

Chapter 7 Trustee Overview of Bank Reconciliations			
Bank Account Review and Reconciliation Procedures			
STEP 1 - OPEN THE UNOPENED BANK STATEMENTS			
<u>Trustee Review of bank statements and canceled checks</u>	<u>Time Frame</u>	<u>Documentation</u>	<u>Notes</u>
1. Review canceled checks for errors	10 days of receipt	N/A	Trustee is only person that opens the unopened bank statements before giving to assistant.
2. Review for unusual transfers or endorsements			
3. Review for alterations			
4. Review for forged or unauthorized signatures			
STEP 2 - RECONCILE (USING ESTATE FILE BANK STATEMENTS)			
<u>Comparison of bank statement to Form 2</u>			
1. Done monthly	Before end of the following month	Initial and date	
2. Compare bank statement to Form 2 balance			
3. Reconciling items are identified			
4. Record Form 2 balance on the bank statement and note difference			
STEP 2 - RECONCILE (USING SUMMARY REPORT)			
<u>Trustee Case Management System (summary of all bank accounts in one report)</u>			
1. Must have cut off date that matches bank statement			
2. Both bank statement and Form 2 balances must appear on report			
3. Compare bank statement report balance with physical bank statement		Check Mark	
4. If bank statement and Form 2 do not match, detail the difference		Identify difference	
5. Both preparer and trustee (if not preparer) initial and date		Initial and date	
6. Keep in chronological order			
7. Reconciliation for individual accounts kept with bank statements in estate files			
STEP 3 - RECONCILIATION FOLLOW UP			
<u>Disposition of Reconciling Items</u>			
1. Deposit or transfer in transit			Investigate if more than 3 days of month end. Lost in transit? Wrong account? Bank error?
2. Outstanding checks	90 days	Letter or initial and date	Stop payment if more than 90 days
3. Service charge			Contact bank to reverse charges
4. NSF Check			Contact payer to replace check. Record on Form 2 and formally track in NSF log.
5. Bank error	30 days of receiving bank statement		Bring to bank's attention
Timing and Required Documentation			
Preparer (trustee or assistant) Requirements			
<u>Task</u>	<u>Time Frame</u>	<u>Documentation</u>	<u>Notes</u>
<i>Reconciles all bankruptcy estate accounts</i>	Before end of the following month	Initial and date	
<i>Reconciled with trustee's case management system</i>	Before end of the following month	Initial and date	
Trustee Mandatory			
<u>Task</u>	<u>Time Frame</u>	<u>Documentation</u>	<u>Notes</u>
<i>Open unopened bank statements and review canceled checks</i>	10 days of receipt	N/A	
<i>Review bank reconciliations and compares to Form 2 (when trustee is reviewer)</i>	Before end of the following month	Initial and date	1. Summary accounts reconciliation (trustee's case management system - all bank accounts) 2. Samples of individual reconciliations on face of bank statement - samples ok (as reviewer)
<i>Authorize stop payments</i>	90 days	Letter or initial and date	Letter to bank or initial and date the computer transmission log