

Troubleshooting Reconciliation Issues: Cash Balance Is Over

Only the cash position in PortfolioCenter is more than the cash position at the custodian. It is best to correct this issue only after correcting all position quantity variances for securities other than cash.

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 CASH	CASH	190-0010 Cash	3,085.20000	3,093.36000	8.16000

What Causes this Condition?

Usually, this condition is caused by a missing or duplicated cash only transaction. Cash only transactions are:

- ◆ Deposits
- ◆ Journals
- ◆ ROP
- ◆ Cash Dividends
- ◆ Withdrawals
- ◆ Expenses
- ◆ Interest
- ◆ Cash Gains

For example, you could have a missing withdrawal or expense, or you could have duplicated a income or deposit. You could also have a transaction that has an incorrect dollar amount posted. For example, you could have a buy for the wrong amount. In this case, the number shares of the position purchased is correct, but the dollar amount associated with the transaction is incorrect, making cash out of balance.

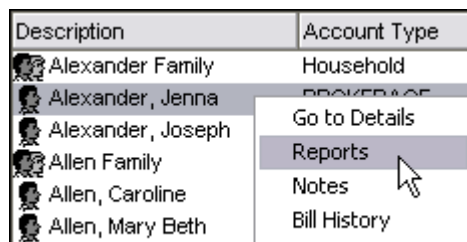
Tools to use to determine reason for variance:

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 Cash Reconciliation Report for the same date range as the statements. The Cash Reconciliation Report shows all transactions affecting cash, including buys and sells. Review the transactions on this report to look for any discrepancies.
- ◆ Compare the Custodian transactions and the PortfolioCenter transactions on the Cash Reconciliation Report to look for missing, duplicated or incorrectly entered transactions.

Steps for running the Cash Reconciliation Report:

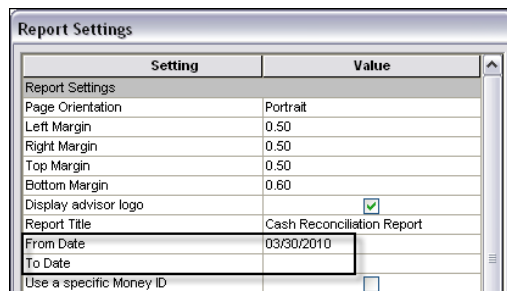
- 1 Click the Portfolios tab.
- 2 Right-click the portfolio that is out of balance, and then select **Reports** from the menu.



- 3 In the reports view, click the transaction detail reports button.
- 4 Select the Cash 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 Uncheck the use specific money ID setting, and then click the **OK** button to close the setting box.
- 7 Click the **Run Report** button.
- 8 Print the report by clicking the **Print** button in the top of the preview.
- 9 Close the report and close the portfolio details, returning to the portfolios list.
- 10 Compare the transactions on the Cash Reconciliation Report with the transactions

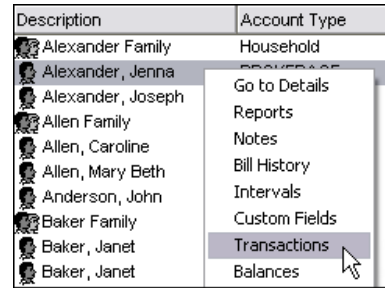
How do I correct the condition?

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 withdrawal on 3/31/10 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 Cash and Money Funds in the Security Type field.
- ◆ Select the appropriate activity. In this example, we selected withdrawal.
- ◆ Enter the date of the transaction. In this case, 3/31/10.
- ◆ Enter the dollar value of the flow.

Security Type	Cash and Money Funds
Activity	Withdrawal
Account Number	999-3003
Portfolio	Alexander, Jenna
Date of Capital Flow	03/31/2010
Dollar Value of Flow	8.16
Withdrawal Type	Other
Account ID	CASH

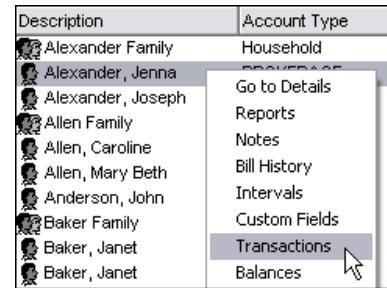
- 4 Click the **Save** button to save the changes to the transaction. The transaction now appears in the list as Posted transaction.

Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount	Account ID
Posted	Cash and Money Funds	Withdrawal	03/31/2010		CASH		8.16	CASH

How to remove a duplicated transaction

Let us say, for example, that the account has a duplicated deposit 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
1	⊙	Posted	Cash and Money Funds	Deposit	03/31/2010			
2	⊙	Posted	Equities	Buy	03/31/2010			
3	⊙	Posted	Equities	Buy	03/31/2010			
4	⊙	Posted	Equities	Buy	03/31/2010			
5	⊙	Posted	Equities	Buy	03/31/2010			
6	⊙	Posted	Mutual Funds	Buy	03/31/2010			
7	⊙	Posted	Mutual Funds	Buy	03/31/2010			
8	⊙	Posted	Mutual Funds	Buy	03/31/2010			
9	⊙	Posted	Mutual Funds	Buy	03/31/2010			
10	⊙	Posted	Mutual Funds	Buy	03/31/2010			
11	⊙	Posted	Equities	Buy	03/31/2010			
12	⊙	Posted	Equities	Buy	03/31/2010			
13	⊙	Posted	Equities	Buy	03/31/2010			
14	⊙	Posted	Equities	Buy	03/31/2010			
15	⊙	Posted	Mutual Funds	Buy	03/31/2010			

Save Changes	Ctrl+S
Cancel Changes	Escape
New Transaction	Ctrl+N
Edit Transaction	Ctrl+E
Cancel Transaction	
Repost Transaction	
Select All	Ctrl+A
Invert Selection	Ctrl+Shift+I
Copy	Ctrl+Shift+C
Paste	Ctrl+Shift+V
Paste Last	Alt-Insert
Calculate New Split Shares	Ctrl+W
Calculate Qualifying Shares	Ctrl+Q

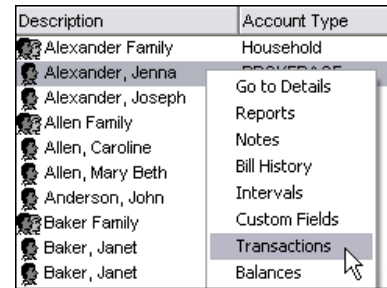
- 3 The transaction now appears with a green X and a status Posted Cancel.

	Status	Security Type	Activity	Trade Date	Symbol	Description	Quantity	Amount
	⊙	Posted Cancel	Cash and Money Funds	Deposit	03/31/2010	CASH		8.16

How to edit an incorrect amount on an existing transaction

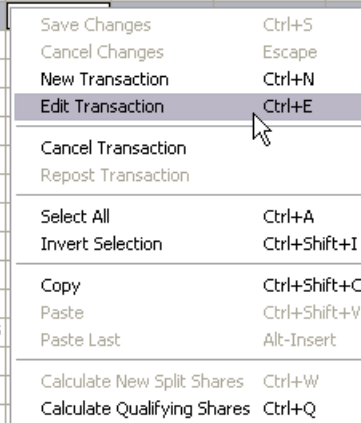
Let us say that the transaction that is causing the cash to be out of balance is an income with the incorrect amount. We need to edit that transaction so that it reflects the proper amount.

- 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	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 the correct dollar amount in the Dollar Value of Flow (or Amount) field, and then click the Save button to save the transaction.