

Troubleshooting Reconciliation Issues: Position Is Under by Fractional Shares and Cash Does Not Balance

The quantity in PortfolioCenter is lower than what the custodian has on file. Also, the cash does not balance. Usually, the cash is over.

Schwab Reconciliation Report					
Reconciliation File: 03/31/2006					
Symbol	Description	Type	Quantity	Portfolio Center Quantity	Quantity Difference
Allen, Sally		190-0010			
CASH	CASH	Cash	3,085.20000	3,088.03000	2.83000
CC	Circuit City	Equity	1,053.80000	1,053.00000	(0.80000)

What Causes this Condition?

Usually, this condition is caused by a missing or duplicated transaction that affects both securities and cash. Transactions affecting both securities and cash are:

- ♦ Buys
- ♦ Cash income when you are supposed to have a reinvested income
- ♦ Sells

Most likely, you have a cash income, such as a dividend or gain, posted to the account instead of a required reinvested dividend. However, you could also be missing a receipt or credit, or have a duplicated 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.



Important

It is possible that the cash variance is not totally resolved with these steps, as you can have other, unrelated transactions contributing to the cash variance. If you have resolved all the issues in this section and the cash is still not balanced, see *Troubleshooting Reconciliation Issues: Cash Balance is Over* at <https://schwabpt.com/pdflibrary/open.asp?id=010066> and *Troubleshooting Reconciliation Issues: Cash is Short or Under Balances* at <https://schwabpt.com/pdflibrary/open.asp?id=010067> for information on correcting those variances.

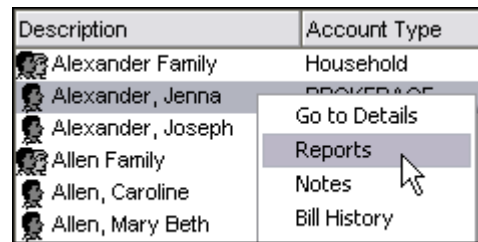
Tools to use to determine reason for variance:

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 settings.



- 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.

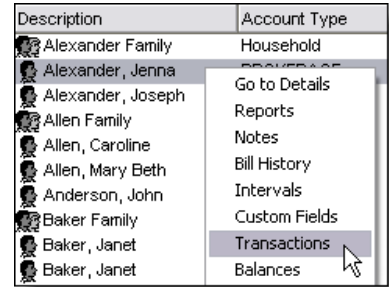
How do I correct the condition?

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 an income transaction for 3/31/10. Follow the steps below to add a transaction.

- 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, income.
- ◆ Select the security for which the income is paid.
- ◆ Enter the Pay-date of the transaction.
- ◆ Enter the Ex-date of the transaction, if you report accrued income to your clients.
- ◆ Enter the amount of the income.
- ◆ Select the type of income (dividend, long gain, short gain, or interest).
- ◆ Enter the number of Reinvested Shares blank.

Security Type	Equities
Activity	Income
Account Number	999-3003
Portfolio	Alexander, Jenna
Symbol	S
Security Description	Sprint Nextel Corp.
Pay Date	03/31/2010
Ex Date	03/31/2010
Income Amount	16.74
Distribution Type	Dividend
Reinvested Shares	0.80
Account ID	CASH
Normal Income Payment	Yes
Taxable Prev. Year	No
Pay on Positions	Long

- 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	Account ID	Report As
 Posted	Equities	Income	03/31/2010	S	Sprint Nextel Corp.	0.80	16.74	CASH	Dividend

How to remove a duplicated or incorrectly posted transaction

Let us say, for example, that the account has an additional 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.

Description	Account Type
Alexander Family	Household
Alexander, Jenna	
Alexander, Joseph	
Allen Family	
Allen, Caroline	
Allen, Mary Beth	
Anderson, John	
Baker Family	
Baker, Janet	
Baker, Janet	

Go to Details
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Intervals
Custom Fields
Transactions
Balances

- 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
6	Posted	Equities	Transfer of Securities	03/31/2010	S	Sprint Nextel Corp.	0.80				
7	Posted	Equities	Buy	03/31/2010	S	Sprint Nextel Corp.	2,194.00	Save Changes		Ctrl+S	
8	Posted	Mutual Funds	Sell	03/31/2010	PRPFX	Permanent Portfolio	188.527	Cancel Changes		Escape	
9	Posted	Equities	Buy	03/31/2010	PGN	Progress Energy Inc	85.00	New Transaction		Ctrl+N	
10	Posted	Equities	Buy	03/31/2010	MCD	McDonalds Corp	48.00	Edit Transaction		Ctrl+E	
11	Posted	Equities	Buy	03/31/2010	IBM	International Busines	48.00	Cancel Transaction			
12	Posted	Equities	Buy	03/31/2010	HPQ	Hewlett Packard Com	182.00	Repost Transaction			
13	Posted	Equities	Buy	03/31/2010	HNZ	HJ Heinz & Co	107.00	Select All		Ctrl+A	
14	Posted	Equities	Buy	03/31/2010	HMC	Honda Motor Co ADR	136.00	Invert Selection		Ctrl+Shift+I	
15	Posted	Equities	Buy	03/31/2010	GPS	Gap Inc	508.00	Copy		Ctrl+Shift+C	
16	Posted	Equities	Buy	03/31/2010	GE	General Electric Com	572.00	Paste		Ctrl+Shift+V	
17	Posted	Mutual Funds	Buy	03/31/2010	FLATX	Fidelity Latin America	770.76	Paste Last		Alt-Insert	
18	Posted	Equities	Buy	03/31/2010	DIS	Walt Disney Company	441.00	Calculate New Split Shares		Ctrl+W	
19	Posted	Equities	Buy	03/31/2010	DELL	Dell Inc	544.00	Calculate Qualifying Shares		Ctrl+Q	
20	Posted	Equities	Buy	03/31/2010	CVS	CVS Caremark Corp	122.00				

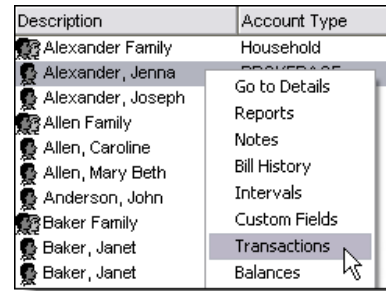
- 3 The transaction now appears with a green X and a status Posted Cancel.

	Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity
	 Posted Cancel	Equities	Transfer of Securities	03/31/2010	S	Sprint Nextel Corp.	0.80

How to edit an incorrect amount on an existing transaction

Let us say that instead of canceling the transaction, you want to edit a reinvested income to be a cash income.

- 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 type of income and select **Edit 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	S	Sprint Nextel Corp.	0.80	19.80				
Posted	Equities	Buy	03/31/2010	S	Sprint Nextel Corp.	2,194.00	5,879.27				
Posted	Mutual Funds	Sell	03/31/2010	PRPFX	Permanent Portfolio	188.527	5,506.88				
Posted	Equities	Buy	03/31/2010	PGN	Progress Energy Inc	85.00	3,160.52				
Posted	Equities	Buy	03/31/2010	MCD	McDonalds Corp	48.00	2,530.61				
Posted	Equities	Buy	03/31/2010	IBM	International Busines	48.00	4,543.95				
Posted	Equities	Buy	03/31/2010	HPQ	Hewlett Packard Com	182.00	5,965.31				
Posted	Equities	Buy	03/31/2010	HNZ	HJ Heinz & Co	107.00	3,644.36				
Posted	Equities	Buy	03/31/2010	HMC	Honda Motor Co ADR	136.00	3,332.79				
Posted	Equities	Buy	03/31/2010	GPS	Gap Inc	508.00	6,666.83				
Posted	Equities	Buy	03/31/2010	GE	General Electric Com	572.00	5,953.67				
Posted	Mutual Funds	Buy	03/31/2010	FLATX	Fidelity Latin America	770.76	20,224.76				
Posted	Equities	Buy	03/31/2010	DIS	Walt Disney Company	441.00	7,688.39				
Posted	Equities	Buy	03/31/2010	DELL	Dell Inc	544.00	5,051.28				
Posted	Equities	Buy	03/31/2010	CVS	CVS Caremark Corp	122.00	3,204.47				

- 3 Enter zero for the reinvested shares, and then click the Save button to save the transaction.