

BANK ACCOUNT

April 1.	To balance.....	\$200.00	April 3.	By cheque No. 1.....	\$100.00
" 5.	" Deposit.....	150.00	" 20.	" Cheque No. 2.....	150.00
" 30.	" Deposit.....	60.00	" 29.	" Cheque No. 3.....	50.00
			" 30.	" Cheque No. 4.....	25.00
				Balance.....	85.00
		<u>\$410.00</u>			<u>\$410.00</u>

As will be seen, the balance standing to the farmer's credit according to his books was \$85.00. Upon looking at his pass-book, after it has been balanced up for the month by the bank, he finds that it shows his balance at the bank to be \$160.00. Upon checking the pass-book with his ledger, he discovers that the two cheques which he issued at the end of the month for \$50.00 and \$25.00 respectively have not yet been charged up by the Bank, the reason being that the payees (the persons to whom the cheques were payable) had not presented them at the time of the closing of the Bank on the 30th of the month.

When a case like this occurs, the farmer should make a memorandum showing a "reconciliation" of his books with the Bank Pass-book, which would in this instance be as follows:

Balance as shown by own book.....		\$85.00
Cheques outstanding, No. 3.....	\$50.00	
Cheques outstanding, No. 4.....	25.00	
		<u>75.00</u>
Balance as shown by pass book.....		<u>\$160.00</u>