Schwab Performance Technologies®

Troubleshooting Reconciliation Issues:
Position Is Under by Whole Shares but Cash Balances

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

Schwab Reconciliation Report
Reconciliation File: 03/31/2006

Symbol	Description	Type	Quantity	PortfolioCenter Quantity	Quantity Difference
Allen, Sally		190-0010			
S	Sears Roebuck & Co	Equity	245.00000	45.00000	(200.00000)

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 an open position transaction like a receipt or credit, or have a duplicated closing transaction like a transfer or debit. For example, you could have a missing receipt of security for a new position, or you could have a duplicated transfer 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 20 shares when it should show 40 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.

charles SCHWAB

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 then select **Reports** from the menu.
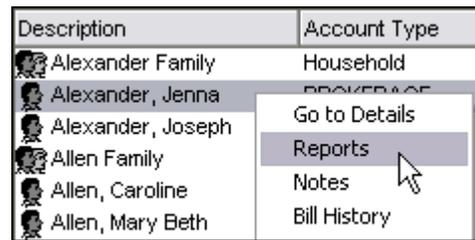
3 In the reports view, click the transaction detail reports button.

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.

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.
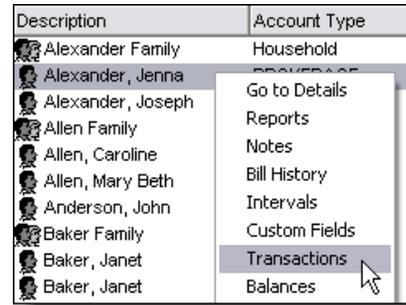
How do I correct the condition?

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 Receipt of Security for S on 3/31/10 for 200 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.

Description	Account Type
Alexander Family	Household
Alexander, Jenna	
Alexander, Joseph	Go to Details
Allen Family	Reports
Allen, Caroline	Notes
Allen, Mary Beth	Bill History
Anderson, John	Intervals
Baker Family	Custom Fields
Baker, Janet	Transactions
Baker, Janet	Balances

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 for this example:

   ♦ Select Equities in the Security Type field.

   ♦ Select the appropriate activity. In this case, Receipt of Securities.

   ♦ Enter in the security symbol.

   ♦ Enter the date of the transaction. In this example, 3/31/10.

   ♦ Enter the number of shares received.

   ♦ Select either long or short for the position. In this example, the position is long.

   ♦ Enter the total market value.

   ♦ Enter the original trade date

   ♦ Enter the cost basis, as of the date of the receipt.

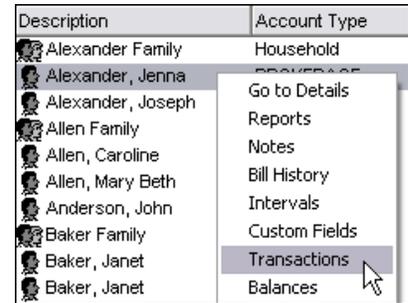| Security Type	Equities
Activity	Receipt of Securities
Account Number	999-3003
Portfolio	Alexander, Jenna
Symbol	S
Security Description	Sprint Nextel Corp.
Date Received	03/31/2010
Shares	200.00
Long or Short Positio	Long
Total Market Value	536.00
Original Trade Date	07/08/2001
Cost Basis	357.00
Broker ID	
Brokerage Fee	0.00
Reinvest Income	No
Reinvest Gains	No
Other Fees	0.00
Settlement Date	07/11/2001
Reset Basis	No

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	Receipt of Securities	03/31/2010	S	Sprint Nextel Cor	200.00	357.00

How to remove a duplicated transaction

Let us say, for example, that the account has a duplicated transfer of security on 3/31/10 of S for 200 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.

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

How to edit an incorrect amount on an existing transaction

Let us say that the transaction causing S to be out of balance is a Transfer of Securities that was 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.
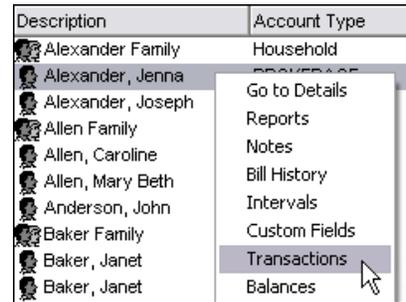
2   In the transactions list, right-click the transaction with the incorrect amount and select **Edit Transaction** from the menu.

3   Enter the correct number of shares and update the market value if there is a Total Market Value field in the transaction. Click the Save button to save the transaction.