

QuickBooks Guide

Step-by-Step Instructions

What You'll Learn Using QuickBooks

When you have completed this chapter, you will be able to use QuickBooks to:

1. Use the Reconcile feature to reconcile a bank statement.
2. Record service charges.
3. Print the Detail Reconciliation report.

Problem 11-5 Reconciling the Bank Statement

INSTRUCTIONS

Begin a Session

Step 1 Restore Problem 11-5.QBB file. Use 2015 as the year.

Work the Accounting Problem

Step 2 Reconcile the bank statement.

The problem set includes all of the transaction data needed to perform the account reconciliation. Payments and deposits made throughout the month have already been recorded for you. Bank service charges and other fees have not been recorded.

To reconcile the bank statement:

- Choose **Reconcile** from the **Banking** menu. The Begin Reconciliation window will be displayed.
- Make sure the **101 Cash in Bank** account shows in the *Account* field. If it does not, click the Account pull-down menu and choose **101 Cash in Bank**.
- Press **Tab** and type **10/30/2015** in the *Statement Date* field.
- Press **Tab** and type **1380** in the *Ending Balance* field.
- Press **Tab** and type **10** in the *Service Charge* field.
- Press **Tab** and type **10/30/2015** in the *Date* field.
- Press **Tab** and type **512 Miscellaneous Expense** in the *Account* field. This is the account that will be used to record the bank service charge.
- Verify that you have entered the correct information.
- Click **Continue**. The Reconcile–Cash in Bank window opens.
- Click in the column below the check mark, to highlight the deposits that have cleared (those that would appear on the bank statement). As you select a deposit as having cleared, the *Cleared Balance* and *Difference* fields on the bottom right of the window are updated.
- Click in the column below the check mark to highlight the checks that have cleared. As you select a check as having cleared, the *Cleared Balance* and *Difference* fields on the bottom right of the window are updated.

DO YOU HAVE A QUESTION?

Q. When you use the Begin Reconciliation window and record the service charge or interest earned, do you have to make a separate entry to update the general ledger?

A. No. QuickBooks automatically creates a general journal entry behind the scenes when you enter a service charge or interest earned in the Begin Reconciliation window.

Notes

When you enter a bank service charge, you must enter a General Ledger account number. QuickBooks will automatically generate the general journal entry for you behind the scenes.

Notes

If the account is interest-bearing, you would type into the Interest Earned field the amount of the interest earned shown on the bank statement. You would also type the posting date for the interest shown on the bank statement and use **Interest Income** as the account.

- When everything has been entered, or marked with a check mark as cleared, look at the *Difference* field and make sure it shows a **0.00** balance. This means that your reconciliation is complete.
- Click **Reconcile Now** to process the reconciliation and update the **Cash in Bank** account with the cleared entries.
- If the Information window opens, click **OK**.
- To obtain a reconciliation report showing all the checks and deposits in detail, select **Detail** in the Select Reconciliation Report window.
- Click **Display** to generate the report on your monitor. When the Reconciliation Report window opens, click **OK**.

Step 3 Print the Detail Reconciliation report for October 2015.

Step 4 Print the Cash in Bank Register for October 2015.

To print the Cash in Bank Register:

- Choose **Use Register** from the **Banking** menu.
- When the Use Register window opens, select **101 Cash in Bank** in the *Select Account* field.
- Click **OK** in the Use Register window.
- Click **Print** in the 101 Cash in Bank Register window. When the Print Register window opens, type **10/01/2015** in the *From* field.
- Press **Tab** and type **10/30/2015** in the *Through* field.
- Click **OK**, and then click **Print**.

Analyze Your Work

Step 5 Complete the Analyze activity. Use the Reconciliation Detail report for help. Outstanding checks will be found in the section titled Uncleared Transactions.

End the Session

Step 6 It is recommended that you back up your work for this session.

Adjust the Reconciliation Detail report layout to increase the size of the columns to show the data in all of the columns. Print an updated Reconciliation Detail report.

