

# AR/AP Reconciliation: How to Keep Your General Ledger Clean

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For any finance team, a key component for your accounting software is keeping it clean and organized. In January's Monthly CloudBytes webinar, Dean Dorton (formerly Massey Consulting) presented to Sage Intacct users on how to keep your general ledger clean by streamlining your AR and AP reconciliation process.

## What is reconciliation?

This is a process performed at the end of a period to verify the total of subledger compared to the general ledger.

## Reconciliation Steps

- Run your GL Report through a date
  - Run vendor/customer aging report month to date
  - AP/AR ledger report month to date
  - AP/AR GL Account balance and AP/AR subledger balance
- Goal: find the point where reports balance
  - Confirm balances at go-live
  - Jump forward in time as necessary

## 6 Common Pitfalls and How to Fix Them

Check out our recorded January CloudBytes and learn the 6 most common pitfalls in the AR/AP reconciliation process and solutions to each of those issues.

## Reconciliation Checklist

- Make sure aging periods do not overlap
- Verify “display reversals as historical transactions” is checked
- Confirm the AP/AR aging report is run based on the GL posting date
- Ensure the GL report includes all AP/AR accounts
- Ensure any subledger reports run include one time vendors/customers
- Check for transactions posted directly to AP/AR
- Quantify the difference between the two reports
- Pinpoint the period in which the difference first surfaces
- Pre-reversal: may be corrected by matching the reversal date with the transaction date
- Post-reversal: it depends, but may require engineering assistance