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Bank Reconciliation: Prompt Pack for Claude

Five copy-ready prompts, a worked sample and the journal entries it produces

What this is

A bank reconciliation statement (BRS) explains why the bank balance in your books differs from the balance in the bank statement, and shows that after those reasons are counted the two agree. This pack gives you a method, five prompts to do the matching with Claude, a small sample you can practise on, and the journal entries the reconciliation creates.

Claude does the matching and the first sort of the leftovers. You decide what is booked, and you sign the statement.

The rules behind it

- **Why the balances differ.** ICAI's study material groups the causes in three: timing differences (cheques issued or deposited but not yet processed), transactions the bank recorded that you have not (interest, charges, standing instructions, direct credits, dishonoured cheques), and errors in either record. (Source: ICAI, CA Foundation Course, Paper 1: Accounting, Chapter 3, Bank Reconciliation Statement, section "Causes of difference"; ICAI also notes that errors should be corrected in the books and the bank record before the statement is prepared. Edition listed for the May and September 2025 and January 2026 exams; page on icai.org checked 3 November 2026.)
- **Adjust the books for bank-side items.** Interest, charges, direct credits and EMIs shown in the statement but missing from your books need a journal entry. Timing items (outstanding cheques, deposits in transit) need no entry; they are listed in the statement and clear on their own.
- **Stale cheques.** Banks do not pay a cheque presented more than three months after its date (RBI circular RBI/2011-12/251, dated 4 November 2011). The same three-month rule now sits in paragraph 67 of the Reserve Bank of India (Commercial Banks - Know Your Customer) Directions, 2025 (RBI/DOR/2025-26/169, 28 November 2025, updated as on 1 October 2026), which says the bank shall not pay cheques, drafts, pay orders or banker's cheques presented more than three months from the date of the instrument. The 2011 circular took effect on 1 April 2012 and cut the earlier six-month period to three. (Sources: rbi.org.in, checked 3 November 2026.) Treat a long-outstanding cheque as an exception to follow up, not a permanent reconciling item.
- **GST on bank charges.** Banks charge GST on their fees. Book the charge and the GST separately, and take ITC only if the conditions in section 16 of the CGST Act are met. That includes holding a tax invoice or debit note from the bank that carries your GSTIN (rule 36(1) of the CGST Rules), and the invoice appearing in your GSTR-2B (section 16(2)(aa) and rule 36(4)). A plain statement line without your GSTIN does not support the credit. (Sources: CGST Act section 16 and CGST Rules rule 36, CBIC tax repository, checked 3 November 2026.)

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- **Audit.** Auditors confirm bank balances directly with the bank (ICAI Standard on Auditing SA 505, External Confirmations) and will ask for your BRS. Keep it signed and dated, with the preparer and reviewer named.
- **Controls.** The person who prepares the statement should not be the person who handles cash or posts the bank entries.

How to use this pack

1. Export the bank ledger from your books (date, reference or cheque number, narration, debit, credit) for the month, and download the bank statement for the same period as Excel or CSV.
2. Remove account numbers beyond the last four digits and anything not needed.
3. Run Prompts 1 to 5 in order in one Claude chat.
4. Post the journal entries Claude lists, after you have checked each one against the statement.
5. Check that the adjusted balances agree. Sign and file the statement.

Sample data (account ending 4821, month ended 31 October 2026)

Balance as per bank statement: Rs 4,52,300.

Balance as per cash book before adjustments: Rs 4,64,440.

Items found when the two lists are compared:

Item	Where it is	Amount (Rs)
Cheque 004512 to vendor, issued 28-10, not yet presented	Books only	15,000
Cheque 004513 to vendor, issued 30-10, not yet presented	Books only	8,200
Cash and cheque deposited 31-10, credited by bank 02-11	Books only	30,000
NEFT credit from customer, 29-10	Bank only	12,000
Interest credited by bank	Bank only	1,250
Bank charges 500 plus GST 90	Bank only	590
Loan EMI debited by the bank, 05-10	Bank only	18,000

The names and numbers are made up for practice.

The prompts

Prompt 1. Read both lists

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I am doing a bank reconciliation for [MONTH YEAR], account ending [LAST 4 DIGITS]. File A is the bank ledger from my books. File B is the bank statement. Do not match yet. For each file tell me the row count, the column names, the opening balance, total debits, total credits and closing balance, and flag any row with a missing date or amount. Tell me whether each file's opening balance plus movements equals its closing balance. If the arithmetic inside a file does not work, stop and tell me.
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Prompt 2. Match the transactions

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Match File A to File B. Treat a receipt in the books as matching a credit in the statement, and a payment in the books as matching a debit in the statement. Match in this order: (1) same cheque or reference number and same amount, (2) same amount and a date within 5 days, with a similar narration, (3) one books entry that equals the sum of several statement lines or the reverse. Mark steps 2 and 3 as "probable" and show me why. Never force a match. List: matched, in books only, in bank only. For each leftover show date, reference, narration and amount.
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Prompt 3. Name each leftover

PROMPT TO COPY

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For every leftover item, put it in exactly one category: (a) cheque issued but not presented, (b) deposit in transit, (c) bank credit not in books (interest, direct receipt, other), (d) bank debit not in books (charges, EMI, standing instruction, dishonoured cheque), (e) possible error in books or bank (wrong amount, duplicate, wrong date). For (e) show both amounts and the difference. Flag any cheque more than 3 months old. If you cannot tell, say "need to check" and say what I should look at. Do not guess.
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Prompt 4. Build the statement and the entries

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Prepare the bank reconciliation statement. Start from the balance as per the bank statement, add deposits in transit, deduct cheques issued but not presented, and show the adjusted bank balance. Separately start from the balance as per my cash book, add bank credits not in books, deduct bank debits not in books, and show the adjusted book balance. The two adjusted balances must be equal. If they are not, say by how much, and do not adjust any figure to make them equal. Then list the journal entries I need to pass for every item that is in the bank but not in my books, with a debit account, a credit account and the amount. For the loan EMI, tell me you need the principal and interest split from the loan schedule rather than assuming one.
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Prompt 5. Check your own work

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Recompute everything from the raw rows: both closing balances, the total of each category and the two adjusted balances. List any difference from your earlier answer. Confirm no item appears in two categories and no item is missing. Then list three questions a reviewer or auditor would ask about this reconciliation.
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What the sample should give you

Reconciliation statement:

As per bank statement	Rs
Balance as per bank statement	4,52,300
Add: deposit in transit	30,000
Less: cheque 004512 not presented	(15,000)
Less: cheque 004513 not presented	(8,200)
Adjusted bank balance	4,59,100

As per cash book	Rs
Balance as per cash book	4,64,440
Add: NEFT credit not in books	12,000
Add: interest credited	1,250
Less: bank charges and GST	(590)
Less: loan EMI	(18,000)
Adjusted book balance	4,59,100

Both adjusted balances are Rs 4,59,100.

Journal entries to pass:

Entry	Debit	Credit	Rs
NEFT receipt	Bank	Customer (debtor)	12,000
Interest	Bank	Interest income	1,250
Bank charges	Bank charges 500, GST input credit 90 (if eligible, else charges 590)	Bank	590
Loan EMI	Loan account (principal) and interest expense, per the loan schedule	Bank	18,000

If the interest is shown net of TDS, record the gross interest and the TDS as a receivable.

Limits to remember

- Claude can match the wrong lines when narrations are vague. Look at every "probable" match yourself.
- A reconciling item that stays for more than a month is a question for the bank or the party, not a permanent line in the statement.
- This is a working method, not an audit opinion.

Sources (checked 3 November 2026)

- ICAI, CA Foundation Paper 1 Accounting, Chapter 3: https://resource.cdn.icai.org/93955bos-aps6170-ch3.pdf (listed at https://www.icai.org/post/sm-foundation-p1-may2025)
- RBI circular RBI/2011-12/251 (4 November 2011): https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6805&Mode=0
- RBI (Commercial Banks - Know Your Customer) Directions, 2025, paragraph 67: https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=13141
- CGST Act section 16 and CGST Rules rule 36: see the GSTR-2B pack sources (taxinformation.cbic.gov.in).

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