154,251.63.
8. In the Action Pane, click **Apply Entries**.
9. Locate and select the line for **Document No.** 00-10.
10. In the Action Pane click **Set Applies-to ID**.
11. Locate and select the line for **Document No.** 00-13.
12. Click the **Amount to Apply** field and then enter 40000.
13. Verify that the **Balance** field at the bottom of the window is 38,083.88.
14. Click **OK**.
15. Click **Post**.
16. Click **Yes** to post the journal lines.
17. Click **OK**.
18. Close the **Cash Receipt Journal** window.
19. On the **Financial Management** menu, click **Receivables** and then **Customers**.
20. Locate and select customer 30000, John Haddock Insurance Co.
21. Click **Ledger Entries**.
22. Review the posted entries. Notice that:
  - **Document No.** 00-10 has a **Remaining Amount** of 0.00.
  - **Document No.** 00-13 has a **Remaining Amount** of 40,399.29.
  - The payment line posted on 01/28/08 has a **Remaining Amount** of 38,083.88.
23. Close the **Customer Ledger Entries** and **Customer Card** windows.

### Entering and Posting Payables Checks

In Microsoft Dynamics NAV 2009, payments to vendors are created and posted in the Payment Journal with the Payment Journal:

- Handwritten checks are quickly recorded and posted.

- Printed computer checks for open invoices can be entered:
  - Manually
  - Using the Suggest Vendor Payments batch job

The Payment Journal can be accessed from the following two areas on the Financial Management menu:

- Cash Management
- Payables

In this lesson, the Payment Journal is accessed from the Cash Management folder.

Posting Date	Document ...	Document ...	External D...	Account Type	Account No.	Description
1/28/2010				G/L Account		

Account Name	Bal. Account Name	Balance	Total Balance
	World Wide Bank	0.00	0.00

FIGURE 4.4 PAYMENT JOURNAL

The "Post Manual Checks" demonstration explains the most frequently used payment capabilities, specifically entering checks manually and using the Suggest Vendor Payments batch job. A comprehensive description of the **Payment Journal** window and payment processing is provided in the

"Payables Management" course of this Finance in Microsoft Dynamics NAV 2009 courseware.

**Scenario:** April, the accounts payable coordinator at CRONUS International Ltd., is informed of two checks that were handwritten in January, as shown in the following table.

Vendor	Date	Check No.	Amount	Applies to
10000	01/21/10	1201	8245.76	Document No. 108019
50000	01/28/10	1203	1500.00	Deposit for future work

April enters and posts these checks in the Payment Journal as manual checks.

### Steps: Post Manual Checks

To enter and apply the first manual check, follow these steps:

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Payment Journals**.
2. In the **Batch Name** field, click the drop-down list and select Bank.
3. Click **OK**.
4. In the **Posting Date** field, enter 01/21/10.
5. In the **Document Type** field, click the drop-down list and select Payment.
6. In the **Document No.** field, enter 1201.
7. In the **Account Type** field, click the drop-down list and select Vendor.
8. In the **Account No.** field, enter 10000.
9. Click **Apply Entries**.
10. Click the line for **Document No.** 108019.
11. Click **Set Applies-to ID**.
12. Click **OK**.
13. Notice that the **Amount** field is populated with the amount of the invoice: 8245.76.
14. Make sure that the **Bal. Account No.** field contains the WWB-OPERATING bank account. This is set up on the Bank batch.
15. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.

To enter the second manual check and post the Payment Journal, follow these steps:

1. Click the next line.
2. In the **Posting Date** field, enter 01/28/10.
3. In the **Document No.** field, enter 1203.
4. In the **Account No.** field, enter 50000.



5. In the **Amount** field, enter 1500.
6. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.
7. Click **Post**.
8. Click **Yes** to post the journal lines.
9. Click **OK**.
10. Close the **Payment Journal**.

To review the posted entries to the bank account, follow these steps:

1. In the Cash Management page, click Bank Accounts.
2. Locate and select bank account WWB-OPERATING.
3. Click **Related Information**, point to **Bank Account**, and then click **Check Ledger Entries**.

Check No. 1201 and 1203 represent the manual checks posted to this bank account.

4. Click **Close** in the **Check Ledger Entries** window.

To review the posted entries to the vendors, follow these steps:

1. On the **Financial Management** page, click **Payables** and select **Vendors**.
2. Locate and select vendor 10000.
3. Click **Ledger Entries**.
4. Locate the payment line dated 01/21/10 and the line for Document No. 108019.

Because a full payment was applied completely to the invoice, the Remaining Amount field on both lines display 0.00.

5. Close the **Vendor Ledger Entries** window.
6. Locate and select vendor 50000.
7. Click **Ledger Entries**.
8. Locate the payment line dated 01/28/10. Because this payment was not applied to a specific invoice, the **Remaining Amount** field displays the full amount of the payment.
9. Close the **Vendor Ledger Entries** window.

**Scenario:** On the fifteenth of each month, April, the accounts payable coordinator, pays invoices for local vendors. Today is January 15, 2010, and she must run the Suggest Vendor Payments batch job:

- For all open entries that are due on or before January 25, 2010.

- For local vendors.
- To search for payment discounts.

The checks are printed to create a single check for each vendor.

### Steps: Suggest Vendor Payments for Local Vendors

To run the Suggest Vendor Payments batch job for all local vendors, follow these steps:

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then select **Payment Journals**.
2. Make sure that the Bank batch is selected.
3. Click **Suggest Vendor Payments**.
4. Open the **Options** FastTab.
5. In the **Last Payment Date** field, enter 01/25/10.
6. Click the **Find Payment Discount** check box.
7. In the **Posting Date** field, enter 01/15/10.
8. In the **Starting Document No.** field, enter CH001.
9. In the **Bal. Account Type** field, click the drop-down list and select Bank Account.
10. In the **Bal. Account No.** field, click the drop-down list and select WWB-OPERATING and then click **OK**.
11. In the **Bank Payment Type** field, click the drop-down list and select Computer Check.
12. In the **Vendor** FastTab, click the Payment Method Code drop-down list .
13. Point to **Additional Columns** and locate and select **Country/Region Code**.
14. In the **Enter a value** field for the **Country/Region Code** line, drop-down list and select GB.
15. Click **OK**.
16. Click **OK** to the message that asks if you still wants to run the batch job, because the payment date is earlier than 01/28/10.
17. Click **OK** to the message that suggested vendor payments lines for all currencies that have been created.

To print checks to a file, follow these steps:

1. In the **Payment Journal** with the checks ready to print, click **Print Check**.
2. On the **Options** FastTab, in the **Bank Account** field, click the **AssistButton** and select WWB-OPERATING.

3. Click the **Last Check No.** field and it is populated with the last check number that is used for the World Wide operating bank account.
4. Click the **One Check per Vendor per Document No.** check box.
5. Click **Print**.
6. In the **Check - Print** window, click the **Print to file** check box to insert a check mark.
7. Click **OK**.
8. In the **Output File Name** field, enter 011510.
9. Click **OK**.

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*The printed check lines have been updated, depending on the printing set up, images of the printed checks may appear in the Microsoft Office Document Imaging window.*

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Review the printed checks (if applicable) and check lines:

- If the printed checks appear, notice that:
  - One check is printed for each vendor.
  - Document numbers and amounts of the entries are individually displayed on the check stubs.
- On the check lines in Microsoft Dynamics NAV, notice that:
  - The **Document No.** field is updated with the next check numbers from the selected bank account.
  - A balancing bank account entry is inserted for each vendor payment for the full amount of the payment.
  - The **Bank Payment Type** on the suggested lines is blank and the balancing bank account entry line is populated with Computer Check.

To post the printed checks, follow these steps:

1. Click **Post**.
2. Click **Yes** to post the journal lines.
3. Click **OK**.
4. Close the **Payment Journal**.

To review the posted entries to the bank account, follow these steps:

1. In the Cash Management page, click Bank Accounts.
2. Locate and select bank account WWB-OPERATING.

3. Click **Related Information**, point to **Bank Account**, and then click **Check Ledger Entries**.

Check no. 200 posted on 01/15/10 represent the printed computer check posted to this bank account.

4. Close the **Check Ledger Entries**.

To review the posted entries to the vendors, follow these steps:

1. On the **Financial Management** menu, click **Payables** and then select **Vendors**.
2. Locate and select vendor 10000.
3. Click **Ledger Entries**.
4. Locate the lines for document no. 5578 and 5672 and the payment lines for check number 200 dated 01/15/10.

Because both invoices were completely paid, the **Remaining Amount** field on all lines display 0.00.

5. Close the **Vendor Ledger Entries** window.

### Bank Account Currency Restrictions on Payments

The currency of the bank account can limit the currency of payments that are made by using the bank account. The following table provides a summary of currency restrictions for bank accounts.

Bank Account Currency Code	Bank Payment Type = Computer Check or Manual Check	Bank Payment Type = Blank
Blank (LCY)	Checks are only printed for LCY payment lines. Only LCY payment lines post.	Payment lines with any currency code including LCY post.
Currency Code	Checks are only printed for payment lines with the same currency code as the bank account. Only payment lines with the same currency code as the bank account post.	Only payment lines with the same currency code as the bank account post.

## Lab 4.3 - Enter and Post Manual Checks

### Scenario

In January, two manual checks were written:

- To vendor 10000, London Postmaster:
  - On 01/08/10, check number 1200
  - In the amount of 8,132.00 for **Document No.** 108018.
- To vendor 60000, Grassblue Ltd.:
  - On 01/23/10, check number 1202
  - In the amount of 2,850.00 for a delivery that required payment on delivery.

The invoice for the check to vendor 60000 still has not been received but because it is nearing the end of the month, the check must be recorded.

As the accounts payable coordinator at CRONUS International Ltd, it is your responsibility to apply and post these manual checks to the world-wide operating bank account, by using the Bank batch.

### Challenge Yourself!

1. Enter both manual checks in the **Payment Journal**.
2. Apply the second check to the invoice as stated in the scenario.
3. Post the journal.

### Need a Little Help?

1. Open the **Payment Journal**.
2. Enter the first check and do not apply to any invoice.
3. Enter the second check.
4. Open the **Apply Vendor Entries** window.
5. Apply the payment to the invoice stated in the scenario.
6. Post the journal.

### Step by Step

1. On the **Financial Management** menu, click **Cash Management** and then click **Payment Journals**.
2. Make sure that the Bank batch is selected.
3. In the **Posting Date** field, enter 01/08/10.

4. In the **Payment Type** field, click the drop-down list and select Payment.
5. In the **Document No.** field, enter 1200.
6. In the **Account Type** field, click the drop-down list and select Vendor.
7. In the **Account No.** field, enter 10000.
8. Click **Apply Entries**.
9. Click the line for **Document No.** 108018.
10. Click **Set Applies-to ID**.
11. Click **OK**.
12. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.
13. Click the next line.
14. In the **Posting Date** field, enter 01/23/10.
15. In the **Document No.** field, enter 1202.
16. In the **Account No.** field, enter 60000.
17. In the **Amount** field, enter 2850.
18. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.
19. Click **Post**.
20. Click **Yes** to post the journal lines.
21. Click **OK**.

## Lab 4.4 - Suggest Vendor Payments for a Single Vendor

### Scenario

On the twenty-fifth of each month, the **Suggest Vendor Payments** batch job is run for vendor 30000, CoolWood Technologies, for any credit memos and all payments due by the end of the month. It is January 25, 2008, and as the accounts payable coordinator, it is your responsibility to run the batch job by using the following criteria:

- Use the Bank batch.
- Have the batch job search for payment discounts.
- Use Starting Document No. CWT 012508.

After you run the batch job:

- Print a single check for all invoices to a file that is named CWTChecks 012508.
- Post the checks.

---

**HINT:** Filter the vendor on the **Vendor FastTab** of the **Suggest Vendor Payments** batch job.

---

### Challenge Yourself!

1. Set up the **Suggest Vendor Payments** batch job as stated in the scenario.
2. Run the batch job.
3. Print the check as stated in the scenario.
4. Post the journal.

### Need a Little Help?

1. Open the Bank batch on the **Payment Journal**.
2. Set the filter for vendor 30000, CoolWood Technologies.
3. Set up the Options tab as stated in the scenario, make sure that the WWB-OPERATING bank account is used.
4. Run the batch job.
5. Print the check as stated in the scenario.
6. Post the journal.

### Step by Step

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Payment Journals**.
2. Make sure that the Bank batch is selected.
3. Click **Suggest Vendor Payments**.
4. Enter the following information on the **Options** FastTab.
  - In the **Last Payment Date** field, enter 01/31/10.
  - Make sure that the **Find Payment Discounts** check box is checked.
  - In the **Posting Date** field, enter 01/15/10.
  - In the **Starting Document No.** field, enter CWT 012508.
  - In the **Bal. Account Type** field, click the drop-down list and select Bank Account.
  - In the **Bal. Account Type** field, click the drop-down list and select the WWB-OPERATING bank.
  - In the **Bank Payment Type** field, click the drop-down list and select Computer Check.
5. On the **Vendor** FastTab, click **Add Filter** and point to **No**.
6. In the **Enter a value** field, enter 30000.
7. Clear any other filters on this FastTab.
8. Click **OK** to run the batch job.
9. Click **OK** to the message about currencies.
10. Click **Print Check**.
11. In the **Options** FastTab.
  - Make sure that the **Bank Account** field is set to WWB-OPERATING.
  - Make sure that the **One Check per Vendor per Document No.** check box is checked.
12. Click **Print**.
13. In the **Check - Print** window, click the **Print to file** check box to insert a check mark.
14. Click **OK**.
15. In the **Output File Name** field, enter CWTChecks 012508.
16. Click **OK**.
17. Close the **Microsoft Office Document Imaging** window if it appears.



18. In Microsoft Dynamics NAV 2009, click **Post**.
19. Click **Yes** to post the journal lines.
20. Click **OK**.
21. Close the **Payment Journal**.

### Financially Voiding Checks

A posted check that must be voided is known as a financial void. When financially voiding a check, make sure that all financial transactions that result from the check payment are also cancelled. Microsoft Dynamics NAV 2009 provides functionality that enables users to:

- Unapply and void the check and transactions.
- Void the check only.
- Enter a date to use for the void.

In Microsoft Dynamics NAV 2009, financial voids are made from the Bank Account Card.

---

***NOTE:** Voiding unposted checks is described in the "Payables Management" course of this Finance in Microsoft Dynamics NAV 2009 courseware.*

---

### Demonstration: Financially Voiding a Check

**Scenario:** On January 31, 2010, April, the accounts payable coordinator at CRONUS International Ltd., posts a manual check to vendor 10000, London Postmaster, for invoice 108023.

Three weeks later, she receives a call from the accounts receivable clerk at London Postmaster, stating that payment on invoice 108023 is past due. April tells the vendor that check number 1204 was sent three weeks ago and must have been lost in the mail. She tells the vendor that a new check will be cut and sent by overnight delivery.

April contacts Phyllis, the accounting manager at CRONUS International Ltd., and asks Phyllis to financially void the check so that a new check can be issued.

As soon as the check is financially voided, Phyllis quickly reviews the entries to verify that all transactions have been successfully voided and notifies April that the check can be reissued.

---

***NOTE:** To provide a clean demonstration environment, most of the steps noted in this scenario are performed.*

---

### Steps: Financially Voiding a Check

In this part of the demonstration, the manual check for London Postmaster is posted.

1. On the Navigation Pane, click the **Departments** button. click **Financial Management**, click **Cash Management**, and the select **Payment Journals**.

2. Make sure that the Bank batch is selected.
3. Click **OK**.
4. In the **Posting Date** field, enter 01/31/10.
5. In the **Document Type** field, click the drop-down list and select Payment.
6. In the **Document No.** field, enter 1204.
7. In the **Account Type** field, click the drop-down list and select Vendor.
8. In the **Account No.** field, enter 10000.
9. Click **Apply Entries**.
10. Click the line for **Document No.** 108023.
11. Click **Set Applies-to ID**.
12. Click **OK**.
13. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.
14. Click **Post**.
15. Click **Yes** to post the journal lines.
16. Click **OK** to the message that the lines have been successfully posted.
17. Close the **Payment Journal** window.

In this part of the demonstration, check 1204 to vendor 10000 is financially voided. The date that the check is voided is February 21, 2010.

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then select **Bank Accounts**.
2. Locate and select bank WWB-OPERATING.
3. Click **Related Information**, point to **Bank Acc.**, and then select **Check Ledger Entries**.
4. Locate and select check number 1204.
5. Notice that the **Entry Status** field is set to Posted.
6. Click **Related Information**, point to **Check** and then click **Void Check**; the **Confirm Financial Void** window appears.
7. In the **Void Date** field, enter 02/21/10.
8. Verify that the **Type of Void** field has the **Unapply and void check** option selected.
9. Click **Yes**.
10. Notice that the **Entry Status** field is set to Financially Voided.
11. Close the **Check Ledger Entries** window.

In this part of the demonstration, the:

- Vendor Ledger Entries are reviewed to verify that the check was correctly voided on the vendor.
- Payment Journal is used to verify that the invoice (Document No. 108023) is available for repayment.

To review the vendor ledger entries and invoice availability, follow these steps:

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Payables**, and then select **Vendors**.
2. Locate and select vendor 10000, London Postmaster.
3. Click **Ledger Entries**.
4. Notice that the line for check 1204 is displayed as voided on 02/21/10.
5. Close the **Vendor Ledger Entries** window.
6. In the Navigation Pane, click **Payables** and then select **Payment Journals**.
7. In the **Account No.** field, click the drop-down list and select 10000.
8. Click **Apply Entries**, notice that Document No. 108023 is displayed as an open invoice, ready for payment.
9. Close the **Apply Vendor Entries** window.
10. Delete the line and then close the **Payment Journal** window.

## Lab 4.5 - Financially Void a Check

### Scenario

In Lab 4.3, a manual check (number 1200) was posted to London Postmaster in the amount of 8,132.00 for invoice 108018. On January 29, 2010, the payables clerk at London Postmaster calls to find out the status of the payment. You review the payments for this vendor and say that the check was sent weeks ago. As a result, you are asked to resubmit payment.

As the accounting manager, you financially void the check in the World Wide Bank operating account by using the following criteria:

- Void date of 01/29/10.
- Review the Bank Ledger Entries for the voided check, by using Field filters.

The check is resubmitted by the accounts payable coordinator in the next check run.

### Challenge Yourself!

1. Void check number 1200 by using the information specified in the scenario.
2. Access the **Bank Account Ledger Entries**.
3. Review the check and voided check entries.
4. Close the open windows.

### Need a Little Help?

1. Open the **Bank Account Card** for the World Wide Bank operating account.
2. Access the **Check Ledger Entries**.
3. Void check number 1200 by using the information specified in the scenario.
4. Access the **Bank Account Ledger Entries**.
5. Press **F7** in the **Document No.** field to filter on check number 1200.
6. Review the check entries.
7. Close the open windows.

### Step by Step

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then select **Bank Accounts**.
2. Locate and select bank WWB-OPERATING.
3. Click **Related Information**, point to **Bank Acc.** and then select **Check Ledger Entries**.
4. Locate and select check number 1200.
5. Click **Related Information**, point to **Check** and then select **Void Check**.
6. In the **Void Date** field, enter 01/29/10.
7. Verify that the **Type of Void** field has the **Unapply and void check** option selected.
8. Click **Yes**.
9. Close the **Check Ledger Entries** window.
10. Click **Related Information**, point to **Bank Acc.** and then select **Ledger Entries**.
11. Set the **Filter** field to **Document No.**
12. In the **Type to filter** field enter 1200 and press search.
13. Review the two check entries. Notice that the date for the line of the voided check is 01/29/10.
14. Close the **Bank Account Ledger Entries** window.

### Bank Reconciliation

Bank accounts maintained in Microsoft Dynamics NAV 2009 must be reconciled regularly. The Bank Reconciliation feature is used to check the bank ledger entries and the balance on the accounts against the statement from the bank.

This lesson explains the **Bank Account Reconciliation** window and then describes the process of populating the Bank Reconciliation lines to prepare for the "Complete a Bank Reconciliation" demonstration.

### Bank Acc. Reconciliation Window Overview

The **Bank Acc. Reconciliation** window can be accessed by clicking the **Departments** button, clicking **Financial Management**, clicking **Cash Management**, selecting **Bank Account Reconciliations**, and then clicking **New**.

**General**

Bank Account No.:  Balance Last Statement:

Statement No.:  Statement Ending Balance:

Statement Date:

**Lines**

Transaction...	Type	Description	Statement Am...	Applied Amount	Difference
	Bank Accou...		0.00	0.00	0.00

Balance:

Total Balance:

Total Difference:

OK

FIGURE 4.5 BANK ACCOUNT RECONCILIATION

This window contains three areas:

- Action Pane
- General FastTab
- Lines FastTab

The General FastTab on the **Bank Acc. Reconciliation** window is used to enter information about the bank account and the bank statement. This includes the following fields:

- **Bank Account No.** - bank account code of the account to be reconciled.

- **Statement No.** - number of the bank account statement.  
After a statement number is entered and the bank reconciliation is posted, Microsoft Dynamics NAV 2009 updates the statement number with the next consecutive number the next time that a bank reconciliation for this bank account is performed.
- **Statement Date** - date on the bank account statement.
- **Balance Last Statement** - ending balance shown on the last bank statement that was used in the last posted bank reconciliation for this bank account.
- **Statement Ending Balance** - ending balance shown on the bank statement.

---

***NOTE:** The reconciliation lines cannot be posted unless the amount in this field agrees with the amount in the **Total Balance** field.*

---

### Bank Account Reconciliation Window - Lines

The lines in this FastTab are where users perform the actual reconciliation by entering and adjusting the posted transactions and the transactions on the bank statement until they agree with one another.

The lines include the following fields:

- **Transaction Date** - posting date of the bank account or check ledger entry on the reconciliation line when the **Suggest Lines** function is used.
- **Type** - type of ledger entry or a difference to be reconciled on this line. The options are as follows:
  - Bank Account Ledger Entry: Used to reconcile an entry from a bank account ledger.
  - Check Ledger Entry: Used to reconcile an entry from a check ledger.
  - Difference: Used to record an amount in the bank reconciliation that is not posted in Microsoft Dynamics NAV to balance the reconciliation.
- **Description** - description for the transaction on the reconciliation line.
- **Statement Amount** - amount of the transaction on the bank's statement shown on the reconciliation line.
- **Applied Amount** - amount of the transaction on the reconciliation line that was applied to a bank account or check ledger entry.
- **Difference** - difference between the amount in the **Statement Amount** field and **Applied Amount** field for the reconciliation line.



When you use the **Choose Column** feature, the following fields are available in the lines:

- **Value Date** - value date of the transaction on the bank reconciliation line.
- **Document No.** - document number that is specified on the original bank account ledger entry.
- **Check No.** - check number (specified as the Document No.) used on the original check ledger entry.
- **Applied Entries** - specifies whether the transaction on the bank's statement on this reconciliation line is applied to one or more bank account or check ledger entries

The **Bank Acc. Reconciliation** Action Pane contains the following buttons:

- **Suggest Lines** - provides access to **Suggest Bank Acc. Reconciliation** batch job.
- **Transfer to General Journal** - provides access to **Trans. Bank Rec. to Gen. Jnl.** batch job.
- **Post** - used to post the bank reconciliation.
- **Post and Print** - used to print and post the bank reconciliation.
- **Apply Entries** - used to automatically apply all the transactions on the bank statement.

The action pane provides access to a window used to apply either bank account or check ledger entries. The window that is used is determined by whether you select the line **Type** when you click the **Apply Entries** button or not.

From the **Related Information** menu the **Recon.** button is available, which provides access to the **Bank Account Card**.

### Populating Bank Reconciliation Lines

The transactions on the bank's statement must be entered on the reconciliation lines. There are two methods that are available to populate the lines:

- Manually
- Using the **Suggest Bank Acc. Recon. Lines** batch job

Typically, the batch job is used to suggest open bank account and check ledger entries in Microsoft Dynamics NAV 2009 and entries not in the system are entered manually, including but not limited to:

- Bank fees
- Interest earned or charged
- Transaction adjustments

All the transactions on the bank's statement must be applied to the bank account or check ledger entries on the relevant bank account. The batch job makes these applications automatically, whereas any manual entries must be applied by using the **Apply Entries** button.

Accessed from the Action Pane on the **Bank Acc. Reconciliation** window, the **Suggest Bank Acc. Recon. Lines** batch job includes the following fields:

- **Starting Date** - the starting posting date for the ledger entries to be reconciled.  
Leave blank to have the batch job suggest all open or unreconciled bank account and check ledger entries.
- **Ending Date** - populated automatically with the **Statement Date** entered in the header of the **Bank Acc. Reconciliation** window.
- **Include Checks** - if selected, the batch job suggests Check Ledger Entries instead of the corresponding bank account ledger entries.  
This option fills in the **Check No.** field on the reconciliation line.

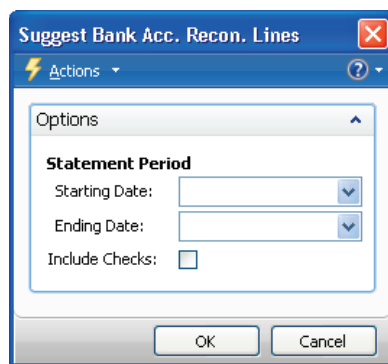


FIGURE 4.6 SUGGEST BANK ACC. RECON. LINES

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**NOTE:** Typically, the range that is specified in the Starting and Ending Date fields is the same as the date range of the bank statement.

---

### Test Your Knowledge: Bank Reconciliation Window

1. To post the Bank Reconciliation, which fields must balance? (Select all that apply)
  - ( ) Statement Ending Balance
  - ( ) Balance
  - ( ) Statement Balance
  - ( ) Total Balance

2. The amount in the Difference field is based on which two fields?

- ☐ Statement Amount
- ☐ Applied Amount
- ☐ Total Balance
- ☐ Balance

### Test Your Knowledge: Bank Reconciliation Lines

What methods are used to populate the Bank Reconciliation lines and when is each typically used?

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### Demonstration: Complete a Bank Reconciliation

The main steps in reconciling a bank account in Microsoft Dynamics NAV 2009 are as follows:

1. Fill in the Bank Reconciliation.
2. Update Bank Reconciliation lines.
3. Record incorrect transaction amounts.
4. Post the Bank Reconciliation.

In this demonstration, each step of the bank reconciliation process is completed.

April the Account Payable assistant is reconciling the bank accounts every fourteen days.

In this demonstration, April finishes each step of the reconciliation process for the WWB-OPERATING bank account for the period 01/14/10 through 01/31/10.

---

**NOTE:** To successfully perform this demonstration, each demonstration and Labs 4.2 through 4.5 in the Cash Management section must be completed.

---

### Step 1: Filling in the Bank Reconciliation

The first step of the bank reconciliation process is to fill in the bank reconciliation header and lines.

**Scenario:** April opens the **Bank Acc. Reconciliation** window, fills in the header, and then uses the Suggest Line function to populate the reconciliation lines.

To fill in the Bank Reconciliation header, follow these steps:

1. On the Navigation Pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and the select **Bank Account Reconciliations**.
2. Click **New**.
3. In the **Bank Account No.** field, click the drop-down list and select the WWB-OPERATING account.
4. In the **Statement Date** field, enter 01/31/10.
5. In the **Statement Ending Balance** field, enter -1,281,892.77.

The **Statement No.** and the **Balance Last Statement** fields are automatically populated based on the information on the Bank Account Card.

---

***NOTE:** If this is the first bank statement and reconciliation for the account, manually enter the statement number. The program automatically fills in the **Statement No.** and **Balance Last Statement** for all future reconciliations.*

---

### Populate and Review the Bank Reconciliation Lines

Use the Suggest Lines function to automatically populate the Bank Reconciliation lines with transactions posted to the bank account.

To fill in the Bank Reconciliation lines using the Suggest Lines function, follow these steps:

1. With the Bank Reconciliation header completed, click **Suggest Lines**; the **Suggest Bank Acc. Recon. Lines** window appears.
2. Leave the **Starting Date** field empty.
3. Do not change the **Ending Date** field.
4. Click the **Include Checks** check box to insert a check mark.
5. Click **OK**.
6. Use the **Choose Column** feature to add the following fields:
  - Value Date
  - Document No.
  - Check No.
  - Applied Entries

The suggested reconciliation lines consist of all open ledger entries on the bank account for the period specified in the **Suggest Bank Acc. Recon. Lines** batch job.

The Suggest Lines process also applied the reconciliation lines automatically to the corresponding ledger entries. To verify the applications for each reconciliation line:

1. Select the line to review.
2. Click the **Applied Entries** field to view the applied entries.
3. Close the **Bank Account Ledger Entries** or **Check Ledger Entries** window.

To review the bank ledger entry or check ledger entry that the reconciliation line is applied to:

4. Select the reconciliation line.
5. Click **Apply Entries**.  
A check mark is automatically inserted in the **Applied** field on the ledger entry when the reconciliation lines are suggested.
6. Close the **Apply Bank Acc. Ledger Entries** or **Apply Check Ledger Entries** window.

### Step 2: Updating the Bank Reconciliation Lines

If all the suggested reconciliation lines match the bank statement transactions for the corresponding date range, post the reconciliation.

In a typical business situation however, the following differences occur:

- Transactions entered into the bank account in Microsoft Dynamics NAV 2009 are not on the bank statement.
- Transactions on the bank statement are not in Microsoft Dynamics NAV 2009.
- Transactions in the bank account and on the bank statement correspond to one another but are recorded differently.

These differences must be reconciled before the reconciliation process can be completed.

Typically, the first step in reconciling these differences is to remove transactions entered in the program that do not appear in the bank statement. Examples of these transactions are as follows:

- Checks sent to vendors that have not been presented at the bank.
- Cash or checks that have been received and entered in the system but not deposited and cleared in your bank account.

After removing transactions that do not appear on the bank statement, add the lines for bank-related transactions, such as fees or interest. Because these transactions are not in the program, they must be:

- Added manually to the bank reconciliation lines.
- Posted using a general journal.

As soon as reconciliation lines have been removed or added, adjust any existing lines to match the bank statement as needed. For example, when a single entry appears on the bank statement for multiple entries in Microsoft Dynamics NAV 2009, it may be necessary to:

- Remove the lines from the bank reconciliation.
- Enter a line to match the entry from the bank statement.
- Apply the existing entries to the new line in the bank reconciliation.

To explain how to accommodate the differences between the entries recorded in Microsoft Dynamics NAV 2009 and the bank statement, this lesson includes the following processes of updating bank reconciliation lines:

- Removing transactions not in the bank statement.
- Posting transactions recorded by the bank.
- Applying bank transactions to multiple entries.

### Removing Transactions Not in the Bank Statement

**Scenario:** After filling in the bank reconciliation header and lines, April compares the bank statement to the bank reconciliation lines to find entries in Microsoft Dynamics NAV 2009 that do not appear on the bank statement.

Date	Description	Amount	Reason
01/03/10	Check No. 1200	-8,132.00	Check not received by vendor, was financially voided
01/17/10	Bank Transfer	-3,070.45	Posted as a single transfer; adjusted in a later step
01/17/10	Bank Transfer	-1,489.07	Posted as a single transfer; adjusted in a later step
01/23/10	Doc. No. 2603	-77,302.30	Not cleared by the bank by 01/31/10.
01/24/10	Doc. No. 2605	-121.57	Incorrect amount, check was cleared by the bank as 211.57

Date	Description	Amount	Reason
01/29/10	Doc. No. 1200	8,132.00	Voiding entry for check number 1200
01/31/10	Check No. 1204	-15,846.00	Not cleared by the bank by 01/31/10.

The following items are removed from the bank reconciliation:

- **Document No.** BANK1 and BANK2, because they do not match the transfer amount on the bank statement. These items are addressed in the Applying Bank Transactions to Multiple Entries section.
- **Document No.** 2603 in the amount of -77,302.30, because it has not cleared the bank account by 01/31/10. Then, it will appear in the next bank reconciliation.
- **Check No.** 1204 in the amount of -15,845.00, because it has not cleared the bank account by 01/31/10. This check was financially voided in February; therefore, it has to be available for the next reconciliation so you can assign it to the voiding check entry.

The following items are not removed from the bank reconciliation:

- **Check No.** 1200 and Document No. 1200.
  - The check did not clear in the previous bank reconciliation. This is why it appears in this one.
  - Because the corresponding voiding check entry (Document No. 1200) does appear, these two entries will remain in the reconciliation so that they can be posted and closed.
- **Document No.** 2605 is an incorrect amount that will be corrected in the journal and has to remain in the reconciliation.

To remove the entries, follow these steps:

1. In the **Bank Reconciliation** window, select both bank transfer lines (**Document No.** BANK1 and BANK2).
2. Right-click the lines and point to **Delete Lines**.
3. Click **Yes** to delete the lines.
4. Locate and select the line for the -77,302.30 amount (**Document No.** 2603).
5. Right-click the lines and point to **Delete Lines**.
6. Click **Yes** to delete the lines.
7. Locate and select the line for the -15,845.00 amount (**Check No.** 1204).

8. Right-click the lines and point to **Delete Lines**.
9. Click **Yes** to delete the lines.

The next step is to add bank transactions to Microsoft Dynamics NAV 2009.

### Posting Transactions Recorded by the Bank

**Scenario:** April now looks at the entries on the bank statement that do not appear in Microsoft Dynamics NAV 2009. There is one for interest charged in the amount of 2,178.83. April must enter this interest charge in Microsoft Dynamics NAV 2009 to continue with the reconciliation process. This process includes the following:

- Entering the line in the bank reconciliation.
- Transferring the line to a general journal.
- Posting the general journal.
- Applying the posted entry to the reconciliation line.

To enter the interest amount, follow these steps:

1. At the bottom of the **Bank Acc. Reconciliation** window, insert a new line.
2. In the **Transaction Date** and **Value Date** fields, enter 01/31/10.
3. Make sure that the **Type** is set to Bank Account Ledger Entry.
4. In the **Description** field, enter Interest, January 2010.
5. In the **Statement Amount** field, enter -2,178.83.
6. Press **TAB** or **ENTER**.

---

**NOTE:** If **Document No.**'s are not specified in the General Journal used by the bank reconciliation, enter a value into the **Document No.** field. If **Document No.**'s are specified in the General Journal, do not enter a value in this field because the general journal will not post.

---

The following fields are affected by this transaction line:

- The **Applied Amount** and **Applied Entries** fields are zero because it has not been applied to an entry in the Bank Account Ledger Entries.
- The **Difference** field on the line contains the amount entered in the **Statement Amount** field because it has not been applied to an entry.
- The **Total Difference** field at the bottom of the window also contains the difference.



The bank reconciliation cannot be posted unless the contents of the **Total Difference** field is either:

- Equal to zero
- The sum of the **Statement Amounts** from all reconciliation lines with a Type of Difference

To achieve either of these results, the new transaction line must be transferred to a General Journal and posted.

The **Trans. Bank Rec. to Gen. Jnl.** batch job transfers all bank reconciliation lines that have a:

- **Type** of Bank Account Ledger Entry.
- Nonzero balance in the **Difference** field.

To transfer the new lines to a General Journal, follow these steps:

1. In the **Bank Acc. Reconciliation** window, click **Transfer to General Journal**.
2. In the **Gen. Journal Template** field, click the drop-down list and select GENERAL.
3. In the **Gen. Journal Batch** field, click the drop-down list and select the DEFAULT and then click **OK**.
4. Click **OK** to transfer the entry to the General Journal.

The next step is to open the General Journal and post the interest entry. To post the line in the General Journal, follow these steps:

1. In the Navigation Pane, on the **Financial Management** menu, click **General Ledger** and then select **General Journals**.
2. In the **Batch Name** field, click the drop-down list and select DEFAULT.
3. Click **OK**.
4. If other lines appear in the batch, delete all lines except for the interest entry with a **Posting Date** of 01/31/10.
5. In the **Document Type** field, click the drop-down list and select Payment. This indicates that the journal involves a cash payment.
6. In the **Bal. Account No.** field, enter 9210, because this entry is interest due on revolving credit.
7. Click **Post**.
8. Click **Yes** to post the journal lines.
9. Click **OK**.
10. Close the **General Journal** window.

The final step in posting the interest transaction is to apply the line in the bank reconciliation to the posted general journal entry.

To apply the interest entry in the bank reconciliation, follow these steps:

1. On the **Bank Acc. Reconciliation** window, make sure that the interest entry line is selected.
2. Click **Apply Entries**.
3. Click the line for interest entry, posted on 01/31/10.
4. Click the **Applied** field to insert a check mark.
5. Click **OK**.

The following fields are affected by this process:

- The **Applied Amount** field now contains -2,178.83.
- The **Applied Entries** field now contains a 1, specifying a single application is made for this entry.
- The **Difference** field for the line contains 0.00.

Because the **Total Difference** field is now zero, the interest reconciliation line no longer prevents the bank reconciliation from being posted.

### Applying Bank Transactions to Multiple Entries

If a single transaction on the bank statement corresponds to multiple separate bank account ledger entries in Microsoft Dynamics NAV 2009, these ledger entries can be applied to the reconciliation line for the bank statement transaction.

**Scenario:** April notices that the bank recorded the two bank transfers dated 01/17/10 in the amounts of -3,070.45 and -1,489.07 as a single amount of -4559.52 on 01/20/10. To make the bank reconciliation entry match the bank statement, April creates a single bank transfer entry and then applies the existing bank transfer entries.

To apply multiple existing entries to a single entry, follow these steps:

1. In the lines of the **Bank Acc. Reconciliation** window, click **New**.
2. In the **Bank Account No.** click the drop/down list and select **WWB-OPERATING**
3. In the **Transaction Date** field, enter 01/20/10.
4. Make sure that the **Type** is set to Bank Account Ledger Entry.
5. In the **Description** field, enter Bank Transfers 01/17/10.
6. In the **Document No.** field, enter BANK1, BANK 2.
7. With the new line selected, click **Apply Entries**.
8. Click the **Applied** field for both Bank Transfer lines.
9. Click **OK**.

Both the **Statement Amount** and **Applied Amount** fields are populated with the amount of -4,559.52, the total of both transfer lines. The **Difference** field on the line and **Total Difference** on the window are still 0.00. The reconciliation line will not stop the bank reconciliation posting process.

### Step 3: Recording Incorrect Transaction Amounts

If a bank statement contains an incorrect transaction:

- The transaction cannot be applied to a ledger entry.
- The bank reconciliation cannot be posted.

**Scenario:** April also notices that the bank accidentally recorded the payment of 121.57 for the Accounting Systems Hotline as a payment of 211.57. Because of this error:

- When the bank reconciliation lines were suggested, the amount 121.57 was suggested and applied to the bank ledger entry entered correctly in the program.
- The **Statement Ending Balance** of -1,281,892.77 is based on a withdrawal of 211.57. Therefore, the reconciliation cannot be posted.

To resolve this issue, April decides to make adjustments in the bank reconciliation and contact the bank later to report the error.

To resolve the incorrect bank statement line, follow these steps:

1. In the **Bank Acc. Reconciliation** window, select the line for **Document No. 2605** the Payment, Accounting Systems Hotline, 2010.
2. In the **Type** field, click the drop-down list and select Difference.
3. Click **Yes** to delete the application.

By removing the application:

- The ledger entry is still open when the bank reconciliation is posted, similar to usual outstanding deposit entries.
- The **Total Difference** field shows an amount of -121.57, but as long as this amount is equal to the sum of all lines where the **Type** field is **Difference**, the bank reconciliation can be posted.

However, the bank reconciliation cannot post until the amount for the reconciliation line is equal to the incorrect amount in the bank statement. You can correct this by using either of the following methods:

- Adjust the **Statement Amount** to equal the amount on the bank statement, in this case, -211.57.
- Add a line for the difference of the two amounts.

For this demonstration, a line is added for the difference of the two amounts.

To add a line for the difference between the two amounts, follow these steps:

1. In the lines right-click and select **New Line**.
2. In the **Transaction Date** and **Value Date** fields, enter 01/31/10.
3. In the **Document No.** field, enter 2605, the same as the original line.
4. In the **Type** field, click the drop-down list and select **Difference**.
5. In the **Description** field, enter **Correction, Document No. 2605**.
6. In the **Statement Amount** field, enter -90.00.

With either method, there is still an open ledger entry for -121.57 that must be applied when the bank corrects the error, typically during the next bank reconciliation.

When you record transaction differences with this method:

- The advantage is that the correct G/L bank account balances are retained in the program.
- The disadvantage is that as soon as the reconciliation is posted, users cannot determine whether the differences have been resolved or if subsequent errors in the bank statement are corrections of previous errors.

### Step 4: Posting the Bank Reconciliation

The final step in the bank reconciliation process is posting. Before posting, you must verify the following information in the **Bank Acc. Reconciliation** window:

- The value in the **Statement Ending Balance** field must equal the value in the **Total Balance** field.
- The **Total Difference** field equals the sum of all lines with the **Type** field set to **Difference**.

You can confirm these requirements by printing the **Bank Account Statement - Test report**. To print this report, follow these steps:

1. Click **Test Report**.
2. Click **Preview**.
3. Review and then close the report.

**Scenario:** April finishes all the steps of the bank reconciliation process, and after running the test report to verify all posting requirements, she posts the reconciliation.

1. Click **Post**.
2. Click **Yes** to post the reconciliation.
3. Close the **Bank Acc. Reconciliation** window.

### Reviewing the Posted Bank Reconciliation

As soon as the reconciliation is posted:

- Related bank account ledger entries are modified by:
  - Removing the check mark in the **Open** field.
  - Adding the bank statement number.
  - Creating a posted Bank Account Statement.

**Scenario:** After posting the bank reconciliation, April reviews the bank account entries and the posted statement.

To view the bank account entries and statement, follow these steps:

1. In the **Cash Management** page, click Bank Accounts.
2. Locate and select the WWB-OPERATING account.
3. Click **Related Information**, point to **Bank Acc.**, and then click **Ledger Entries**.
4. Notice that the only entries marked as **Open** are:
  - Those that were deleted from the **Bank Acc. Reconciliation** window.
  - The incorrect entry for -121.57 that was unapplied.
  - The entry dated 02/21/10, which is not part of this reconciliation.
5. Close the **Bank Account Ledger Entries** window.
6. Click **Related Information**, point to **Bank Acc.**, and then click **Statements**.
7. Double-click the line for **Statement No. 26**.
8. Review the statement and then close the **Bank Account Statement** and **Bank Account Card** windows.

### Test Your Knowledge: Bank Reconciliation

Put the following steps in order to complete a bank reconciliation in Microsoft Dynamics NAV 2009.

Step:

- \_\_\_\_\_ : Fill in the Bank Reconciliation lines.
- \_\_\_\_\_ : Enter corrections for any incorrect transaction amounts.
- \_\_\_\_\_ : Remove transactions not in the bank statement.
- \_\_\_\_\_ : Post the Bank Reconciliation.
- \_\_\_\_\_ : Fill in the Bank Reconciliation header.
- \_\_\_\_\_ : Enter and post bank-related transactions not in Microsoft Dynamics NAV 2009.

### Test Your Knowledge: Posting Bank-Related Transactions

Put the following steps in order to post bank-related transactions in the bank statement that are not in Microsoft Dynamics NAV 2009.

Step:

- \_\_\_\_\_ : Transfer the new line to General Journal.
- \_\_\_\_\_ : Reopen the Bank Reconciliation window.
- \_\_\_\_\_ : Open the relevant General Journal.
- \_\_\_\_\_ : Apply the line to the posted entry.
- \_\_\_\_\_ : Enter the debit or credit in the Bank Reconciliation window.
- \_\_\_\_\_ : Complete and post the transferred journal line.

### Summary

Cash Management is a important aspect of Microsoft Dynamics NAV 2009 because it manage all the payments in a company. Understanding how to use the banking features and reconciliation process provides an increased awareness of a company's financial status.

Cash Management is provide a Bank Account Card for each bank account in a company, from this card user can follow the payments process from customers and/or to vendors.

Using the Check functions in Cash Management, ensure a secure process when a company use checks for payment and also when a company have to void a check.

It is important for a company always to know the company's financial status and that the bank accounts are reconciled, the bank reconciliation process in Microsoft Dynamics NAV 2009 ensure that transactions always are reconciled and the user can follow the balances on all the bank accounts.

## Test Your Knowledge

1. When you post a manual or computer check, what is posted to record the check transaction and the current status of the check?
  - ☐ Bank Account Ledger Entry
  - ☐ Detailed Bank Account Ledger Entry
  - ☐ Check Ledger Entry
  - ☐ Detailed Check Ledger Entry
2. On the Bank Account Card, what enables the program to post the related G/L entries for each transaction by using the bank account?
  - ☐ Posting Account No.
  - ☐ Bank Acc. Posting Group
  - ☐ Bank Account No.
  - ☐ Bank Acc. G/L Group
3. What can be posted in the Payment Journal? (Select all that apply)
  - ☐ Bank transfers
  - ☐ Handwritten checks
  - ☐ Electronic payments
  - ☐ Computer checks
4. Which of the following must occur before you post a bank reconciliation? (Select all that apply)
  - ☐ The Bank Account Statement - Test Report is printed.
  - ☐ The Total Difference field equals the sum of all lines with the Type field set to Difference.
  - ☐ The value in the Statement Ending Balance field must equal the value in the Total Balance field.
  - ☐ All entries are applied.
5. Which of the following actions occur as soon as the bank reconciliation is posted? (Select all that apply)
  - ☐ The check mark in the Open field is removed for all posted entries.
  - ☐ A posted Bank Reconciliation Statement is created for the relevant bank account.
  - ☐ A new Bank Reconciliation Statement is automatically created for the next bank reconciliation.
  - ☐ The Bank Statement No. is registered on all posted entries.



### Fill in the Blanks

Fill in the blanks to test your knowledge of this section.

6. The \_\_\_\_\_ Vendor Payments batch job automatically populates the Payment Journal based on specified criteria.
7. A posted check that must be voided is referred to a \_\_\_\_\_ void.
8. If a bank account's Currency Code is blank, check payments can only be made in \_\_\_\_\_ for that account.
9. Payments from customers are entered as \_\_\_\_\_ amounts in the Cash Receipt Journal.
10. The Suggest \_\_\_\_\_ function is used to automatically populate the Bank Reconciliation with posted transactions.

## Quick Interaction: Lessons Learned

Take a moment and write down three key points you have learned from this chapter

1.

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2.

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3.

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## Solutions

### Bank Reconciliation

#### ***Test Your Knowledge: Bank Reconciliation Window***

1. To post the Bank Reconciliation, which fields must balance? (Select all that apply)

- ☒ Statement Ending Balance
- ☐ Balance
- ☐ Statement Balance
- ☒ Total Balance

2. The amount in the Difference field is based on which two fields?

- ☒ Statement Amount
- ☒ Applied Amount
- ☐ Total Balance
- ☐ Balance

#### ***Test Your Knowledge: Bank Reconciliation Lines***

What methods are used to populate the Bank Reconciliation lines and when is each typically used?

##### MODEL ANSWER:

Lines are entered manually or automatically by using the Suggest Lines function. Typically, the system populates the lines with open bank account and check ledger entries automatically by using the Suggest Lines function; lines not in Microsoft Dynamics NAV 2009 are entered manually.

## **Demonstration: Complete a Bank Reconciliation**

### ***Test Your Knowledge: Bank Reconciliation***

Put the following steps in order to complete a bank reconciliation in Microsoft Dynamics NAV 2009.

Step:

- 2   : Fill in the Bank Reconciliation lines.
- 5   : Enter corrections for any incorrect transaction amounts.
- 3   : Remove transactions not in the bank statement.
- 6   : Post the Bank Reconciliation.
- 1   : Fill in the Bank Reconciliation header.
- 4   : Enter and post bank-related transactions not in Microsoft Dynamics NAV 2009.

### ***Test Your Knowledge: Posting Bank-Related Transactions***

Put the following steps in order to post bank-related transactions in the bank statement that are not in Microsoft Dynamics NAV 2009.

Step:

- 2   : Transfer the new line to General Journal.
- 5   : Reopen the Bank Reconciliation window.
- 3   : Open the relevant General Journal.
- 6   : Apply the line to the posted entry.
- 1   : Enter the debit or credit in the Bank Reconciliation window.
- 4   : Complete and post the transferred journal line.

### Test Your Knowledge

1. When you post a manual or computer check, what is posted to record the check transaction and the current status of the check?
  - ☐ Bank Account Ledger Entry
  - ☐ Detailed Bank Account Ledger Entry
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2. On the Bank Account Card, what enables the program to post the related G/L entries for each transaction by using the bank account?
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  - ☒ Bank Acc. Posting Group
  - ☐ Bank Account No.
  - ☐ Bank Acc. G/L Group
3. What can be posted in the Payment Journal? (Select all that apply)
  - ☐ Bank transfers
  - ☒ Handwritten checks
  - ☐ Electronic payments
  - ☒ Computer checks
4. Which of the following must occur before you post a bank reconciliation? (Select all that apply)
  - ☐ The Bank Account Statement - Test Report is printed.
  - ☒ The Total Difference field equals the sum of all lines with the Type field set to Difference.
  - ☒ The value in the Statement Ending Balance field must equal the value in the Total Balance field.
  - ☐ All entries are applied.
5. Which of the following actions occur as soon as the bank reconciliation is posted? (Select all that apply)
  - ☒ The check mark in the Open field is removed for all posted entries.
  - ☒ A posted Bank Reconciliation Statement is created for the relevant bank account.
  - ☐ A new Bank Reconciliation Statement is automatically created for the next bank reconciliation.
  - ☒ The Bank Statement No. is registered on all posted entries.

### ***Fill in the Blanks***

Fill in the blanks to test your knowledge of this section.

6. The Suggest Vendor Payments batch job automatically populates the Payment Journal based on specified criteria.
7. A posted check that must be voided is referred to a financial void.
8. If a bank account's Currency Code is blank, check payments can only be made in LCY for that account.
9. Payments from customers are entered as negative amounts in the Cash Receipt Journal.
10. The Suggest Lines function is used to automatically populate the Bank Reconciliation with posted transactions.