

Troubleshooting Reconciliation Issues: Position Is Over by Fractional Shares but Cash Balances

Only the security position in PortfolioCenter is over than the security position at the custodian, by fractional shares, but cash is in balance.

Schwab Reconciliation Report					
Reconciliation File: 03/31/2006					
<u>Symbol</u>	<u>Description</u>	<u>Type</u>	<u>Quantity</u>	<u>Portfolio Center Quantity</u>	<u>Quantity Difference</u>
Allen, Sally ADM	Archer-Daniels-Midland Co	190-0010 Equity	122.00000	122.53000	0.53000

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 have a duplicated reinvested income, such as a dividend or gain. However, you could also have duplicated receipts or credits, or are missing a transfer or debit transactions. Another possibility is that you have the correct number of transactions, but one or more of the transactions have the incorrect share value. 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.

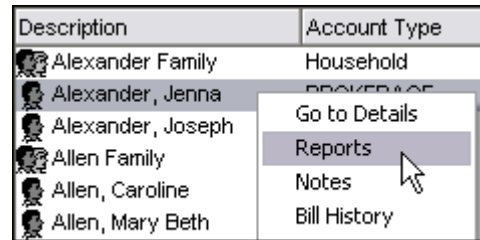
Tools to use to determine reason for variance:

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.

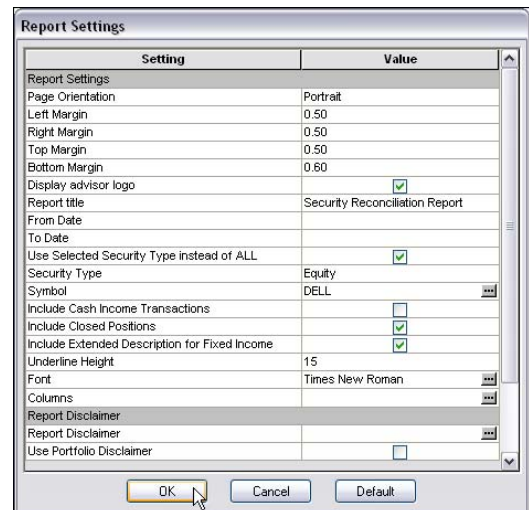
For example, let us say the date on the reconciliation report is 3/31/10 and the last date this account reconciled was 3/5/10. Enter 3/1/10 in the **From Date** field and leave the **To Date** field blank.

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 09/30/09 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.
- 9 Click **OK** to save the changes.



- 10 Click the **Run Report** button.
- 11 Print the report by clicking the **Print** button in the top of the preview.
- 12 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

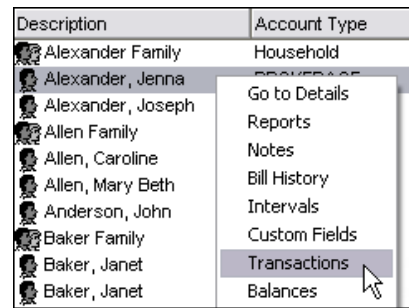
Let us say, for example, that the account is missing a transfer securities for DELL on 3/31/10 for .78 of a share that we need to add to the account.



Important

Make sure all the buys, receipts and credits for the appropriate securities have the Reinvest Income setting set to Yes. It is set to Yes by default for Mutual Funds, but is not by default for Equities.

- 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, a transfer of securities.
- ◆ Enter the security symbol.
- ◆ Enter the transaction date. In this example, we entered 3/31/10.
- ◆ Number of shares transferred.
- ◆ Enter the market value of the transfer.

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	0.78
Long or Short Positio	Long
Total Market Value	9.39
Matching Method	First In First Out
Trade Status	New Status
Origination	PortfolioCenter

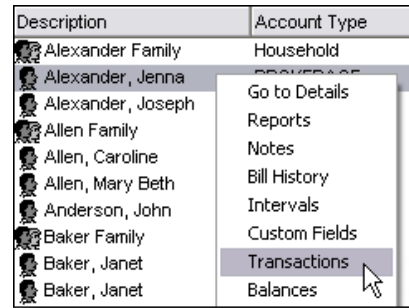
- 4 Click the **Save** button to save the changes to the transaction. The transaction now appears in the list as Posted transaction.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount
 Posted	Equities	Transfer of Securities	03/31/2010	DELL	Dell Inc	0.78	

How to remove a duplicated transaction

Let us say, for example, that the account has a duplicated reinvested income on 3/31/10 of ADM for .53 of a share 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 ID	Broker
Posted	Equities	Income	03/31/2010	ADM	Archer-Daniels-Midlnd Co	0.53	15.32		Dividend		
Posted	Equities	Buy	03/31/2010	AMZN	Amazon Com Inc	96.00	7,350.69		Save Changes		Ctrl+S
Posted	Mutual Funds	Sell	03/31/2010	ARBFX	Arbitrage Bond Fund	1,017.182	12,562.20		Cancel Changes		Escape
Posted	Mutual Funds	Sell	03/31/2010	AYBFX	American Aadvantage Hig	915.907	5,980.89		New Transaction		Ctrl+N
Posted	Equities	Buy	03/31/2010	BA	Boeing Co	177.00	6,290.93		Edit Transaction		Ctrl+E
Posted	Equities	Buy	03/31/2010	BAC	Bank Of America Corp	1,456.00	9,720.87		Cancel Transaction		
Posted	Mutual Funds	Buy	03/31/2010	BARAX	Baron Asset Fund	679.607	21,013.44		Repost Transaction		
Posted	Mutual Funds	Buy	03/31/2010	BEARX	Prudent Bear	4,425.136	32,878.76		Select All		Ctrl+A
Posted	Mutual Funds	Sell	03/31/2010	BEGRX	Beacon Interntional Bond	610.577	5,287.60		Invert Selection		Ctrl+Shift+I
Posted	Mutual Funds	Buy	03/31/2010	BIOPX	Baron Iopportunity	3,031.022	22,459.87		Copy		Ctrl+Shift+C
Posted	Mutual Funds	Buy	03/31/2010	BMCIX	Blackrock US Oppty Instl	932.982	21,393.27		Paste		Ctrl+Shift+V
Posted	Mutual Funds	Buy	03/31/2010	BMPSX	Profunds Basic Materials	2,057.293	33,369.29		Paste Last		Alt-Insert
Posted	Equities	Buy	03/31/2010	BP	BP PLC ADR	103.00	3,986.64		Calculate New Split Shares		Ctrl+W
Posted	Mutual Funds	Sell	03/31/2010	BUFHX	Buffalo High Yield Fund	798.98	6,879.22		Calculate Qualifying Shares		Ctrl+Q
Posted	Equities	Buy	03/31/2010	CAJ	Canon Inc	118.00	3,551.04				

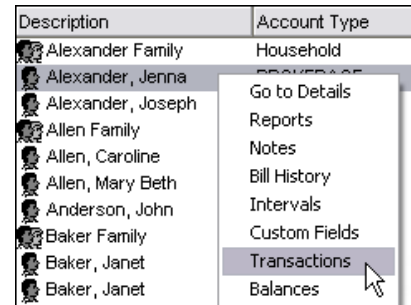
- 3 The transaction now appears with a green X and a status Posted Cancel.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount	Report As
X Posted Cancel	Equities	Income	03/31/2010	ADM	Archer-Daniels-Midlnd Co	0.53	15.32	Dividend

How to edit an incorrect amount on an existing transaction

Let us say that the transaction causing ADM to be out of balance is an income 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	Brok
2	Posted	Equities	Income	03/31/2010	ADM	Archer-Daniels-Midlnd Co	0.53	15.32		Dividend		
3	Posted	Equities	Buy	03/31/2010	AMZN	Amazon Com Inc	96.00	7,350.6		Save Changes		Ctrl+S
4	Posted	Mutual Funds	Sell	03/31/2010	ARBFX	Arbitrage Bond Fund	1,017.182	12,562.2		Cancel Changes		Escape
5	Posted	Mutual Funds	Sell	03/31/2010	AYBFX	American Aadvantage Hig	915.907	5,980.8		New Transaction		Ctrl+N
6	Posted	Equities	Buy	03/31/2010	BA	Boeing Co	177.00	6,290.5		Edit Transaction		Ctrl+E
7	Posted	Equities	Buy	03/31/2010	BAC	Bank Of America Corp	1,456.00	9,720.8		Cancel Transaction		
8	Posted	Mutual Funds	Buy	03/31/2010	BARAX	Baron Asset Fund	679.607	21,013.4		Repost Transaction		
9	Posted	Mutual Funds	Buy	03/31/2010	BEARX	Prudent Bear	4,425.136	32,878.7		Select All		Ctrl+A
10	Posted	Mutual Funds	Sell	03/31/2010	BEGRX	Beacon International Bond	610.577	5,287.8		Invert Selection		Ctrl+Shift+I
11	Posted	Mutual Funds	Buy	03/31/2010	BIOPX	Baron Iopportunity	3,031.022	22,459.8		Copy		Ctrl+Shift+C
12	Posted	Mutual Funds	Buy	03/31/2010	BMCIX	Blackrock US Oppty Instl	932.982	21,393.2		Paste		Ctrl+Shift+V
13	Posted	Mutual Funds	Buy	03/31/2010	BMPX	Profunds Basic Materials	2,057.293	33,369.2		Paste Last		Alt-Insert
14	Posted	Equities	Buy	03/31/2010	BP	BP PLC ADR	103.00	3,986.8		Calculate New Split Shares		Ctrl+W
15	Posted	Mutual Funds	Sell	03/31/2010	BUFHX	Buffalo High Yield Fund	798.98	6,879.2		Calculate Qualifying Shares		Ctrl+Q
16	Posted	Equities	Buy	03/31/2010	CAJ	Canon Inc	118.00	3,551.0				

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