
QuickBooks 2009 Student Guide

Working with Bank Accounts

Lesson 4



Lesson Objectives

- To learn how to work with registers for QuickBooks bank accounts
- To demonstrate how to open a register
- To learn the features common to all registers
- To learn when and how to make entries directly in the register
- To demonstrate how to reconcile a QuickBooks bank account

Notes

Writing a QuickBooks Check

To write a check:

1. In the Banking area of the Home page, click **Write Checks**.
2. Select the **To be printed** checkbox.
3. In the Pay to the Order of field, type **Cal Telephone**.
4. Press Tab to move to the Amount field.
5. Type **156.91**, and press Tab.
6. Click in the **Account** column on the Expenses tab, and then choose **Utilities: Telephone**.
7. Click **Save & Close**.
8. From the Banking menu, choose **Use Register**.
9. Click **OK** to accept Checking as the account whose register you want to see.

Date	Number	Payee	Payment	✓	Deposit	Balance
	Type	Account	Memo			
12/15/2007	To Print CHK	Cal Telephone Utilities:Telephone	156.91			46,392.07
12/16/2007	SEND TRANSFR	Savings			500.00	46,892.07
12/19/2007	SEND BILLPMT	Wheeler's Tile Etc. Accounts Payable H-18756	625.00			46,267.07
12/15/2007	Number	Payee	Payment		Deposit	
		Account	Memo			

Splits Ending balance 46,267.07

1-Line

Sort by:

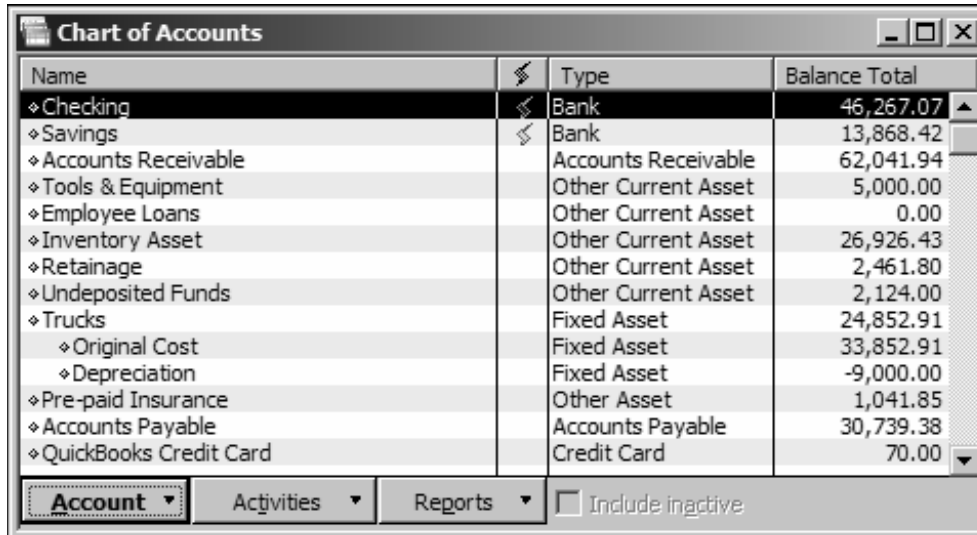
10. Close the Checking account register.

Notes

Using Bank Account Registers

To open a register (when no form is open):

1. From the Lists menu, choose **Chart of Accounts**.



Name	Type	Balance Total
◆ Checking	Bank	46,267.07
◆ Savings	Bank	13,868.42
◆ Accounts Receivable	Accounts Receivable	62,041.94
◆ Tools & Equipment	Other Current Asset	5,000.00
◆ Employee Loans	Other Current Asset	0.00
◆ Inventory Asset	Other Current Asset	26,926.43
◆ Retainage	Other Current Asset	2,461.80
◆ Undeposited Funds	Other Current Asset	2,124.00
◆ Trucks	Fixed Asset	24,852.91
◆ Original Cost	Fixed Asset	33,852.91
◆ Depreciation	Fixed Asset	-9,000.00
◆ Pre-paid Insurance	Other Asset	1,041.85
◆ Accounts Payable	Accounts Payable	30,739.38
◆ QuickBooks Credit Card	Credit Card	70.00

2. In the chart of accounts, double-click the **Savings** account.
3. Review features common to all registers:
 - The register shows every transaction that affects an account's balance and lists them in chronological order.
 - The columns in the register give specific information about the transaction.
 - On every transaction line, QuickBooks shows the account's running balance.
4. Close the Savings register window.
5. Close the Chart of Accounts.

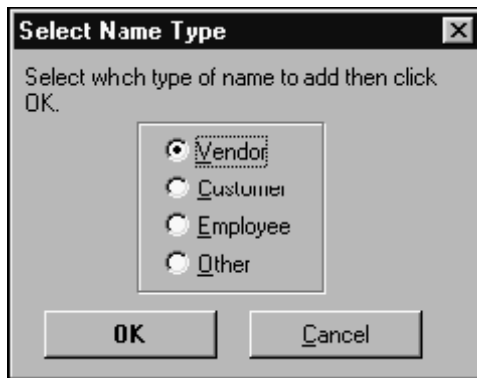
Notes

Entering a Handwritten Check

Sometimes you need to write a check on the spot for items you did not plan to purchase. QuickBooks lets you write the check, and then enter it later in the checking account register or on the check form.

To enter a handwritten check in the checking account register:

1. From the Banking menu, choose **Use Register**.
2. Click **OK** to accept Checking.
3. Click in the Number field in the blank transaction at the bottom of the register, then double-click to highlight the number that QuickBooks prefills.
4. Type **1204**, then press Tab.
5. In the Payee field, type **Bayshore Office Supply**, and then press Tab.
6. Click **Quick Add**.



7. Keep Vendor selected and click **OK**.

Notes

Entering a Handwritten Check

8. In the Payment field, type **99.95**, and then press Tab.
9. In the Account field, type **Of**, and press Tab.
10. In the Memo field, type **Office chair**.

The screenshot shows a software window titled "Checking" with a menu bar containing "Go to...", "Print...", "Edit Transaction", "QuickReport", and "Download Bank Statement". Below the menu bar is a table with columns: Date, Number, Payee (Account and Memo), Payment, Deposit, and Balance. The table contains several rows of transactions, including a new entry for 12/15/2007 with a payment of 99.95 and memo "Office chair". At the bottom right, the ending balance is 46,267.07. There are buttons for "Splits", "Record", and "Restore", and a "Sort by" dropdown menu.

Date	Number	Payee	Payment	✓	Deposit	Balance
	Type	Account	Memo			
12/15/2007	To Print CHK	Cal Telephone Utilities: Telephone	156.91			46,392.07
12/16/2007	SEND TRANSFR	Savings			500.00	46,892.07
12/19/2007	SEND BILLPMT	Wheeler's Tile Etc. Accounts Payable H-18756	625.00			46,267.07
12/15/2007	1204 CHK	Bayshore Office Supply Office Supplies	99.95		Deposit	
Ending balance						46,267.07

11. Click **Record**.
12. Close the Checking account register.

Notes

Transferring Money Between Accounts

To transfer money:

1. From the Banking menu, choose **Transfer Funds**.

The screenshot shows a software window titled "Transfer Funds Between Accounts". At the top, there are navigation buttons for "Previous", "Next", and "Journal". The main content area is titled "Transfer Funds" and includes a date field set to "12/15/2007". Below this, there are two dropdown menus: "Transfer Funds From" (set to "Savings") and "Transfer Funds To". To the right of the "From" dropdown, the "Account Balance" is displayed as "13,868.42". There is an unchecked checkbox for "Online Funds Transfer" and a "Transfer Amount \$" field. At the bottom of the window, there is a "Memo" field containing the text "Funds Transfer" and three buttons: "Save & Close", "Save & New", and "Clear".

2. In the Transfer Funds From field, choose **Checking**.
3. In the Transfer Funds to Field, choose **Savings**.
4. In the transfer Amount field, type **5000**.
5. Click **Save & Close**.
6. Click **OK** at the message because the money has already been transferred in person.

Notes

Reconciling Checking Accounts

Your bank sends you a statement for each of your accounts each month. The statement shows all the activity in your account since the previous statement:

- Opening balance
- Ending balance
- Amount of interest earned
- Service charges
- Checks that have cleared the bank
- Deposits made
- Other transactions affecting the balance of the account

Notes

Marking Cleared Transactions

To begin reconciling an account, you need to tell QuickBooks which account you want to reconcile. Then you can provide information from the top part of your bank statement.

To reconcile your account:

1. From the Banking menu, choose **Reconcile**.

Begin Reconciliation

Select an account to reconcile, and then enter the ending balance from your account statement.

Account: **Checking** last reconciled on 11/14/2007.

Statement Date: **12/14/2007**

Beginning Balance: 23,171.79 [What if my beginning balance doesn't match my statement?](#)

Ending Balance:

Enter any service charge or interest earned.

Service Charge	Date	Account
<input type="text" value="0.00"/>	<input type="text" value="02/15/2008"/>	Bank Service Charges

Interest Earned	Date	Account
<input type="text" value="0.00"/>	<input type="text" value="02/15/2008"/>	<input type="text"/>

2. In the Account field, make sure **Checking** is selected.
3. In the Statement Date field, type **12/15/2007**.
4. In the Ending Balance field, type **34592.98**.
5. In the Service Charge field, type **14.00**.
6. In the Service Charge Date field, type **12/15/2007**.
7. Click **Continue**.
8. Select **Mark All**.

Notes

Marking Cleared Transactions

9. In the Checks, Payments and Service Charges section, click to clear the checkmarks for all items with dates later than 12/12/2007.
10. Repeat the process in the Deposits and Other Credits section—click to clear the checkmarks for all items with dates later than 12/12/2007.

Reconcile - Checking

For period: 12/15/2007 Hide transactions after the statement's end date

Checks and Payments					Deposits and Other Credits					
✓	Date	Chk #	Payee	Amount	✓	Date	Chk #	Payee	Type	Amount
✓	12/12/2007	292	East Baysh...	532.97	✓	12/11/2...			DEP	7,72...
✓	12/12/2007	293	Express Del...	70.00	✓	12/11/2...			DEP	440.00
	12/15/2007	294	Sloan Roofing	5,700.00	✓	12/12/2...			DEP	4,93...
✓	10/28/2007	296	Bank of An...	550.00		12/13/2...		Abercro...	PMT	7,63...
✓	11/28/2007	297	Bank of An...	550.00		12/14/2...			DEP	4,70...
✓	10/22/2007	298	Bank of An...	244.13		12/15/2...		Lew Plu...	PMT	45.00
✓	11/22/2007	299	Bank of An...	244.13		12/15/2...	42000	Natiello, ...	PMT	13,5...
	12/15/2007	1204	Bayshore O...	99.95		12/16/2...	SEND		TRANSFR	500.00

Buttons: Mark All, Unmark All, Go To, Matched, Columns to Display...

Summary:

Beginning Balance	23,171.79
Items you have marked cleared	
21 Deposits and Other Credits	129,430.31
59 Checks and Payments	117,995.12

Modify

Service Charge	-14.00
Interest Earned	0.00
Ending Balance	34,592.98
Cleared Balance	34,592.98
Difference	0.00

Buttons: Reconcile Now, Leave

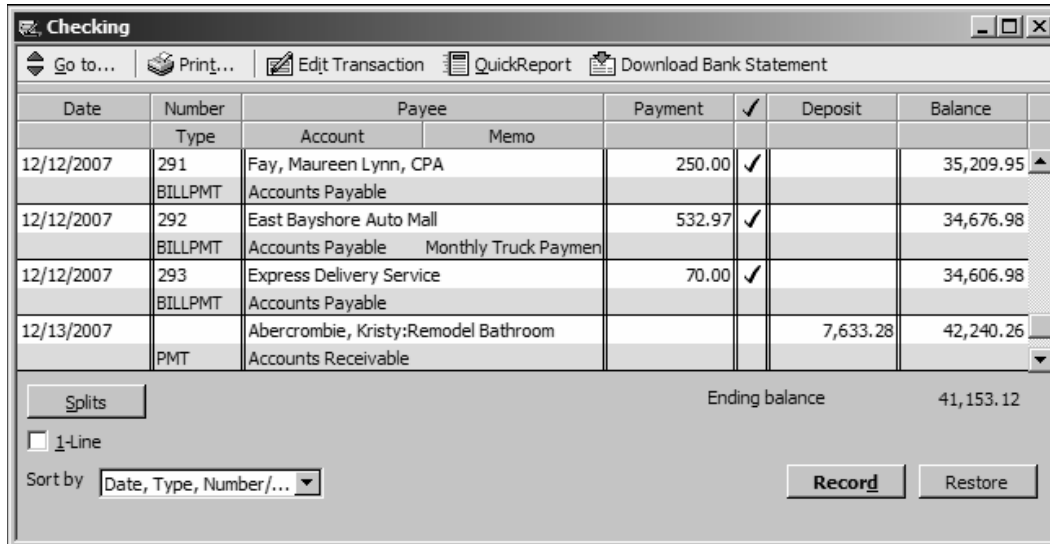
11. Click **Reconcile Now**.
12. In the Select Reconciliation Report window, make sure **Both** is selected, and then click **Display**.
13. Click **OK** at the message that QuickBooks displays.
14. Examine the two reports to see what they show and then close the report windows.

Notes

Viewing Cleared Checks in the Register

To view cleared checks in the register:

1. From the Banking menu, choose **Use Register**.
2. Click **OK** to accept **Checking**.
3. Scroll through the register to view the cleared items.



The screenshot shows a software window titled "Checking" with a menu bar containing "Go to...", "Print...", "Edit Transaction", "QuickReport", and "Download Bank Statement". Below the menu is a table with the following data:

Date	Number	Type	Payee	Account	Memo	Payment	✓	Deposit	Balance
12/12/2007	291	BILLPMT	Fay, Maureen Lynn, CPA	Accounts Payable		250.00	✓		35,209.95 ▲
12/12/2007	292	BILLPMT	East Bayshore Auto Mall	Accounts Payable	Monthly Truck Paymen	532.97	✓		34,676.98
12/12/2007	293	BILLPMT	Express Delivery Service	Accounts Payable		70.00	✓		34,606.98
12/13/2007		PMT	Abercrombie, Kristy:Remodel Bathroom	Accounts Receivable				7,633.28	42,240.26
Ending balance									41,153.12

Below the table are controls: a "Splits" button, a "1-Line" checkbox, a "Sort by" dropdown menu (set to "Date, Type, Number/..."), and "Record" and "Restore" buttons.

4. Close the Checking account register.

Notes

Locating Specific Transactions

You can use the QuickBooks Find command to search for specific checks you've written. For example, suppose you want to find all checks greater than or equal to \$500.00 that you've written during the current year.

To use the Find feature:

1. From the Edit menu, choose **Find** and then select the **Advanced** tab.
2. Select **Transaction Type** from the Choose Filter list.
3. Select **Check** from the list of transaction types.
4. Select **Date** from the Choose Filter list, and then choose **This Calendar Year-to-date**.
5. Select **Amount** from the Choose Filter list, and then click **>=**.
6. Enter **500.00** and click **Find**.
7. Close the Find window.

Notes

Lesson 4: Working with Bank Accounts

Review questions

1. What does the ending balance in a QuickBooks bank account register represent?
 - a Only transactions that have been printed
 - b All transactions entered in the register, including checks that haven't yet been printed
2. What preference allows you to have QuickBooks prefill the amount from the previous transaction with a payee?
 - a Automatically prefill last amount for this payee
 - b Automatically prefill last amount for this name
 - c Automatically recall last transaction for this name
 - d Automatically recall previous transaction for this payee
3. What preference allows you to have QuickBooks prefill the expense account from previous transactions with a vendor?
 - a Automatically prefill last account for this vendor
 - b Prefill accounts for vendor based on past transactions
 - c Automatically recall last transaction for this vendor
 - d Prefill accounts for this payee based on the last transaction
4. True or false: All income and expense accounts have a register associated with them in QuickBooks.
 - a True
 - b False
5. _____ is the process of making sure that your checking account record matches the bank's record.
6. How can you determine whether or not a check has been cleared in QuickBooks?
 - a A checkmark displays in the bank account register
 - b The word "Cleared" is stamped on the check in QuickBooks
 - c All of the above
 - d None of the above

7. True or false: If you are tracking bills with Accounts Payable and have already entered a bill, you should pay the bill by writing a check from the Write Checks window.
- a** True
 - b** False
8. Which of the following might affect a bank account reconciliation?
- a** Interest
 - b** Depreciation
 - c** Service charges
 - d** Both a and c
 - e** All of the above
9. When would you not want to use the Write Checks window when paying bills?
- a** When paying sales tax
 - b** When paying payroll taxes
 - c** When using a handwritten check
 - d** When paying bills you track with Accounts Payable
 - e** None of the above
 - f** Both a and b
 - g** a, b, and d

Review activities

1. Use the checking account register to enter a handwritten check for \$76.95. Use the next available check number and make the check payable to Express Delivery Service, for delivery of a new sign. Assign the check to the Freight & Delivery expense account.
2. Write a QuickBooks check to Bayshore Water for \$143.87 to pay this month's water bill. Assign the check to the Utilities:Water expense account.
3. Find all the checks in the sample file that were written for \$3000.00 and more. How many checks are there?

Answers to review questions

1. What does the ending balance in a QuickBooks bank account register represent?
 - a Only transactions that have been printed
 - ✓ b *All transactions entered in the register, including checks that haven't yet been printed*

2. What preference allows you to have QuickBooks prefill the amount from the previous transaction with a payee?
 - a Automatically prefill last amount for this payee
 - b Automatically prefill last amount for this name
 - ✓ c *Automatically recall last transaction for this name*
 - d Automatically recall previous transaction for this payee

3. What preference allows you to have QuickBooks prefill the expense account from previous transactions with a vendor?
 - a Automatically prefill last account for this vendor
 - ✓ b *Prefill accounts for vendor based on past transactions*
 - c Automatically recall last transaction for this vendor
 - d Prefill accounts for this payee based on the last transaction

4. True or false: All income and expense accounts have a register associated with them in QuickBooks.
 - a True
 - ✓ b *False. Only balance sheet accounts (excluding Retained Earnings) have registers associated with them.*

5. *Reconciling* is the process of making sure that your checking account record matches the bank's record.

6. How can you determine whether or not a check has been cleared in QuickBooks?
 - a A checkmark displays in the bank account register
 - b The word "Cleared" is stamped on the check in QuickBooks
 - ✓ c *All of the above*
 - d None of the above

7. True or false: If you are tracking bills with Accounts Payable and have already entered a bill, you should pay the bill by writing a check from the Write Checks window.
- a** True
 - ✓ **b** *False You should use the Pay Bills window to write the check.*
8. Which of the following might affect a bank account reconciliation?
- a** Interest
 - b** Depreciation
 - c** Service charges
 - ✓ **d** *Both a and c*
 - e** All of the above
9. When would you not want to use the Write Checks window when paying bills?
- a** When paying sales tax
 - b** When paying payroll taxes
 - c** When using a handwritten check
 - d** When paying bills you track with Accounts Payable
 - e** None of the above
 - f** Both a and b
 - ✓ **g** *a, b, and d*