



QUICKBOOKS DESKTOP 2018 STUDENT GUIDE

Lesson 4

Work with Bank Accounts

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Lesson Objectives

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

Write a QuickBooks Check



Step-by-Step: Write a Check

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

The screenshot shows the 'Write Checks - Checking' window in QuickBooks. The 'BANK ACCOUNT' is '10100 - Checking' and the 'ENDING BALANCE' is '46,969.10'. The check is for 'Dianne's Auto Shop' with check number '269' and date '02/28/2022' for an amount of '\$ 231.00'. The check is marked as 'CLEARED'. The address is 'Dianne's Auto Shop, Dianne Bradley, 29834 Mustang Ave., Millbrae, CA 94030'. The memo is 'Monthly Vehicle Repairs and Maintenance'. Below the check form, there is an expense table with one entry for 'Repairs and Maintenance' for \$231.00.

ACCOUNT	AMOUNT	MEMO	CUSTOMER-JOB	BIL...	CLASS
60100 · Automobile:60130 · Repairs and Maintenance	231.00	Monthly Vehicle Repairs and Maintenance	Overhead	<input type="checkbox"/>	Overhead

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

Use Bank Account Registers



Step-by-Step: Open a Register (when no form is open)

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

Chart of Accounts			
Look for account name or number			
<input type="text"/>	<input type="button" value="Search"/>	<input type="button" value="Reset"/>	
NAME	TYPE	BALANCE TOTAL	ATTACH
10100 · Checking	Bank	46,969.10	
10300 · Savings	Bank	17,910.19	
10400 · Petty Cash	Bank	500.00	
11000 · Accounts Receivable	Accounts Receivable	93,007.93	
12000 · Undeposited Funds	Other Current Asset	2,440.00	
12100 · Inventory Asset	Other Current Asset	30,683.38	
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	
20000 · Accounts Payable	Accounts Payable	26,636.92	
20500 · QuickBooks Credit Card	Credit Card	94.20	
20600 · CalOil Credit Card	Credit Card	382.62	
Subcontracted Federal WH	Other Current Liability	0.00	
20700 · Due to Owner	Other Current Liability	0.00	

Account ▾ Activities ▾ Reports ▾ Attach Include inactive

- 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
12/15/2022	10075	Gregg O. Schneider	1,033.98		50,876.41
	PAY CHK	-split-			
12/15/2022	10076	Dan T. Miller	1,350.15		49,526.26
	PAY CHK	-split-			
12/15/2022	10077	Elizabeth N. Mason	932.92		48,593.34
	PAY CHK	-split-			
12/15/2022	10078	Gregg O. Schneider	1,062.12		47,531.22
	PAY CHK	-split-			
12/15/2022	10079	Gregg O. Schneider	1,062.12		46,469.10
	PAY CHK	-split-			
12/15/2022	SEND			500.00	46,969.10
	TRANSFI	10300 - Savings			

ENDING BALANCE **46,969.10**

1-Line

Sort by **Date, Type, Number/Ref**

Buttons: **Recorg**, **Restore**

- 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 (today is recognized according to your calendar in Windows) from transactions that are post-dated

- Close the register window.
- Close the Chart of Accounts.

NOTES

Enter 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 then enter it later in the checking account register or on the check form.



Step-by-Step: 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 at the top of the check.
3. Click in the **No.** (check number) field in the blank transaction and enter the number from the handwritten check. (If the No. field says To Print, uncheck the **Print Later** box on the toolbar at the top of the check in the Main tab of the ribbon.)
4. Enter the information from the handwritten check and assign it to the corresponding expense account.
5. **Save & Close**.

NOTES

Transfer 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.)



Step-by-Step: Transfer Money

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

Field	Value
DATE	12/15/2022
CLASS	
TRANSFER FUNDS FROM	10100 - Checking
ACCOUNT BALANCE	46,969.10
TRANSFER FUNDS TO	10300 - Savings
ACCOUNT BALANCE	17,910.19
Online Funds Transfer	<input type="checkbox"/>
TRANSFER AMOUNT	42,000.00
MEMO	Funds Transfer

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.
5. Click **Save & Close**.

NOTES

Reconcile Bank Accounts

Your bank sends you a statement for each of your accounts each month (or you can view it online using your online banking credentials). 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



Step-by-Step: 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

Statement Date

Beginning Balance 71,452.58 [What if my beginning balance doesn't match my statement?](#)

Ending Balance

Enter any service charge or interest earned.

Service Charge	Date	Account	Class
<input type="text" value="0.00"/>	<input type="text" value="11/30/2022"/>	<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="11/30/2022"/>	<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

Mark Cleared Transactions



Step-by-Step: Mark Transactions as Cleared

1. Place a checkmark in the box next to Hide transactions after statement’s end date to show only transactions dated up to and including the statement end date.
2. In the Checks and Payments section of the window on the left side, match the transactions with the checks and payments on your statement. Place a checkmark next to each transaction in QuickBooks that appears on your statement. This marks the transaction as cleared in your QuickBooks register.
3. In the Deposits and Other Credits section of the window on the right side, place 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, if necessary, by double-clicking on the transaction in the reconciliation window.

4. 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**.

Reconcile - Checking

For period: 11/30/2022

Hide transactions after the statement's end date

Checks and Payments					Deposits and Other Credits					
✓	DATE	CHK #	PAYEE	AMOUNT	✓	DATE	CHK #	PAYEE	TYPE	AMOUNT
✓	0/31/2022	433	Sergeant Insurance	712.56	✓	11/30/2022	41077	Melton, Johnny...	PMT	4,135.50
✓	0/31/2022	436	Bayshore Water	24.00						
✓	1/14/2022	451	Larson Flooring	3,200.00						
✓	1/19/2022	460	City of Bayshore	225.00						
	11/28/2022	464	Hopkins Constructi...	300.00						
	11/28/2022	465	Keswick Insulation	500.00						
	11/28/2022	466	McClain Appliances	600.00						
	11/28/2022	467	Lew Plumbing	800.00						
	11/28/2022	468	Timberloft Lumber	6,790.00						
	11/28/2022	469	Sloan Roofing	2,000.00						
	11/28/2022	470	Washuta & Son Pai...	500.00						

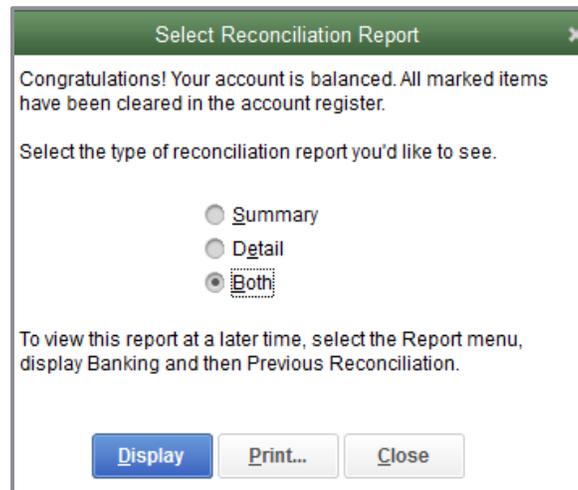
Highlight Marked

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

Reconcile Now Leave

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 PDFs for future reference.



NOTES

View Cleared Checks in the Register



Step-by-Step: 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 to view the register is to open the Chart of Accounts and double-click on the balance sheet 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.

DATE	NUMBER	ACCOUNT	PAYEE	PAYMENT	DEPOSIT	BALANCE
11/25/2022					5,435.00	106,538.55
	DEP	12000 - Undeposited Funds	Deposit			
11/25/2022	463	Cal Gas & Electric		97.53		106,441.02
	CHK	65100 - Utilities:65110 - Gas and Electric	Acct #560-82645-99C			
11/25/2022				42,300.00		64,141.02
	TRANSF	10300 - Savings	Funds Transfer			
11/28/2022	464	Hopkins Construction Rentals		300.00		63,841.02
	BILLPMT	20000 - Accounts Payable				
11/28/2022	465	Keswick Insulation		500.00		63,341.02
	BILLPMT	20000 - Accounts Payable				
11/28/2022	466	McClain Appliances		600.00		62,741.02
	BILLPMT	20000 - Accounts Payable	85-93117			
11/28/2022	467	Low Plumbing		800.00		61,941.02
	BILLPMT	20000 - Accounts Payable	5-487			
ENDING BALANCE						46,969.10

Splits
 1-Line
 Sort by: Date, Type, Number/Ref

[Record](#) [Restore](#)

4. If you open a check that has cleared via a reconciliation, you will see a green checkmark along with the word Cleared stamped on the face of the check.
5. Close the account register.

Locate 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 between \$500 and \$750 that you've written during the current month.



Step-by-Step: 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, choosing another from the list, setting that one, and so on. In the example below, the Amount filter is set to include transactions with amounts between \$500 and \$750, and dates from December 1, 2022, through December 31, 2022 (in the Current Choices filters summary, that date range is simply displayed as Custom). No filter was used for Transaction Types, so all Transaction Types have been included. However, you could have used a Transaction Type filter for one particular transaction type (e.g., Bill) or Multiple Transaction Types (e.g., Check, Bill, Bill Payment, Sales Tax Payment, and Paycheck).

The screenshot shows the 'Find' dialog box in 'Advanced' mode. The 'CHOOSE FILTER' section has 'TransactionType' set to 'All'. The 'Current Choices' section shows the following filters:

FILTER	SET TO
Amount	500.00 to 750.00
Date	This Month
Detail Level	Summary only
Posting Status	Either
Zero Reorder Qty	Hide

The results table below shows 21 matches:

DATE	TYPE	NUM	NAME	ACCOUNT	MEMO	AMOUNT
12/15/2022	BILLPMT	501	Wheeler's Tile Etc.	10100 - Checking	H-18756	-625.00
12/15/2022	TRANSFR			10300 - Savings	Funds Transfer	-500.00
12/15/2022	BILL		Keswick Insulation	20000 - Accounts P...		-670.00
12/15/2022	BILLPMT	502	Daigle Lighting	10100 - Checking		-640.92
12/15/2022	BILLPMT	511	East Bayshore Tool ...	10100 - Checking		-696.52
12/15/2022	BUILD	9002		12100 - Inventory A...		589.10
12/15/2022	BILL	8059	Thomas Kitchen & ...	20000 - Accounts P...		-585.00
12/12/2022	BILL		Washuta & Son Pai...	20000 - Accounts P...		-600.00
12/12/2022	BILLPMT	499	East Bayshore Auto...	10100 - Checking	Monthly Truck Pay...	-532.97

Buttons visible in the dialog include 'Find', 'Reset', 'Close', 'Go To', 'Report', and 'Export...'. The 'Number of matches: 21' is displayed at the bottom right.

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 it.

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

5. Close the **Find** window.

NOTES

Use Bank Feeds

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



Step-by-Step: Use the Bank Feed Feature

1. 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.

The screenshot displays the 'Bank Feeds' window in QuickBooks. At the top left, the 'Add Account' button is highlighted with a red box. The main area is divided into several sections:

- BANK ACCOUNTS:** Lists accounts for ANYTIME Financial. One account ending in ****1244 (Savings) has a balance of \$17,910.19. Another account ending in ****1235 (Checking) has a balance of \$46,969.10.
- CREDIT CARD:** Lists a QuickBooks Credit Card with a balance of \$45.00 and another QuickBooks Credit Card with a balance of \$94.20.
- Account Information:** Shows the current balance in QuickBooks as \$5,035.66 and the ending balance in the bank as \$46,969.10. Below this, it states '7 transactions are waiting to be added to QuickBooks.' and a 'Transaction List' button is highlighted with a red box.
- Read messages from your bank:** Shows 0 messages received, 0 payment inquiry responses, and 0 alerts.
- Send items to your bank:** Includes options for Online Checks (0 of 0), Bill Payments (0 of 0), Transfers (0 of 0), Messages (0 of 0), Payment Inquiries (0 of 0), and Payment Cancellations (0 of 0). There are 'Send Items' and 'Create New' buttons at the bottom.

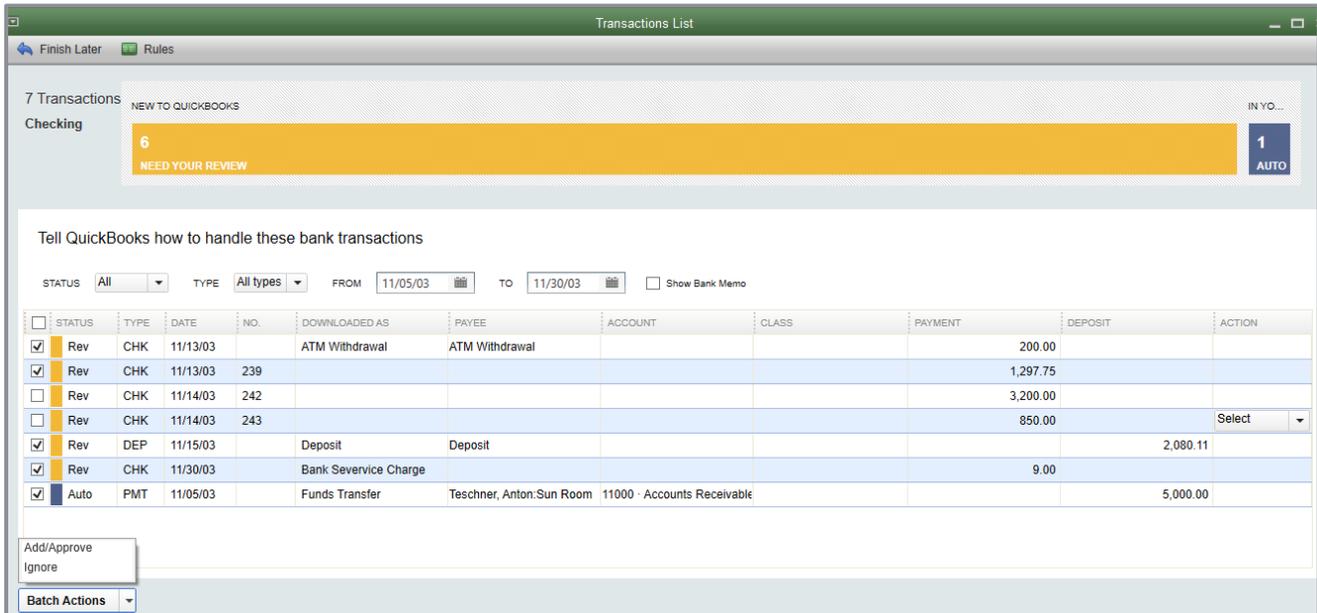
2. From the Bank Feeds window, click the **Transaction List** button to view and process transactions. If this button says Download Transactions, this means all previously downloaded transactions have already been posted to QuickBooks. Press the **Download Transactions** button to download available transactions from the bank.
3. 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.

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

The screenshot shows the 'Transactions List' window in QuickBooks. At the top, it indicates '7 Transactions' and 'Checking' with a yellow banner that says '6 NEED YOUR REVIEW'. Below this, there are filters for 'STATUS' (All), 'TYPE' (All types), 'FROM' (11/05/03), and 'TO' (11/30/03). A table of transactions is displayed with columns for STATUS, TYPE, DATE, NO., DOWNLOADED AS, PAYEE, ACCOUNT, CLASS, PAYMENT, DEPOSIT, and ACTION. The first row is highlighted, and the 'Select' dropdown menu in the ACTION column is open, showing options like 'Quick Add', 'Add More Details', 'Select Bills to Mark as Paid', 'Match to Existing Transaction', and 'Ignore'. A 'Batch Actions' dropdown is also visible at the bottom left.

STATUS	TYPE	DATE	NO.	DOWNLOADED AS	PAYEE	ACCOUNT	CLASS	PAYMENT	DEPOSIT	ACTION
Rev	CHK	11/13/03		ATM Withdrawal	ATM Withdrawal			200.00		Select
Rev	CHK	11/13/03	239					1,297.75		Select
Rev	CHK	11/14/03	242					3,200.00		Quick Add
Rev	CHK	11/14/03	243					850.00		Add More Details
Rev	DEP	11/15/03		Deposit	Deposit					Select Bills to Mark as Paid
Rev	CHK	11/30/03		Bank Seervice Charge				9.00		Match to Existing Transaction
Auto	PMT	11/05/03		Funds Transfer	Teschner, Anton:Sun Room	11000 - Accounts Receivable			5,000.00	Ignore

- 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.

NOTES

Work 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 your checking account record matches the bank's records.
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. Both of the above
 - d. Neither 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 amounts between \$3000 and \$4,000. 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 your checking account record matches the bank's records.
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. ✓ *Both of the above*
 - d. Neither 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