



Money Matters – Tip #2

How to Use Your Bank Statement Properly

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If you're guilty of treating your bank statement like an unwelcome intrusion in your otherwise busy life, STOP! Right now. Especially if you follow my advice to pass all your money transactions through the bank. Here are **6 ways to use your bank statement properly**:

1. **Be clear what your bank statement represents.** It is a document from your bank showing all the activity on your account for a period, usually a month. You can present it as evidence of your financials transactions and use it as a tool to reconcile the information in your own records.
2. **Open your bank statement every month.** As soon as you receive it. Check for any unrecognized items, both withdrawals and deposits. If you discover any, bring these to the attention of the bank immediately.
3. **Match the bank's statement period with yours.** Very often the bank's period will end a few days into the next month. Yours will end at the end of the month. Ask the bank to make your statement period the same as your accounting period. The statement will then be easier to read and reconcile.
4. **Reconcile your bank statement with your records.** Small Business Owners are notorious for keeping poor records. Reconciling your records with your bank statement provides you with certainty about how much money you really have and reveals any other errors.
5. **Really scrutinize your bank charges.** Make sure they are still what you agreed with the bank. Check for items being charged twice (banks do that sometimes) and check for new charges which somehow you didn't hear about before.
6. **Download your statements.** If you have online banking, instead of waiting to receive them through the mail. It increases privacy and security and you get the information which the bank adds faster.

Now that you understand how to use your bank account properly, [learn how to add more money to your account...](#)

Lorna@impacttrainingservices.com

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