

**Cash Reconciliation**  
**Section 2: Manual Transaction Reconciliation**  
**Coach's Guide**



**Operations**  
**Systems & Procedures Training**

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## Introduction

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### Introduction

This Coach's Guide provides the tools and directions a supervisor or coach needs to train an individual accountant. It is part of a package of materials designed to provide "on-the-job" training to a new hire.

The topics addressed in this module relate to researching transaction discrepancies that are identified as part of the cash reconciliation process. These topics include the processes of resolving:

- Purchase discrepancies
- Sell discrepancies
- Interest payment discrepancies
- Dividend payment discrepancies
- Paydown and pay up discrepancies
- Expense discrepancies
- Class action payment discrepancies

It is unlikely that your group see each of these transactions on a regular basis. If it is important to move the new hire through this training quickly, you can instruct him or her to review only the sections that apply directly to the portfolio(s) he or she will work with. To do this, check the appropriate sections on the table of contents in the participant's manual.

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### The coaching role

The role of the coach is important. The critical skills that you need to fulfill this role include your:

- Technical Expertise - As an experienced associate, you've accumulated significant knowledge and expertise with the topics presented in this training module. As coach, you'll have the opportunity to pass these on to new hires who are ready to learn basic portfolio accounting skills.
  - Mentoring Skills - Your ability to encourage, remediate, answer questions and develop the skills of new hires will contribute to their ability to provide stellar portfolio accounting services.
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## Introduction, Continued

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### Preparation

To be a successful coach, you need to prepare by:

1. Reviewing the contents of this entire Coach's Guide.
2. Ensuring you have a copy of the Participant Training material. This material contains the specific step-by-step tasks the new hire will learn at his or her desk.
3. Ensuring you have a blank copy of the Coaching Checklist, which appears in the next section of this document.
4. Reviewing the Activity sections in this document. Use the instructions to ensure you provide the information the new hire needs to complete the activity.

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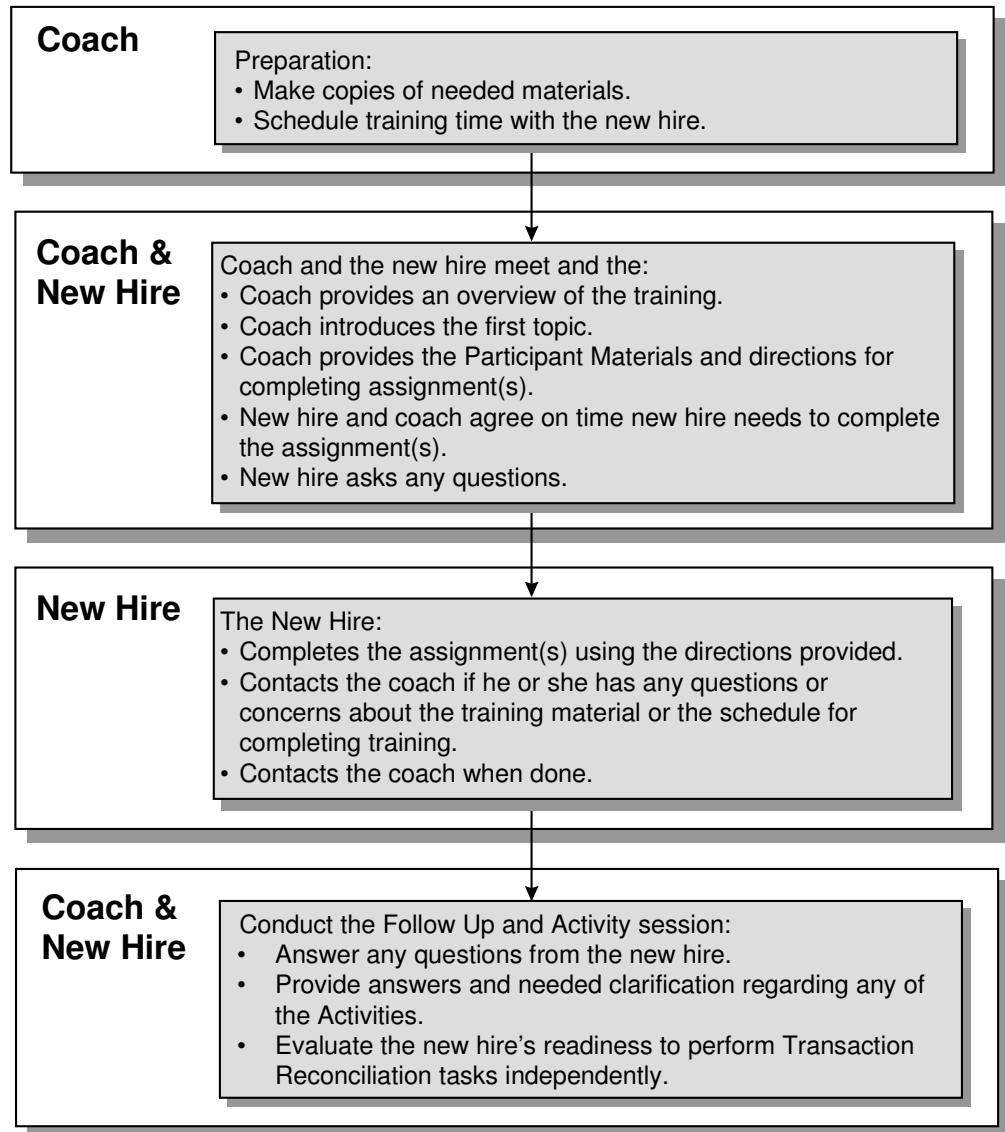
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## Introduction, Continued

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Process

The process for completing the training is illustrated below:



## Coaching Checklist

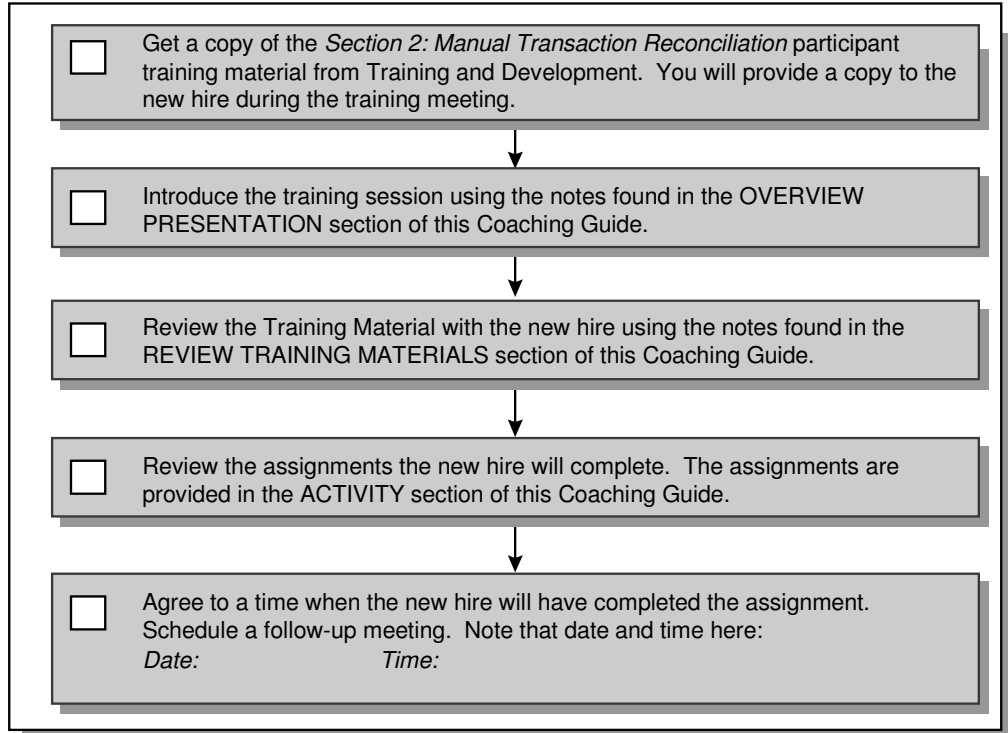
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Purpose of the Coaching Checklist

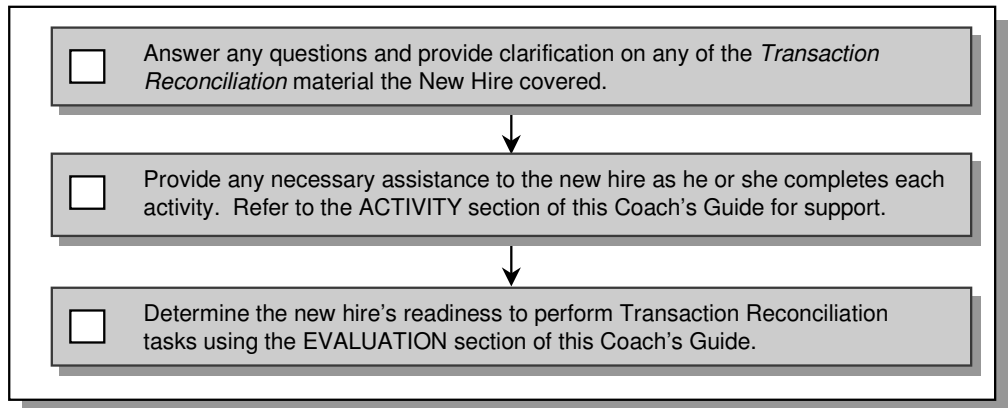
Use the Coaching Checklist as you plan and conduct the training session. It should be used as a record of the training activities you complete with the new hire. Be sure to check each of the appropriate boxes as you progress through the training.

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Preparing for and conducting the training meeting



Conduct follow-up and practice meeting



## Overview Presentation

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**Purpose** This section provides information to be covered in the overview you present to the new hire. This is a short discussion between you and the new hire to ensure he or she understands the purpose of the training.

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**Introduction** Explain that this training is intended to provide the skills needed to perform basic transaction reconciliation tasks related to identifying discrepancies between FMTC and custodian cash reports. Specifically, when this training is completed, the new hire will be able to perform basic reconciliation tasks for the following types of transactions:

- Purchases
  - Sells
  - Interest payments
  - Dividend payments
  - Paydown and pay up transactions
  - Custodian fee transactions
  - Class action payments
  - Contribution and withdrawal transactions
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## Overview Presentation, Continued

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Review the training materials

Review the training material with the new hire. It is only necessary to provide a high level description of what's contained in the materials. Be sure to mention that the manual is divided into three sections which include:

1. Introduction to Reconciling Transactions- A brief introduction.
  2. Movement of Money and Making Variance Entries - Mention that this section addresses how cash flows into and out of a portfolio. It also provides a conceptual overview of making variance entries to reconcile transaction discrepancies.
  3. Reconciling Transactions - Point out that this section provides the detailed steps for reconciling each type of transaction. In this section new hires will be introduced to FMTC and custodian cash reports, the Reconciliation Spreadsheet, and the steps of reconciling each type of transaction.
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Introduce the Reconciliation Spreadsheet

In the section of the new hire's manual labeled *Entering Ending Balances Into The Cash Reconciliation Spreadsheet* each of the three spreadsheets used in FMTC Operations are illustrated for the first time. You should identify the spreadsheet the new hire will use on the job. Mention that through the rest of the manual there are examples of transaction entries in each of the three styles of spreadsheets. The new hire should only review the examples which illustrate the spreadsheet used by your group.

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Completing "IF/THEN" tables

In each section that addresses the steps for reconciling a transaction, an "IF/THEN" table appears. In each of these tables, the IF rows list several circumstances which result in a discrepancy between FMTC and a custodian. Note that each of the rows under the THEN header are blank. These have been left blank intentionally. During the development of this module, it became apparent that each group addressed these situations differently and no standardized steps existed. Our solution is for you to fill in the correct procedure. Before the new hire begins his or her assignment, be sure to fill-in the blanks in each of the eight "IF/THEN" tables in this section of the manual.

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Review the activities

Mention that there are five activities in this section. Each has detailed instructions needed to complete the activity and feedback follows activity. Encourage the participants complete each activity before referencing the feedback section. Also encourage the new hire to seek your advice if they have any questions or need your support to complete any of the activities.

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## Overview Presentation, Continued

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Assignments      Tell the new hire that his or her assignment is to read through the Training Materials that you have provided. Mention that they should read through the details carefully, but there is no need to memorize the information. Point out that they can use the Training Materials as a quick reference on-the-job until they are comfortable that they can perform the detailed steps correctly.

                         The new hire should complete all activities contained in this section. Encourage the new hire to use any part of the manual as a reference as they work on each activity.

                         Answer any questions that the new hire has, then agree to a time for the follow-up and practice meeting.

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## Transaction Reconciliation Activity 1: Reconciling Purchases

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**Purpose** Using data on cash reports from both FMTC and a custodian, reconcile the purchases found on the reports. Both reports are contained in the Reconciling Purchases section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

There is no information that you need to provide for the participant to complete this exercise.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Transaction Reconciliation Activity 2: Reconciling Sells

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**Purpose** With an FMTC and a custodian cash report, reconcile the sells that have posted to a portfolio. Both reports are contained in the Reconciling Sells section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Transaction Reconciliation Activity 3: Reconciling Interest Payments

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**Purpose** Using data on cash reports from both FMTC and a custodian, reconcile the interest payments found on the reports. Both reports are contained in the Reconciling payments section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

There is no information that you need to provide for the participant to complete this exercise.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Transaction Reconciliation Activity 4: Reconciling Dividend Payments

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**Purpose** With an FMTC and a custodian cash report, reconcile the dividend payments that have posted to a portfolio. Both reports are contained in the Reconciling Dividend Payments section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Transaction Reconciliation Activity 5: Reconciling Pay Downs and Pay Ups

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**Purpose** Using data on cash reports from both FMTC and a custodian, reconcile the pay downs found on the reports. Both reports are contained in the Reconciling Pay Downs and Pay Ups section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

There is no information that you need to provide for the participant to complete this exercise.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Transaction Reconciliation Activity 6: Reconciling Contributions and Withdrawals

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**Purpose** With an FMTC and a custodian cash report, reconcile a contribution and a withdrawal that have posted to a portfolio. Both reports are contained in the Reconciling Dividend Payments section of the participant's manual.

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**Activity** Your role for this activity is to provide:

- Any assistance the new hire needs to get through the activity. It may not be necessary for you to be with the new hire as he or she completes this activity, but you or another experienced accountant should be available if assistance is needed.

Note that there is space available in the new hires training material to write down their answers. The answers are provided for the participants in the feedback section that immediately follows the activity.

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## Evaluation and Practice Meeting

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### Evaluation

The purpose of the evaluation is to determine if the new hire is comfortable reconciling transactions. This is a judgement call that you, the coach, will make. Participants should be encouraged to use the training manual as a reference for any task they are unsure how to complete.

Your judgement will be based on observations you make while:

- Providing an overview of the process
- Answering questions and clarifying the training materials
- Observing the new hire while completing practice activities
- Observing the new hire while completing the tasks of reconciling transactions

The most heavily weighted of these should be your observation of the new hire completing transaction reconciliation tasks. To complete this observation you should be prepared to:

- Provide the cash reports for a portfolio with transaction discrepancies that must be reconciled.
- Observe the new hire as he or she completes the activity.

Suggestion: Before reconciling each transaction:

- Instruct the participant to tell you the step(s) they will perform.
- Observe the new hire as he or she completes the step(s). Provide remediation and answer questions as the participant completes the activity.

Use the check list on the following page to record your evaluation.

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## Evaluation and Practice Meeting, Continued

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### Evaluation

Has the new hire accountant demonstrated to your satisfaction that he or she can reconcile the following transactions:

Yes    No

Purchases

Sells

Interest Payments

Dividend Payments

Pay Downs & Pay Ups

Custodian Fee Transactions

Class Action Payments

Contributions and Withdrawals