

Bank Reconciliation: ERP vs. CS Lucas TMS

Bank reconciliation is a crucial process that ensures the accuracy of a company's financial records against the bank's account statements. A reconciliation statement serves to validate that payments have been processed and deposits correctly recorded. This process is essential not only for detecting fraud but also for identifying any unintentional discrepancies. After all adjustments, the ending balance on the reconciliation statement should match the bank account balance.

Bank reconciliation can be carried out using either an ERP system or the CS Lucas TMS. For effective matching to the bank statement, the reconciliation system needs to have access to complete cash journals. When using ERP for reconciliation, treasury journals need to be created manually to ensure completeness. Conversely, if reconciliation is done on CS Lucas, non-treasury cash activities must be imported into the system.

Between the two options, it is often preferred to have CS Lucas push treasury data to the ERP system because treasury transactions generally have less volume. Furthermore, the CS Lucas TMS is designed to generate complex treasury journals automatically and push them into the ERP system seamlessly. For this reason, performing reconciliations on accounting systems is generally recommended as best practice.

However, there is one scenario where using the CS Lucas TMS for bank reconciliation is justified: when the entity managing treasury functions acts as an in-house bank or operates regional treasury activities. In such cases, CS Lucas already has the majority of transactions, providing a robust platform to match treasury transactions against its cash book. Please see CS Lucas user guide on [bank reconciliation](#).