

Troubleshooting Reconciliation Issues: Position is Over by Whole Shares but Cash Balances

Only the security position in PortfolioCenter is more than the security position at the custodian.

Schwab Reconciliation Report					
Reconciliation File: 04/02/2006					
<u>Symbol</u>	<u>Description</u>	<u>Type</u>	<u>Quantity</u>	<u>Portfolio Center Quantity</u>	<u>Quantity Difference</u>
Allen, Sally GPS	Gap Inc	190-0010 Equity	171.00000	196.00000	25.00000

What Causes this Condition?

Usually, this condition is caused by a missing or duplicated transaction that only affects the securities (not cash). Security-only transactions are:

- ♦ Receipts
- ♦ Credits
- ♦ Transfers
- ♦ Debits
- ♦ Re-invested dividends
- ♦ Re-invested gains

Most likely, you are missing a closing position transaction like a transfer or debit, or have a duplicated opening transaction like a receipt or credit. For example, you could have a missing transfer of security, or you could have a duplicated receipt of a position.

Another possibility is that the correct type of transaction is in PortfolioCenter, but the transaction information is incorrect. For example, a receipt shows 40 shares when it should show 20 shares.

In either case, the number shares in the position is out of balance, but the cash is in balance because the transaction that is missing or duplicated does not affect cash.

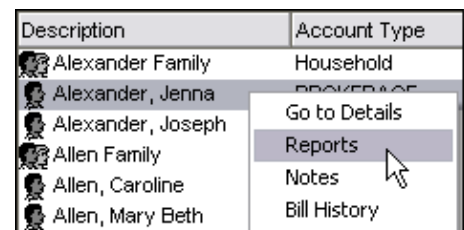
Tools to use to determine reason for variance:

Before you can start to fix the issue, you must determine (1) what caused the variance (missing transaction or duplicated transaction) and (2) when the error took place. Therefore, you must do a little background work. To do this background work, you'll need to:

- ◆ Know what date, roughly, the account last balanced. You'll need this date for reports and statements later.
- ◆ Obtain a copy of Custodian or Broker/Dealer statements or transaction lists. Some custodians give you access to the transactions on a website – if your custodian gives you this flexibility, it is much easier to gather the custodian transactions that way. However, if you don't have access to the transactions electronically, you'll have to use paper statements. Depending on the date of the last reconciliation, you might need multiple statements. You'll need statements that have transactions from the last reconciliation date through the current reconciliation date.
- ◆ Print a copy of the PortfolioCenter Security Reconciliation Report for the same date range as the statements. The Security Reconciliation Report shows all transactions affecting the quantity of that security.
- ◆ Compare the Custodian transactions and the PortfolioCenter transactions on the Security Reconciliation Report to look for missing, duplicated or incorrectly entered transactions.

Steps for running the Security Reconciliation Report:

- 1 Click the Portfolios tab.
- 2 Right-click the portfolio that is out of balance and select **Reports** from the menu.



- 3 In the reports view, click the transaction detail reports button.
- 4 Select the Security Reconciliation report, and then click the **Settings** button.
- 5 Enter the date range, depending on your last date reconciled:

If this account reconciled the day before and you reconcile daily, enter a date in the **From Date** field that is two days earlier than the reconciled date, and then leave the **To Date** field blank.

For example, let us say the date on the reconciliation report is 3/31/10. Enter 3/30/10 in the **From Date** field and leave the **To Date** field blank, as shown on the right.

Setting	Value
Report Settings	
Page Orientation	Portrait
Left Margin	0.50
Right Margin	0.50
Top Margin	0.50
Bottom Margin	0.60
Display advisor logo	<input checked="" type="checkbox"/>
Report title	Security Reconciliation Report
From Date	03/30/2010
To Date	
Use Selected Security Type instead of ALL	<input type="checkbox"/>

If this account reconciled the week before and you reconcile weekly, enter a date in the **From Date** field that is two days earlier than the last reconciled date, and then leave the **To Date** field blank.

For example, let us say the date on the reconciliation report is 3/31/10 and the last date this account reconciled was 3/17/10. Enter 3/15/10 in the **From Date** field and leave the **To Date** field blank.

If this account reconciled the previous month and you reconcile once a month, enter the first day of the last month in the **From Date** field that is one two days earlier than the last reconciled date, and then leave the **To Date** field blank.

For example, let us say the date on the reconciliation report is 3/31/10 and the last date this account reconciled was 3/5/10. Enter 3/1/10 in the **From Date** field and leave the **To Date** field blank.

If this was last reconciled more than a month ago or you are not sure of the last time it reconciled, start with a **From Date** that is the first day of two quarters prior to the reconciliation date, and then leave the **To Date** field blank.

For example, let us say the date on the reconciliation report is 3/31/10 and we do not know the last time this account reconciled. Enter 9/30/09 in the **From Date** field and leave the **To Date** field blank.

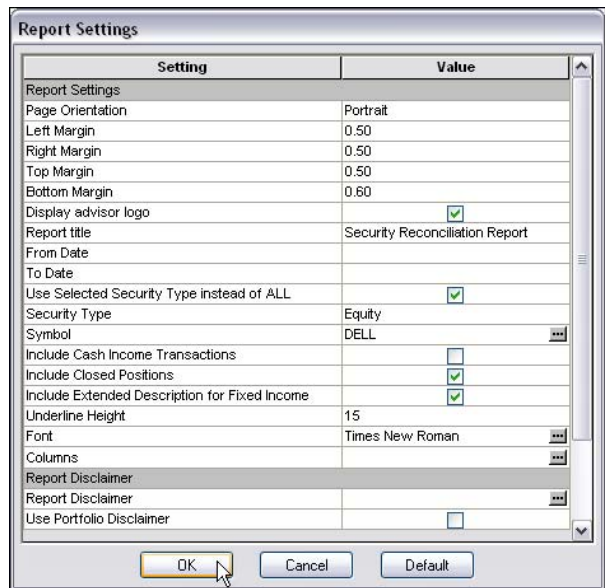
If you cannot find the transactions with this information, you can always adjust the **From Date** back in time. If the account has never been reconciled, you might need to run the report since the inception of the account. To see all the transactions since the beginning of the account, leave both the **From Date** and the **To Date** fields blank.

6 Check the box **Use Selected Security Type Instead of All**.

7 Select the **security type**.

8 Select the **security symbol**.

8 Click **OK** to save the settings.



9 Click the **Run Report** button.

10 Print the report by clicking the **Print** button in the top of the preview.

11 Close the report and close the portfolio details, returning to the portfolios list.

13 Compare the transactions on the Security Reconciliation Report with the transactions from your custodian.

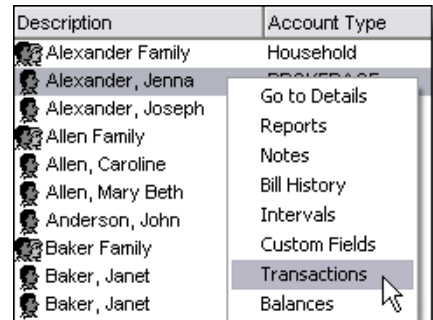
How do I correct the condition?

Once you've determined the condition that led to the cash discrepancy, you must correct it in PortfolioCenter before it will disappear from the reconciliation report. The sections below describe correcting some of the most common issues:

How to add a missing transaction

Let us say, for example, that the account is missing a Transfer for DELL on 3/31/10 for 25 shares that we need to add to the account.

- 1 From the Portfolios list, right-click on the account that is out of balance and select **Transactions** from the menu.



- 2 In the transactions list, click the New button () to add a new transaction.

- 3 When the line for the new transaction appears, enter the following information:

- ◆ Select Equities in the Security Type field.
- ◆ Select the appropriate activity. In this case, Transfer of Securities.
- ◆ Enter the correct symbol.
- ◆ Enter the date of the transaction. In this example, we entered 3/31/10.
- ◆ Enter the number of shares sold. In this case, 25.
- ◆ Enter the total market value amount.

Security Type	Equities
Activity	Transfer of Securities
Account Number	999-3003
Portfolio	Alexander, Jenna
Symbol	DELL
Security Description	Dell Inc
Transfer Date	03/31/2010
Shares	25.00
Long or Short Positio	Long
Total Market Value	301.00
Matching Method	First In First Out

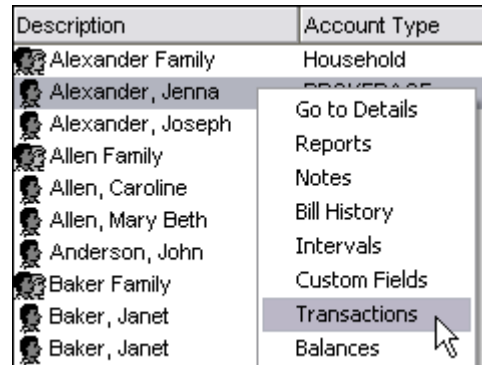
- 4 Click the **Save** button to save the changes to the transaction. The transaction now appears in the list as Posted transaction.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount
 Posted	Equities	Transfer	03/31/2010	DELL	Dell Inc	25.00	

How to remove a duplicated transaction

Let us say, for example, that the account has a duplicated receipt on 3/31/10 of DELL for 25 shares that we need to remove from the account. Instead of deleting the transaction, we will cancel it so that it stays in the transaction list, but does not affect the position.

- 1 From the Portfolios list, right-click on the account that is out of balance and select **Transactions** from the menu.



- 2 In the transactions list, right-click the duplicated transaction and select **Cancel Transaction** from the menu.

	Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount	Account ID	Report As	Broker
1	Posted	Equities	Receipt of Securities	03/31/2010	DELL	Dell Inc	25.00	301.00			
2	Posted	Mutual Funds	Sell	03/31/2010	PRPFX	Permanent Portf	188.527			Save Changes	Ctrl+S
3	Posted	Mutual Funds	Sell	03/31/2010	BEGRX	Beacon Interntio	610.577			Cancel Changes	Escape
4	Posted	Mutual Funds	Sell	03/31/2010	AYBFX	American Aadva	915.907			New Transaction	Ctrl+N
5	Posted	Mutual Funds	Sell	03/31/2010	BUFHX	Buffalo High Yiel	798.98			Edit Transaction	Ctrl+E
6	Posted	Mutual Funds	Sell	03/31/2010	ARBFX	Arbitrage Bond	1,017.182			Cancel Transaction	
7	Posted	Equities	Sell	03/31/2010	SH	ProShares Short	127.00			Repost Transaction	
8	Posted	Equities	Income	03/31/2010	ADM	Archer-Daniels-	0.53			Select All	Ctrl+A
9	Posted	Equities	Buy	03/31/2010	AAPL	Apple Computer	78.00			Invert Selection	Ctrl+Shift+I
10	Posted	Mutual Funds	Buy	03/31/2010	CSRCX	Columbia Interna	1,310.35			Copy	Ctrl+Shift+C
11	Posted	Mutual Funds	Buy	03/31/2010	FLATX	Fidelity Latin Am	770.76			Paste	Ctrl+Shift+V
12	Posted	Mutual Funds	Buy	03/31/2010	BMCIX	Blackrock US Op	932.982			Paste Last	Alt-Insert
13	Posted	Mutual Funds	Buy	03/31/2010	BARAX	Baron Asset Fu	679.607			Calculate New Split Shares	Ctrl+W
14	Posted	Mutual Funds	Buy	03/31/2010	BIOPX	Baron Iopportuni	3,031.022			Calculate Qualifying Shares	Ctrl+Q
15	Posted	Mutual Funds	Buy	03/31/2010	BEARX	Prudent Bear	4,425.136				

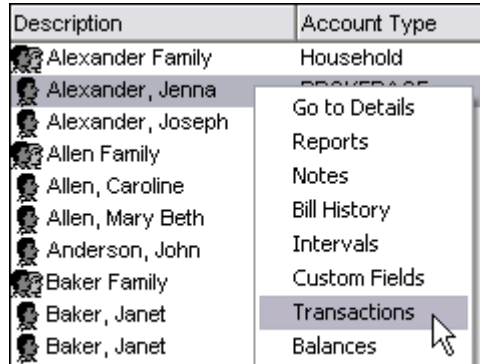
- 3 The transaction now appears with a green X and a status Posted Cancel.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount
X Posted Cancel	Equities	Receipt of Securities	03/31/2010	DELL	Dell Inc	25.00	301.00

How to edit an incorrect amount on an existing transaction

Let us say that the transaction causing the security to be out of balance is a Receipt of Security entered incorrectly. We need to edit that transaction so that it reflects the proper amount.

- 1 From the Portfolios list, right-click on the account that is out of balance and select **Transactions** from the menu.



- 2 In the transactions list, right-click the transaction with the incorrect amount and select **Edit Transaction** from the menu.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount	Account ID	Report As	Broker ID
Posted	Equities	Receipt of Securities	03/31/2010	DELL	Dell Inc	25.00	301.00			
Posted	Mutual Funds	Sell	03/31/2010	PRPFX	Permanent Portf	188.527			Save Changes	Ctrl+S
Posted	Mutual Funds	Sell	03/31/2010	BEGRX	Beacon Interntio	610.577			Cancel Changes	Escape
Posted	Mutual Funds	Sell	03/31/2010	AYBFX	American Aadva	915.907			New Transaction	Ctrl+N
Posted	Mutual Funds	Sell	03/31/2010	BUFHX	Buffalo High Yield	798.98			Edit Transaction	Ctrl+E
Posted	Mutual Funds	Sell	03/31/2010	ARBFX	Arbitrage Bond	1,017.182			Cancel Transaction	
Posted	Equities	Sell	03/31/2010	SH	ProShares Short	127.00			Repost Transaction	
Posted	Equities	Income	03/31/2010	ADM	Archer-Daniels-	0.53			Select All	Ctrl+A
Posted	Equities	Buy	03/31/2010	A.APL	Apple Computer	78.00			Invert Selection	Ctrl+Shift+I
Posted	Mutual Funds	Buy	03/31/2010	CSRCX	Columbia Interna	1,310.35			Copy	Ctrl+Shift+C
Posted	Mutual Funds	Buy	03/31/2010	FLATX	Fidelity Latin Am	770.76			Paste	Ctrl+Shift+V
Posted	Mutual Funds	Buy	03/31/2010	BMCIX	Blackrock US Op	932.982			Paste Last	Alt-Insert
Posted	Mutual Funds	Buy	03/31/2010	BARAX	Baron Asset Fu	679.607			Calculate New Split Shares	Ctrl+W
Posted	Mutual Funds	Buy	03/31/2010	BIOPX	Baron Iopportuni	3,031.022			Calculate Qualifying Shares	Ctrl+Q
Posted	Mutual Funds	Buy	03/31/2010	BEARX	Prudent Bear	4,425.136				

- 3 Enter the correct number of shares and market value, and then click the Save button to save the transaction.