Orbit

Solving Cash Reconciliation Problems

Problems Caused by Value Dating
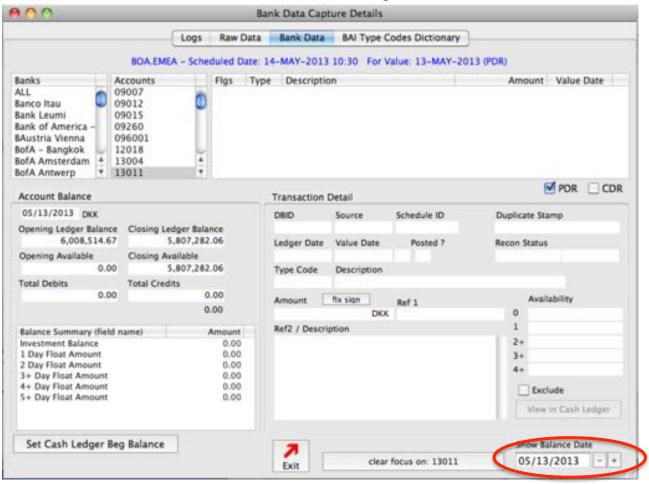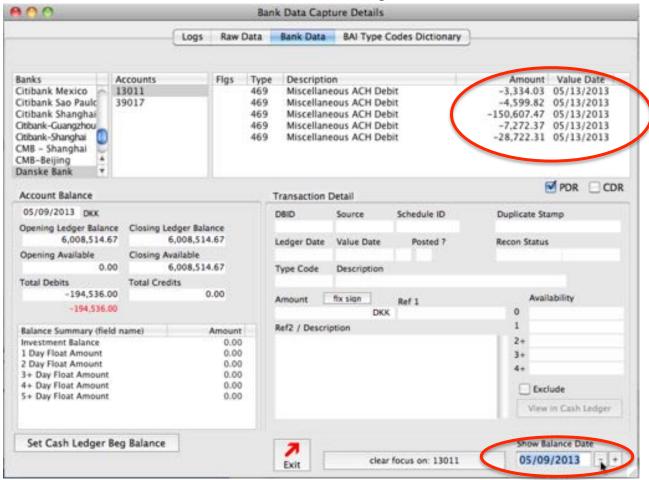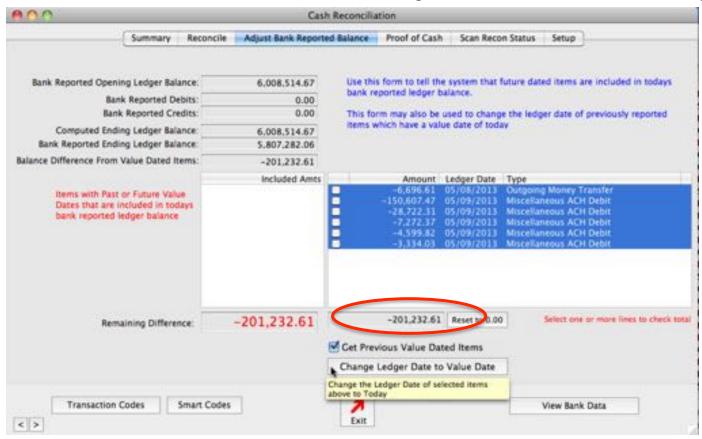

- This is an example for May 13 of a reconciliation problem that is likely caused by value-dating issues
- The beginning balances for Cash Ledger and Bank are equal. No activity is shown and yet, the bank reported ending balance does not agree with the bank ending balance computed by Orbit ?
- The first step to resolution is to look at what the bank reported
- Click the "View Bank Data" button located at the bottom of the "Proof of Cash" tab
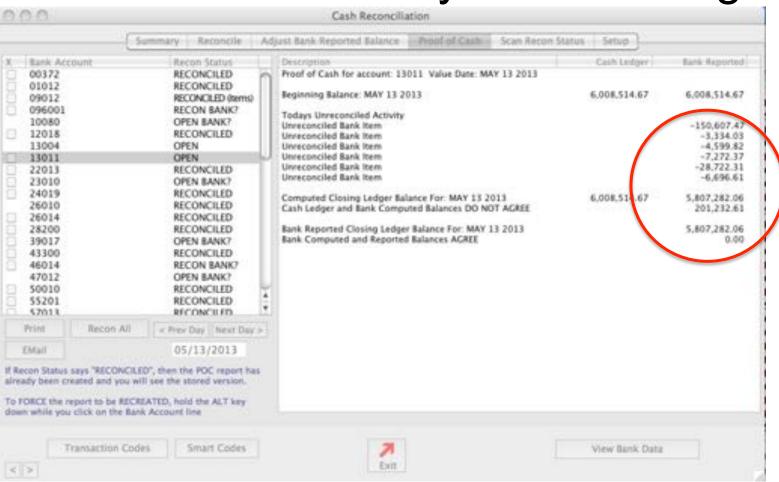
Problems Caused by Value Dating

- The bank reported data view confirms that the bank reported a change in the ledger balance from opening to closing, but does not show any activity
- What this tells us is that the bank must have reported the missing activity on a earlier date but with a value-date for today
- You can verify that by using the – button to step the bank data view back day by day looking for activity

Problems Caused by Value Dating

- On May 9 the bank reported activity with a value date of May 13 ?
- It is this activity, reported prior to May 13, but with a value date of May 13 that is the missing activity for May 13
- Normally, with value dated activity, the bank would report this value May 13 activity every day until May 13. When the bank follows that process, Orbit handles it by ignoring the activity where ledger-date and value-date do not equal
- When the bank only reports value dated items once, it causes the problem we are seeing

Problems Caused by Value Dating

- When you discover a case like this, here is how you solve it
- First – go to the "Adjust Bank Reported Balance" tab
- Click the "Get Previous Value Dated Items" checkbox
- Orbit will list all of the activity reported by the bank from previous days that has a value date of today (May 13 in our example)
- Select all of the listed activity and verify that the total matches the difference Orbit reports between the beginning and ending ledger balances
- Click the "Change Ledger Date to Value Date" button. Orbit sets the ledger date for this previously reported activity to the current value date (May 13). Now go back to the "Proof of Cash" tab

Problems Caused by Value Dating

- Orbit is now able to report the missing activity
- Once you reconcile this activity, the account will reconcile