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

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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.

10. Close the Checking account register.

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Using bank account registers

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

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

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

Entering a handwritten check

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.

Entering a handwritten check

To enter a handwritten check in the checking account register:

7. Click OK.
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.
11. Click Record.
12. Close the Checking account register.

Transferring money between accounts

To transfer money:

1. From the Banking menu, choose Transfer Funds.

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 when you see an informational message.

Reconciling checking accounts

Bank statement shows:

- 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

Marking cleared transactions

To reconcile your account:

1. From the Banking menu, choose Reconcile.

2. In the Account field, make sure Checking is selected.

3. In the Statement Date field, type 12/15/2015.

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 12/15/2015.

7. Click Continue.

8. Select Mark All.

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Marking cleared transactions

To reconcile your account:

9. In the Checks and Payments section, click to clear the checkmark for Wheeler Tires on 12/12/2008 as well as for all items with dates later than 12/12/2015.

10. Repeat the process in the Deposits and Other Credits section – click to clear the checkmark for the $500 transfer on 12/17/2007 as well as for all items with dates later than 12/12/2015.

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 reports and then close the report windows.

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.

4. Close the Checking account register.

Locating specific transactions

To use the Find feature:

1. From the Edit menu, choose Find and then select the Advanced tab.

2. From the Choose Filter list, select Transaction Type.

3. Select Check from the list of transaction types.

4. From the Choose Filter list, select Date, and then choose, This Calendar Year-to-date.

5. From the Choose Filter list, select Amount, and then click >= (greater than or equal to).

6. Enter 500.00 and click Find.

7. Close the Find window.

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LESSON 4   # Review questions and activities

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?

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. 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*