



QUICKBOOKS 2016 STUDENT GUIDE

Lesson 4

Working with Bank Accounts

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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

Writing a QuickBooks Check



To write a check:

1. In the **Banking** area of the **Home** page, click **Write Checks** (or press **CTRL+W**).

Write Checks - Checking

Main Reports

Find New Save Delete Create a Copy Memorize Print Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Checks

BANK ACCOUNT: 10100 - Checking ENDING BALANCE: 101,632.95

NO. 269 DATE: 02/28/2020

PAY TO THE ORDER OF: Dianne's Auto Shop \$ 231.00

Two hundred thirty-one and 00/100***** DOLLARS

ADDRESS: Dianne's Auto Shop, Dianne Bradley, 29834 Mustang Ave., Millbrae, CA 94030

MEMO: Monthly Vechiicle Repairs and Maintenance

Expenses \$231.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BIL...	CLASS
60100 - Automobile:60130 - Repairs and Mainten...	231.00	Monthly Vechiicle Repairs and Maintenance			

Save & Close Save & New Revert

2. In the **Pay to the Order of** field, choose the name of the vendor you wish to pay.
If the **Open Bills Exist** window pops up, you may choose the option to **Go to Pay Bills** instead.
3. Complete the remaining information on the check.
4. Click **Save & Close**.



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	ATTACH
10100 - Checking	Bank	101,632.95	
10300 - Savings	Bank	17,910.19	
10400 - Petty Cash	Bank	500.00	
11000 - Accounts Receivable	Accounts Receivable	82,556.68	
12000 - Undeposited Funds	Other Current Asset	15,515.00	
12100 - Inventory Asset	Other Current Asset	6,807.87	
12800 - Employee Advances	Other Current Asset	832.00	
13100 - Pre-paid Insurance	Other Current Asset	4,050.00	
13400 - Retainage Receivable	Other Current Asset	3,703.02	
15000 - Furniture and Equipment	Fixed Asset	34,326.00	
15100 - Vehicles	Fixed Asset	78,936.91	
15200 - Buildings and Improvements	Fixed Asset	325,000.00	
15300 - Construction Equipment	Fixed Asset	15,300.00	
16900 - Land	Fixed Asset	90,000.00	
17000 - Accumulated Depreciation	Fixed Asset	-110,344.60	
18700 - Security Deposits	Other Asset	1,720.00	

Account Activities Reports Attach Include inactive

2. In the **Chart of Accounts**, double-click the balance sheet account whose register you wish to view (this will work for all balance sheet accounts with the exception of Retained Earnings).

DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO		
12/15/2020	FAM2011	Teschner, Anton:Sun Room	3,500.00		104,982.95
	GENJRN	11000 · Accounts Receivable	Bounced Check# 306		
12/15/2020	FAM2012	Teschner, Anton:Sun Room	25.00		104,957.95
	GENJRN	60600 · Bank Service Charges	Bank service charges for bounced check#		
12/15/2020	bounce		2,200.00		102,757.95
	GENJRN	-split-			
12/15/2020	bounce		25.00		102,732.95
	GENJRN	10100 · Checking [split]			
12/15/2020	SEND			500.00	103,232.95
	TRANSFR	10300 · Savings			
01/15/2021	To Print	State Board of Equalization	1,600.00		101,632.95
	TAXPMT	-split-	ABCD 11-234567		

ENDING BALANCE **101,632.95**

1-Line

Sort by

3. Review features common to all registers:

- The register shows every transaction that affects an account’s balance and lists them in chronological order (unless another order is chosen in the Sort by drop-down box in the lower left corner of the register window)
- The columns in the register give specific information about the transaction
- On every transaction line, QuickBooks shows the account’s running balance
- The Ending Balance for a register is the account’s running balance for all dates after all transactions have been entered, including checks, whether or not they have been printed.
- The register may be changed from a 2-line-per-transaction display, as in the example shown, to a 1-line-per-transaction-display by putting a checkmark next to **1-Line** in the bottom left corner of the register window. The 1-line display is easier on the eyes but provides less detailed information.
- A horizontal blue line separates all transactions entered for this register up to and including today from transactions that are post-dated.

4. Close the register window.
5. Close the Chart of Accounts.



NOTES

Entering a Handwritten Check

Sometimes you need to write a check by hand on the spot for items or services 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** drop-down menu choose **Write Checks**.
2. Ensure the proper account is selected in the **Bank Account** drop-down.
3. Click in the **Number** field in the blank transaction and enter the number from the handwritten check. (If the number field says To Print, uncheck the **Print Later** box on the toolbar.)
4. Enter the information from the handwritten check and assign it to the corresponding expense account.
5. **Save & Close**.



NOTES

Transferring Money between Accounts

The Transfer Funds feature in QuickBooks allows you to move money from one balance sheet account to another. These transactions may reflect funds transfers from one bank account to another, movement of money from a bank to an asset account, or even payment against a credit card or liability account. (This feature is especially useful in a multicurrency environment when transferring funds between accounts of different currencies and the bank has assigned a specific exchange rate to the transfer.)



To transfer money:

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

The screenshot shows the 'Transfer Funds' form in QuickBooks. At the top, there are navigation buttons: Previous, Next, Save, and Attach. The form title is 'Transfer Funds'. Below the title, there are fields for DATE (12/15/2018) and CLASS (dropdown). The main section contains two rows of account information: 'TRANSFER FUNDS FROM' (10100 - Master Checking Account) with an 'ACCOUNT BALANCE' of 46,712.24, and 'TRANSFER FUNDS TO' (10300 - Savings) with an 'ACCOUNT BALANCE' of 17,910.19. There is a checkbox for 'Online Funds Transfer' and a 'TRANSFER AMOUNT' field. The 'MEMO' field contains 'Funds Transfer'. At the bottom, there are three buttons: 'Save & Close', 'Save & New', and 'Clear'.

2. In the **Transfer Funds From** field, choose the account from which you are transferring the money.
3. In the **Transfer Funds To** field, choose the account to which the money is being transferred.
4. Enter the amount you wish to transfer in the **Transfer Amount** field.

The screenshot shows the 'Transfer Funds' form in QuickBooks, similar to the previous one, but with the 'TRANSFER AMOUNT' field now containing the value '5,000.00'. All other fields and buttons remain the same.

5. Click **Save & Close**.

Reconciling Bank 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 and other withdrawals that have cleared the bank
- Deposits made
- Other transactions affecting the balance of the account



To reconcile a checking or savings account statement:

1. From the **Banking** drop-down, choose **Reconcile**.
2. In the **Account** drop-down, choose the appropriate bank account from the list.

Begin Reconciliation ✕

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

Account 10100 · Checking

Statement Date 11/30/2020

Beginning Balance 71,452.58 What if my beginning balance doesn't match my statement?

Ending Balance 71,426.52

Enter any service charge or interest earned.

Service Charge	Date	Account	Class
<input type="text" value="0.00"/>	<input type="text" value="11/30/2020"/>	<input type="text" value="60600 · Bank Service Charges"/>	<input type="text"/>
Interest Earned	Date	Account	Class
<input type="text" value="0.00"/>	<input type="text" value="11/30/2020"/>	<input type="text"/>	<input type="text"/>

3. In the **Statement Date** field, enter the closing date of the statement you wish to reconcile.

4. In the **Ending Balance** field, enter the ending balance on the statement you wish to reconcile.
5. Click **Continue**. Proceed to next exercise.



NOTES

Marking Cleared Transactions



To mark the transactions as cleared:

- Place a checkmark in the **Hide transactions after statement's end date** to only show transactions dated up to and including the statement end date.
- In the **Checks and Payments** section of the window, match the transactions with the checks and payments on your statement. Click a checkmark next to each transaction in QuickBooks that appears on your statement. This marks the transaction as cleared in your QuickBooks register.
- In the **Deposits and Other Credits** section of the window, click a checkmark next to each transaction that matches your statement to mark the deposits as cleared in the register.

You can open a transaction to view it and make changes to it if necessary by double-clicking on the transaction in the reconciliation window.

- When you are done with this process, the Difference in the bottom right corner should be zero. When this difference is zero *and only when this difference is zero*, click **Reconcile Now**.

For period: 11/30/2020 Hide transactions after the statement's end date

Checks and Payments				Deposits and Other Credits				
DATE	CHK #	PAYEE	AMOUNT	DATE	CHK #	PAYEE	TYPE	AMOUNT
✓ 10/31/2020	433	Sergeant Insurance	712.58	✓ 11/30/2020	41077	Melton, Johnny Dent	PMT	4,135.50
✓ 10/31/2020	436	Bayshore Water	24.00					
✓ 11/14/2020	451	Larson Flooring	3,200.00					
✓ 11/19/2020	460	City of Bayshore	225.00					
11/28/2020	464	Hopkins Construction Re...	300.00					
11/28/2020	465	Keswick Insulation	500.00					
11/28/2020	466	McClain Appliances	600.00					
11/28/2020	467	Lew Plumbing	800.00					
11/28/2020	468	Timberloft Lumber	6,790.00					
11/28/2020	469	Sloan Roofing	2,000.00					
11/28/2020	470	Washuta & Son Painting	500.00					
11/30/2020	471	Bayshore Water	24.00					
11/30/2020	472	Patton Hardware Supplies	656.23					
11/30/2020	473	Wheeler's Tile Etc.	686.00					
11/30/2020	474	Dianne's Auto Shop	218.00					
11/30/2020	475	Bank of Anycity	2,710.90					

Highlight Marked
 Mark All
Unmark All
Go To
Matched

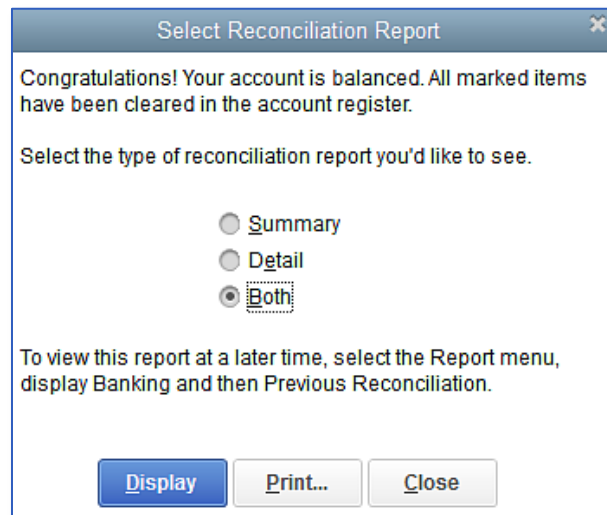
Columns to Display...

Beginning Balance	71,452.58	
Items you have marked cleared		
1 Deposits and Other Credits	4,135.50	
4 Checks and Payments	4,161.56	

Modify	Service Charge	0.00
	Interest Earned	0.00
	Ending Balance	71,426.52
	Cleared Balance	71,426.52
	Difference	0.00

Reconcile Now
Leave

5. In the **Select Reconciliation Report** window you can choose to display or print your reconciliation reports. It is important to print both the Summary and Detail reports, and a best practice to save them as PDF's for future reference.



NOTES

Viewing Cleared Checks in the Register



To view cleared checks in the register:

1. From the **Banking** menu, choose **Use Register**.
2. Choose the account register you wish to view from the list. (An alternate way of viewing the register is to open the Chart of Accounts and double-click on the account whose register you wish to see.)
3. Scroll through the register to view the cleared items:
 - **Checkmark** = cleared on a completed reconciliation
 - **Asterisk** = cleared on a pending reconciliation
 - **No mark** = not cleared



WARNING: You are able to change the reconciliation status of a transaction from within the register. **Do not Do it!** Manually changing reconciliation status in the register has a negative impact on future reconciliations.

10100 - Checking									
Go to... Print... Edit Transaction QuickReport Download Transactions									
DATE	NUMBER	PAYEE		PAYMENT	✓	DEPOSIT	BALANCE		
	TYPE	ACCOUNT	MEMO						
11/25/2020	DEP	12000 · Undeposited Funds	Deposit		✓	4,264.78		96,878.14	
11/25/2020	PMT	Cook, Brian:Kitchen			✓	4,225.41		101,103.55	
11/25/2020	DEP	11000 · Accounts Receivable			✓	5,435.00		106,538.55	
11/25/2020	463	Cal Gas & Electric		97.53	✓			106,441.02	
11/25/2020	CHK	65100 · Utilities:65110 · Gas and Electric Acct #560-82645-99C							
11/25/2020	TRANSF	10300 · Savings	Funds Transfer	42,300.00	✓			64,141.02	
11/28/2020	464	Hopkins Construction Rentals		300.00				63,841.02	
11/28/2020	BILLPMT	20000 · Accounts Payable							
11/28/2020	465	Keswick Insulation		500.00				63,341.02	
11/28/2020	BILLPMT	20000 · Accounts Payable							
11/28/2020	466	McClain Appliances		600.00				62,741.02	
11/28/2020	BILLPMT	20000 · Accounts Payable	85-93117						
11/28/2020	467	Lew Plumbing		800.00				61,941.02	
11/28/2020	BILLPMT	20000 · Accounts Payable	5-487						

ENDING BALANCE **101,632.95**

1-Line

Sort by Date, Type, Number/Ref

4. Close the account register.



NOTES

Locating Specific Transactions

You can use the QuickBooks Find command to search for specific checks you've written (and other transactions as well). 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** (or press **CTRL+F**) then select the **Advanced** tab.
2. Choose the filter(s) you would like to use. You can choose multiple filters by setting one then choosing another from the list. In the example below, the Amount filter shows greater than or equal to \$500 and Transaction Type filter shows Multiple Transaction Types (which are Check, Bill Payment, Sales Tax Payment, and Paycheck).

The screenshot shows the 'Find' dialog box in QuickBooks. The 'Advanced' tab is selected. Under 'CHOOSE FILTER', 'TransactionType' is chosen, and 'Multiple Transaction Types' is selected in the dropdown. The 'Current Choices' table shows the following filters:

FILTER	SET TO
Amount	>=500.00
Detail Level	Summary only
Posting Status	Either
TransactionType	Multiple Transac...
Zero Reorder Qty	Hide

Below the filters is a table of search results:

DATE	TYPE	NUM	NAME	ACCOUNT	MEMO	AMOUNT
01/15/2021	TAXPMT		State Boar...	10100 · Ch...	ABCD 11-2...	-1,600.00
12/15/2020	BILLPMT	501	Wheeler's ...	10100 · Ch...	H-18756	-625.00
12/15/2020	BILLPMT	502	Daigle Ligh...	10100 · Ch...		-640.92
12/15/2020	BILLPMT	503	Patton Har...	10100 · Ch...	Bill #35698	-754.50
12/15/2020	BILLPMT	504	Perry Wind...	10100 · Ch...		-6,935.75
12/15/2020	BILLPMT	506	East Baysh...	10100 · Ch...		-1,631.52
12/15/2020	BILLPMT	507	Timberloft ...	10100 · Ch...	1890-76	-1,358.00
12/15/2020	BILLPMT	508	East Baysh...	10100 · Ch...		-1,476.23
12/15/2020	BILLPMT	510	Timberloft ...	10100 · Ch...	1890-76	-896.00

On the right side of the dialog, there are buttons for 'Find', 'Reset', 'Close', 'Help', 'Go To', 'Report', and 'Export...'. The 'Report' button is highlighted with a red box. At the bottom right, it says 'Number of matches: 263'.

3. Click the blue **Find** button to search. To clear your filters and start fresh with a new Find, click the **Reset** button.

4. From the results grid, double-click on the transaction you would like to view to open the transaction.

You can also create a Find Report or Export the results of the grid to Excel by selecting the **Report** or **Export** buttons.

5. Close the **Find** window.



NOTES

Using Bank Feeds

Bank Feeds allow users to download bank and credit card transactions directly into their QuickBooks file.

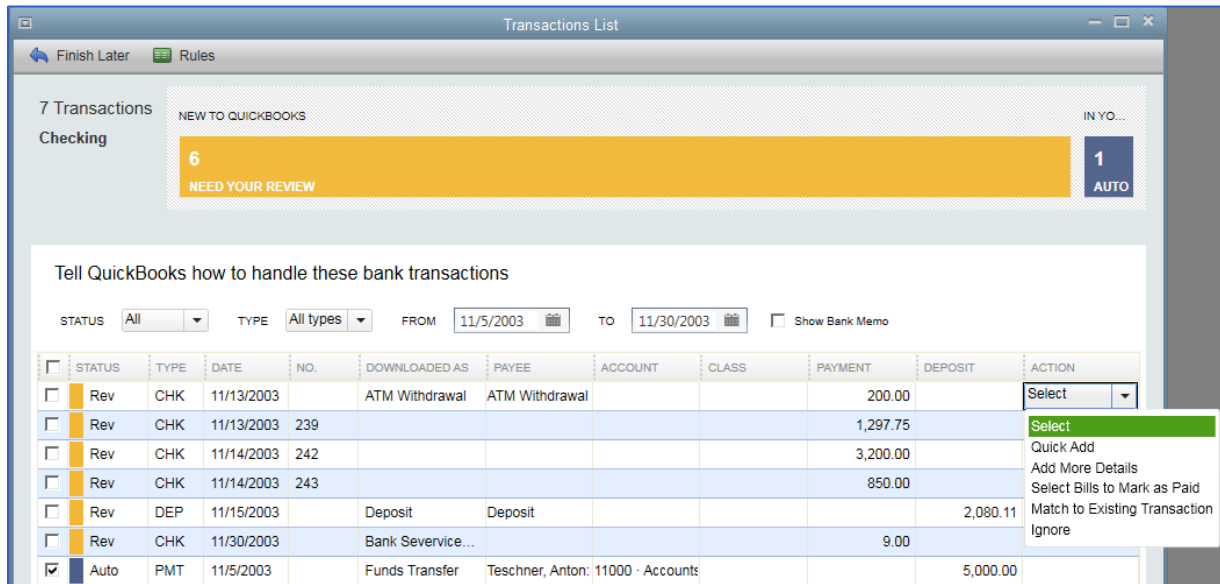


To use the Bank Feed feature:

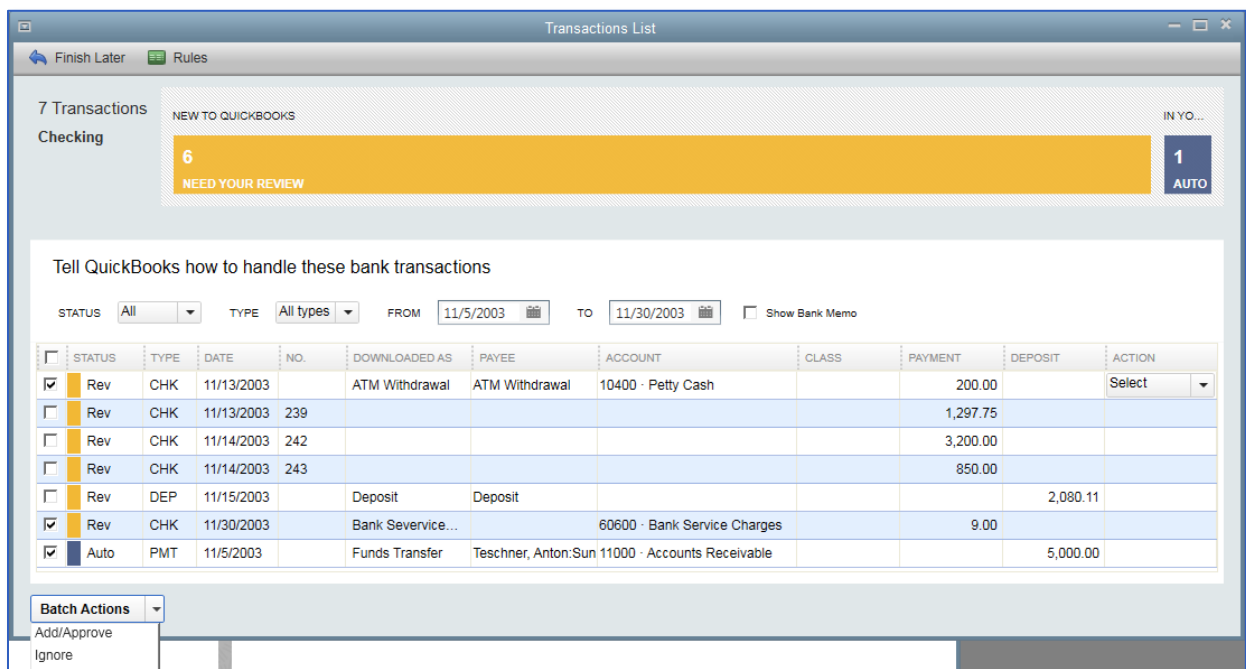
- From the menu bar, select **Banking** → **Bank Feeds** → **Bank Feeds Center**. If this is your first time using the Bank Feeds Center, click on the **Add Account** button in the top left corner and follow the prompts to set up your account information.

- From the **Bank Feeds** window, click the **Transaction List** button to view and process transactions. If this button says **Download Transactions**, this means all previously downloaded transactions have already been posted to QuickBooks. Press the **Download Transactions** button to download available transactions from the bank.
- Use the grid to enter additional information about the downloaded transaction (payee, account the expense or deposit should be mapped to, transaction number, etc.). This is how the transaction will appear in your QuickBooks register.

- To process transactions individually, use the drop-down menu in the **Select** column.



- To process multiple transactions at once, place a checkmark in the far left column and use the **Batch Actions** drop-down in the bottom left corner of the window.



- Close the window when you are finished. After the transactions have been accepted, they will appear in the appropriate register.

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. True or false: All income and expense accounts have a register associated with them in QuickBooks.
 - a. True
 - b. False
3. _____ is the process of making sure that your checking account record matches the bank's record.
4. 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
5. 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
6. 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

Review Activities

- 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.
- 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.
- Find all the checks in the sample file that were written for \$3000.00 or 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. 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.
3. *Reconciling* is the process of making sure that your checking account record matches the bank's record.
4. 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
5. 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.
6. 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