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5 Banking with QuickBooks

CHAPTER OUTLINE

Creating Bank Accounts
Making Deposits
Moving Funds Between Accounts
Managing Credit and Debit Card Transactions
Dealing with Bounced Checks
Reconciling Accounts
Dealing with Oops in Banking Transactions
Working with Banking and Balance Sheet Reports
Working with QuickBooks Bank Feeds
Tackle the Tasks
Concepts Review
Reinforce Your Skills
Apply Your Skills
Extend Your Skills

CHAPTER OBJECTIVES

After studying this chapter, you will be able to:

- Create bank accounts
- Make deposits into bank accounts
- Transfer funds
- Manage debit and credit card transactions
- Reconcile accounts
- Create banking reports
- Use online banking with QuickBooks

Any business must be able to work with bank accounts and the funds contained within to be able to operate effectively. If you utilize debit and credit cards for your business, you will need to know how to work with them as well. In this chapter, you will learn all about dealing with bank and credit card accounts in QuickBooks, from creating them to running reports about them. You will also have an opportunity to explore a little about banking online with QuickBooks.

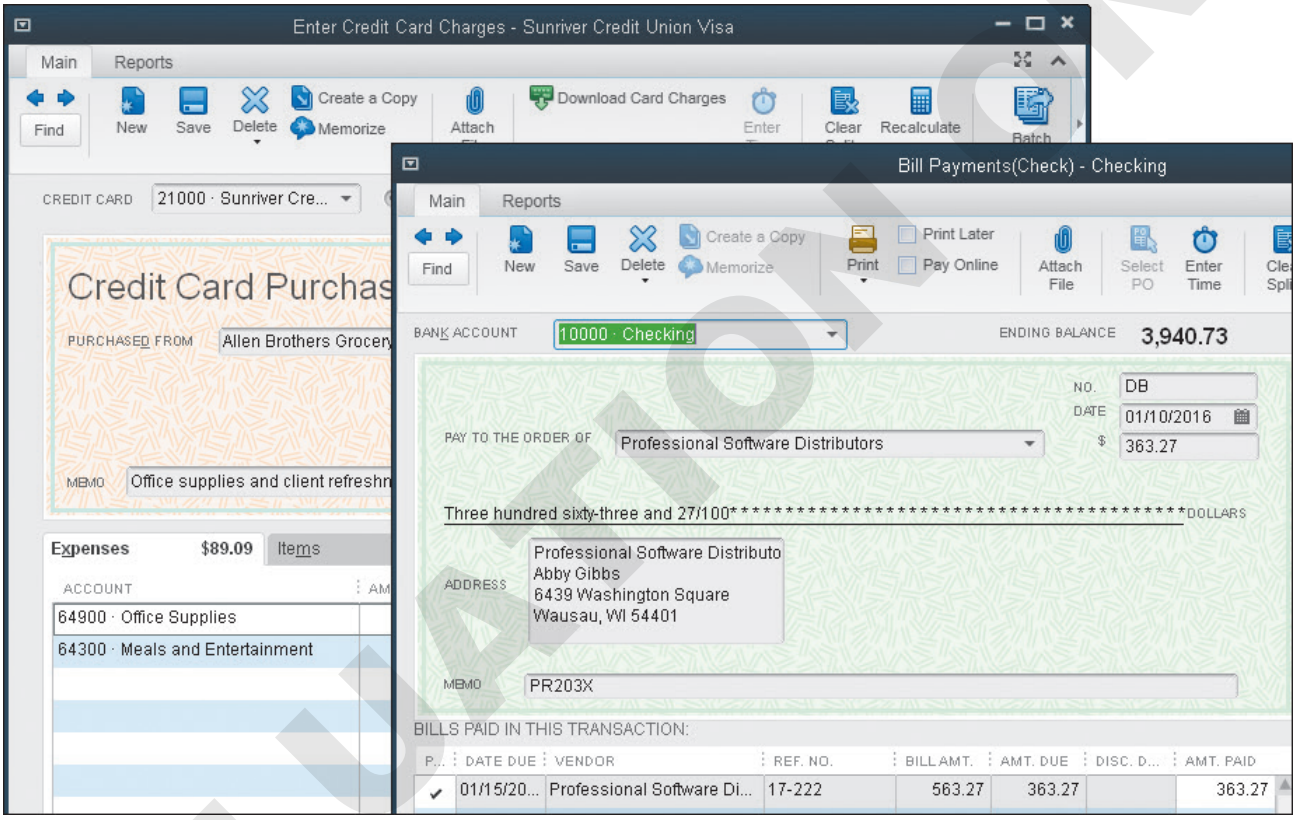
EVALUATION ONLY

CASE STUDY

Average Guy Designs

Guy has been getting comfortable performing the basic vendor and customer transactions in QuickBooks. One of the individuals whom he often contracts with, Allison Fox, is now going to take over the books because Guy has gotten quite busy with his design work customers and marketing his new company. Allison will take over creating bank accounts, tracking banking transactions, dealing with credit card transactions, and reconciling both the bank and credit card accounts.

In addition, Allison is interested in exploring how online banking with QuickBooks works.



You use the Enter Credit Card Charges window to enter credit card purchases and the Write Checks or Bill Payment window to enter debit card transactions.

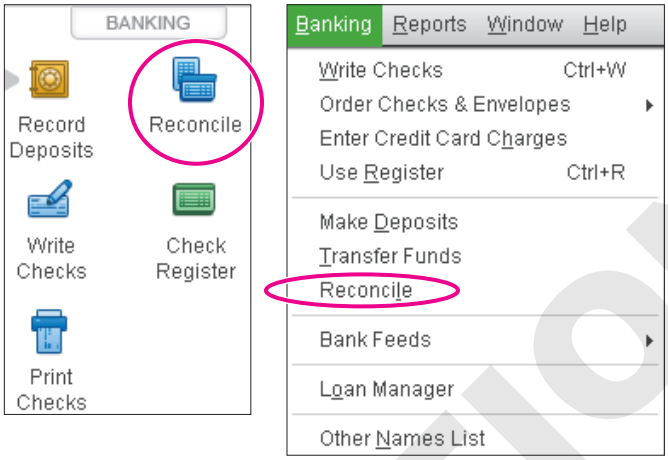
EVALUATION ONLY

Creating Bank Accounts

The accounts you will work with in this chapter are assets (bank accounts) and liabilities (credit cards). There are two types of bank accounts you will deal with: Checking and Savings. Petty cash accounts will be covered in Chapter 7, Working with Balance Sheet Accounts and Budgets.

Accessing Banking Activities in QuickBooks

The Banking area on the Home page displays task icons for many of the activities you will perform in this chapter. The rest of the activities can be accessed via the menu bar.



Notice that you can begin the reconciliation process by either clicking the task icon in the Banking area of the Home page or by choosing an option from the menu bar. However, to transfer funds and work with the bank feeds feature, you must use the menu bar.

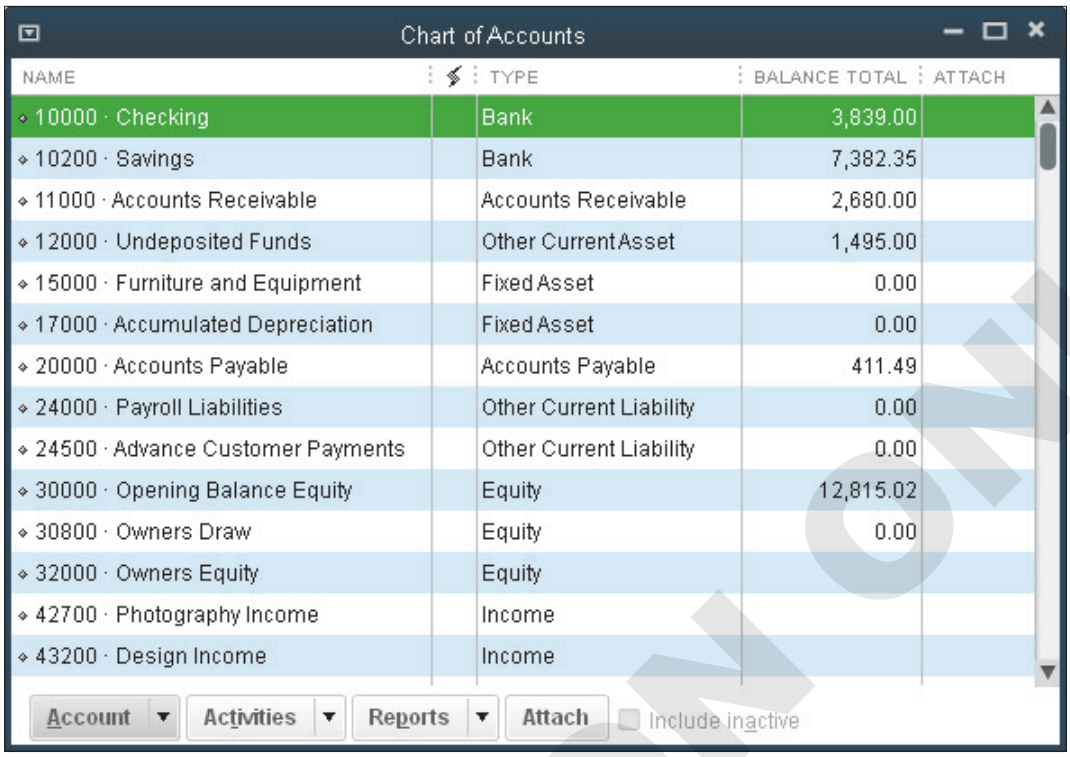
The Chart of Accounts

Remember from Chapter 2, Creating a Company that the Chart of Accounts is composed of all of the asset, liability, equity, income, and expense accounts your company utilizes. In that chapter, you learned how to create new accounts, edit existing accounts, and delete unused accounts. QuickBooks responds differently when you double-click items in the Chart of Accounts, depending on the type of account, as explained in the following table.

DOUBLE-CLICKING ACCOUNTS AND QUICKBOOKS RESPONSES

When you double-click this type of account…	QuickBooks responds by…
Any balance sheet account (asset, liability, or equity)	Opening an account register for that account (Exception: The Retained Earnings account, which is a specially created account without a register; you will get a QuickReport when you double-click this account)
Any income or expense account	Creating an account QuickReport

EVALUATION ONLY

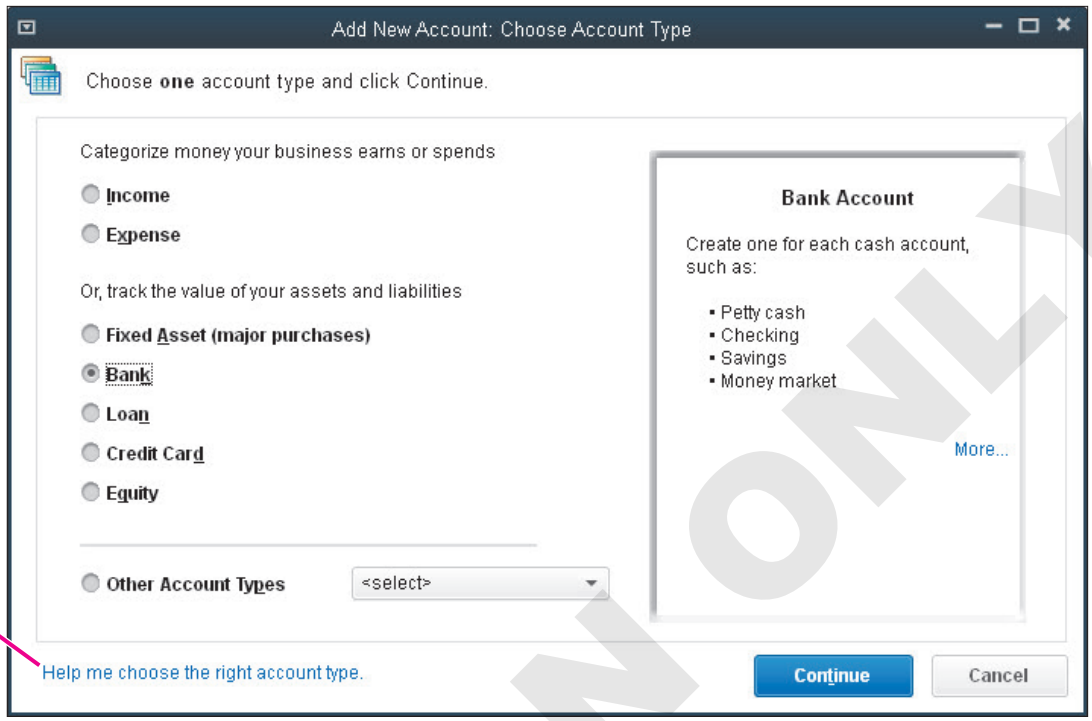


The Chart of Accounts window displays all accounts for a company. It shows balances for all balance sheet accounts but not for income, cost of goods sold, and expense accounts. Accounts are listed alphabetically by type (unless you manually rearrange them). The highlighted account (Checking here) will be affected if you issue any command.

Creating and Editing Accounts

You have already learned the basics regarding creating and editing accounts in the Chart of Accounts. In this chapter, you will look specifically at the basic accounts used in banking: Bank and Credit Card. Remember that you will use the same editing techniques used in a word-processing program to edit account information.

EVALUATION ONLY



You can use this link to launch a window to assist you in choosing the correct type of account to create.

The Add New Account window will help to ensure that you choose the correct type of account when creating a new one. Notice how, when an account type is selected on the left, you see a description of how it is used on the right to assist you in choosing the correct type.

Visualize!

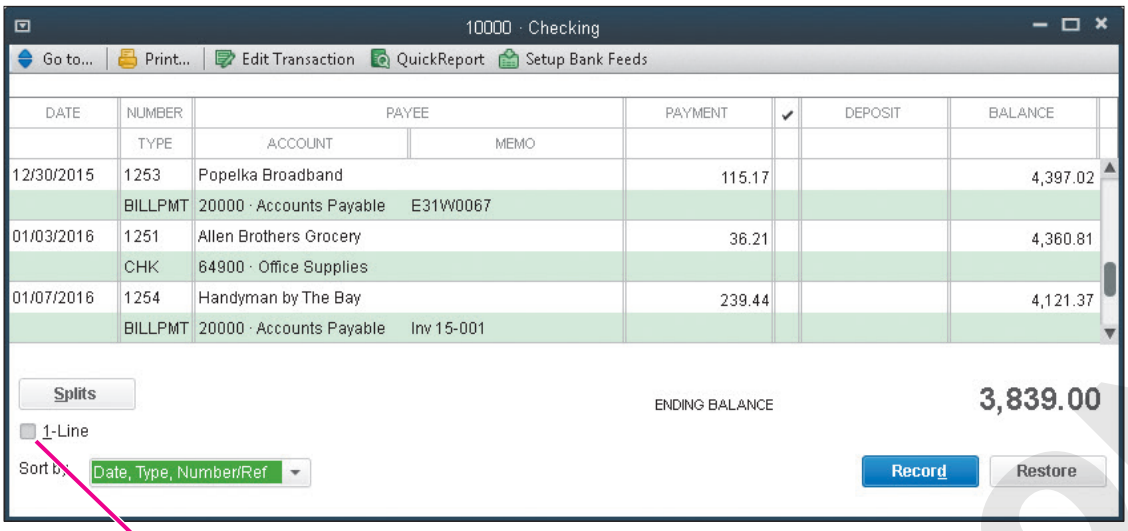
Tab: Getting Set Up
Topic: Add your bank accounts

Working with an Account Register

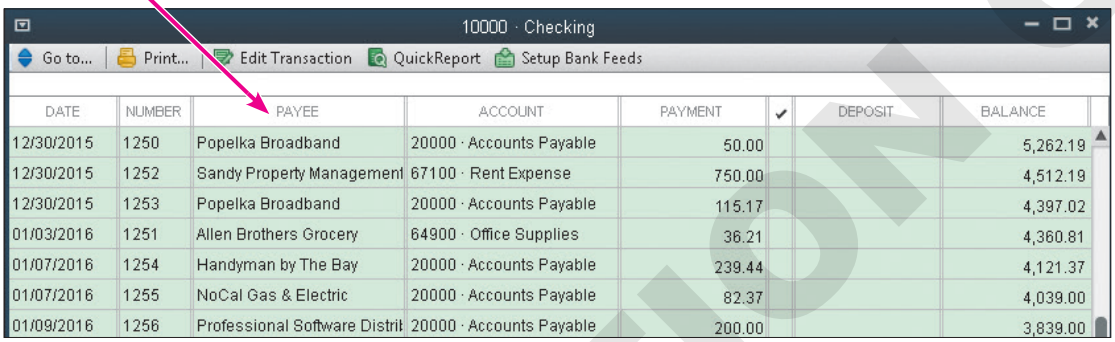
Each balance sheet account (except for Retained Earnings) has its own register, which is a record of all transactions pertaining to the account. A QuickBooks register looks like the check register you may already keep for your personal checking account. The running balance automatically recalculates as you record each new transaction.

When you double-click within a transaction in a register, QuickBooks takes you to the source of the transaction (similar to the QuickZoom feature). For instance, if you double-click the transaction for Handyman by the Bay in the following illustration, QuickBooks opens the Bill Payments (Check) - Checking window with all information for the transaction displayed.

EVALUATION ONLY



Notice that by default each transaction in the register includes two lines. The header at the top consists of two lines and describes what is found in each field.



If you choose the 1-Line option, your register will be displayed in a more condensed fashion, and you will not have a Memo field available to you.

QUICK REFERENCE	WORKING WITH BANKING ACCOUNTS
Task	**Procedure**
Open an account register	■ Open the Chart of Accounts. ■ Double-click the balance sheet account for the register you wish to view.

DEVELOP YOUR SKILLS 5-1

Work with Banking Accounts

In this exercise, you will help Allison to work with banking accounts and view a register. The first step is to open QuickBooks, and then either open a company file or restore a portable company file.

1. Start **QuickBooks 2015**.

   If you downloaded the student exercise files in the portable company file *format, follow Option 1 below. If you downloaded the files in the* company file *format, follow Option 2 below.*

Option 1: Restore a Portable Company File

2. Choose **File→Open or Restore Company**.
3. Restore **DYS_Chapter05 (Portable)** from your file storage location, adding your last name and first initial to the end of the filename.

   It may take a few moments for the portable company file to open. Once it does, continue with step 4.

EVALUATION ONLY

Option 2: Open a Company File

2. Choose **File→Open or Restore Company**, ensure that **Open a regular company file** is selected, and then open the **DYS_Chapter05** company file from your file storage location.
   The QuickBooks company file will open.
3. Click **OK** to close the QuickBooks Information window. If necessary, click **No** in the Set Up External Accountant User window.

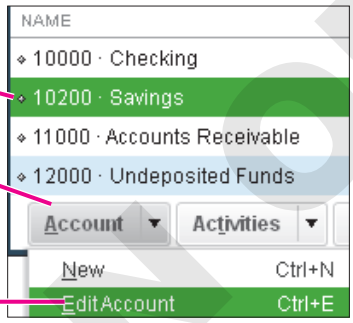
Edit an Existing Account

4. Click the **Chart of Accounts** task icon in the Company area of the Home page.

Ⓐ Single-click **10200•Savings**.

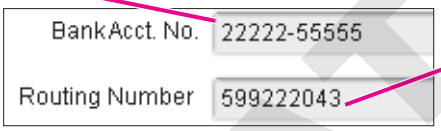
Ⓑ Click the **Account** menu button.

Ⓒ Choose **Edit Account** from the menu.



5. Follow these steps to edit the account:

Ⓓ Click in the **Bank Acct No** field and type **22222-55555**.



Ⓔ Tap Tab, and then type **599222043**.

Ⓕ Click **Save & Close**.

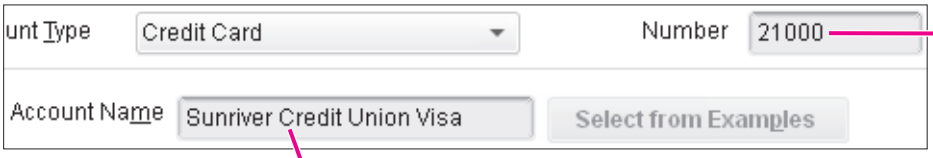
Create a New Account

You will now create a new credit card account that will be used later in this chapter. The Chart of Accounts window should still be open. If it isn't, choose Lists→Chart of Accounts.

6. Click the **Account** menu button, and then choose **New**.
7. Follow these steps to create the new credit card account:

Ⓐ Click to choose the **Credit Card** type.

Ⓑ Click **Continue**.



Ⓒ Type **21000**.

Ⓓ Tap Tab, and then type **Sunriver Credit Union Visa**.

8. Click **Save & Close**; click **No** in the Set Up Online Services window.

EVALUATION ONLY

Open and View a Register

FROM THE KEYBOARD
Ctrl+r to open a register

9. Double-click **10000•Checking** in the Chart of Accounts window, scrolling up if necessary.

10. Scroll up, and then double-click anywhere within the two lines of the **01/07/2016 Handyman by the Bay** transaction.

DATE	NUMBER	PAYEE		PAYMENT	✔	DEPOSIT	BALANCE
	TYPE	ACCOUNT	MEMO				
12/30/2015	1252	Sandy Property Management		750.00			4,512.19
	CHK	67100 · Rent Expense	Rent for January 2016				
12/30/2015	1253	Popelka Broadband		115.17			4,397.02
	BILLPMT	20000 · Accounts Payable	E31W0067				
01/03/2016	1251	Allen Brothers Grocery		36.21			4,360.81
	CHK	64900 · Office Supplies					
01/07/2016	1254	Handyman by The Bay		239.44			4,121.37
	BILLPMT	20000 · Accounts Payable	Inv 15-001				

QuickBooks will take you to the Bill Payments (Check) – Checking window.

11. Choose **Window→Close All**.
All QuickBooks windows will close.

Making Deposits

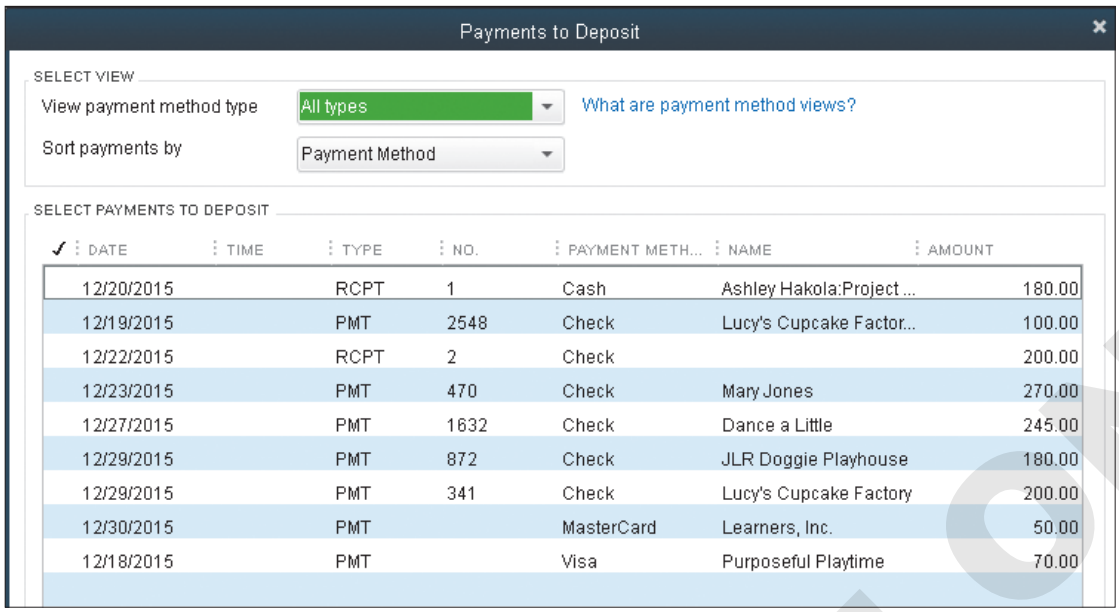
If you have utilized the Undeposited Funds account (as you did in Chapter 3, Working with Customers), you will need to take one more step to move your payments to your bank account. This step is accomplished through the Make Deposits window. The Make Deposits window can also be used when you make a sale and do not need a sales receipt, or when you want to deposit a lump sum that will credit an income account and debit your bank account.

Reviewing the Undeposited Funds Account

In Chapter 3, Working with Customers, you learned that funds received through the Receive Payments and Enter Sales Receipts windows are deposited into the Undeposited Funds account by default. Think of it as a "holding tank" that stores all of the funds you have collected together until you are ready to make a deposit. In this section, you will learn how to empty the Undeposited Funds account.

If you have payments sitting in your Undeposited Funds account and you click the Record Deposits task icon on the Home page, you will get the Payments to Deposit window. Here you can choose which payments you wish to deposit.

EVALUATION ONLY



The Payments to Deposit window

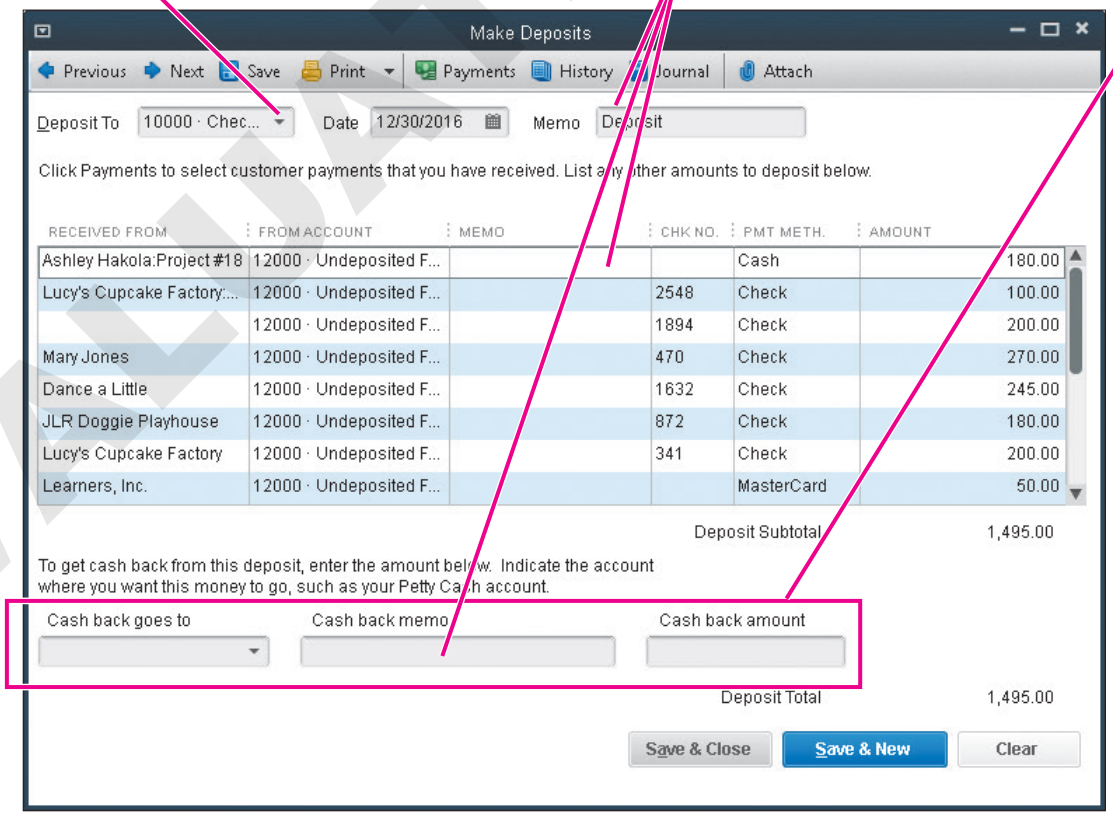
TIP

You can always click OK if you are not ready to deposit the payments shown in the Payments to Deposit window yet still need to work with the Make Deposits window.

By clicking this drop-down arrow, you can select any bank account that you have set up in QuickBooks.

The Memo fields are optional, but keep in mind that you can display your memos on reports.

If you wish to keep cash back from the deposit, you can indicate that here. You will learn about petty cash in Chapter 7, Working with Balance Sheet Accounts and Budgets.



The Make Deposits window. You can click the Print button to print a detailed report of your deposits, including deposit slips if you choose to purchase and use them.

EVALUATION ONLY

BEHIND THE SCENES

If you make deposits from your Undeposited Funds account, the following accounting will occur behind the scenes.

10000-Checking		12000-Undeposited Funds	
1,495.00			1,495.00

If you use the Make Deposits window to record sales, the accounting involved is as follows.

10000-Checking		43200-Design Income	
200.00			200.00

QUICK REFERENCE — MAKING DEPOSITS

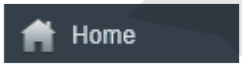
Task	Procedure
Make a deposit from the Undeposited Funds account	■ Choose Banking→Make Deposits. ■ Choose the payment(s) you wish to deposit; click OK. ■ Choose the correct bank account and date for the deposit. ■ Click Save & Close or Save & New.
Make a deposit directly to a bank account	■ Choose Banking→Make Deposits; click OK if the Payments to Deposit window appears. ■ Choose the correct bank account and date for the deposit. ■ Enter all of the deposit information including the customer (if desired), account, payment method, and amount. ■ Click Save & Close or Save & New.

EVALUATION ONLY

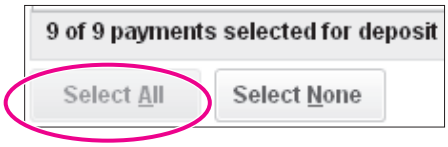
DEVELOP YOUR SKILLS 5-2

Use the Make Deposits Window

In this exercise, you will work with the Make Deposits window to deposit funds from the Undeposited Funds account and to make a deposit without a sales form.



1. Click the **Home** button on the Icon Bar.
2. Click the **Record Deposits** task icon in the Banking area of the Home page.
3. Click the **Select All** button; QuickBooks will place a checkmark to the left of all nine payments waiting to be deposited.



Notice that after you click the Select All button, it is grayed out. It is no longer a valid selection since all payments are already selected.

4. Click **OK** to accept the payments for deposit and move on to the Make Deposits window.
5. Click the drop-down arrow for the **Deposit To** field, and then choose **10000•Checking**; click **OK** in the Setting Default Accounts window, if necessary.
6. Tap [Tab], and then type **123015** as the date.
7. Click the **Save & New** button to make the deposit to your Checking account. Leave the Make Deposits window open for the next step.

BTS BRIEF
10000•Checking DR 1,495.00; **12000•Undeposited Funds CR <1,495.00>**

Your insertion point should be in the Deposit To field of a clear Make Deposits window. If it's not, choose Banking→Make Deposits.

Make a Deposit Without Specifying a Customer

Guy and Allison worked at a Quick Sketch fundraiser where people could meet with a graphic artist for 15 minutes to describe a need they have for their organization and for $15 receive a sketch and description of a possible solution to their stated need. Average Guy Designs made $5 from each of the quick consultations. Since there were multiple customers whom Guy does not want to track individually, Allison will make a deposit to Checking, directly crediting Design Income.

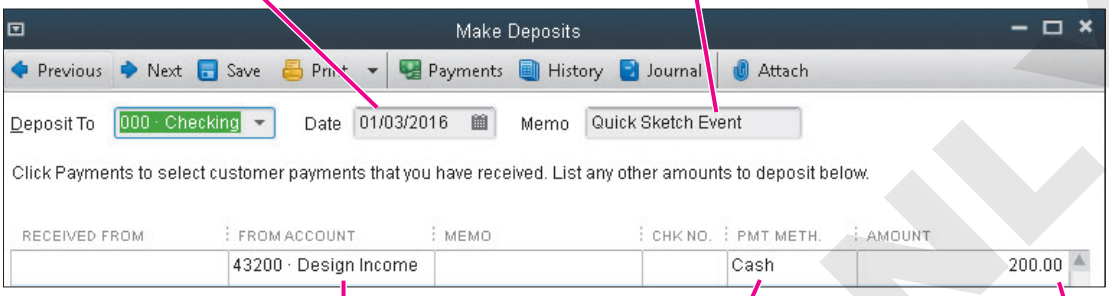
8. Tap [Tab] to move to the Date field.

EVALUATION ONLY

9. Follow these steps to complete the deposit:

A Tap [+] until the date reads **01/03/2016**.

B Tap [Tab], and then type **Quick Sketch Event**.



C Tap [Tab] twice, and then type **des** to choose **Design Income** as the account.

D Tap [Tab] three times, and then type **c** to choose **Cash**.

E Tap [Tab], and then type **200** as the amount.

Note that you don't fill in an item in this form, but you do fill in the account. Remember that an item is used to direct funds to the underlying account. You cannot leave the From Account field blank because you must specify the account that will be credited since you will be debiting a bank account with the deposit.

BTS BRIEF
10000•Checking DR 200.00; **43200•Design Income CR <200.00>**

10. Click **Save & Close**; your deposit will be recorded, and the window will close.

Moving Funds Between Accounts

Most people have transferred money between their bank accounts. QuickBooks has a feature that allows you to record this transfer. If you use online banking, you may even be able to set QuickBooks to perform the transfer for you when you go online (if your financial institution allows it).

Since you are transferring funds between two asset accounts, you want to debit the account that is increasing and credit the account that is decreasing. Look at the following T-accounts to visualize this transaction.

FLASHBACK TO GAAP: MONETARY UNIT
Remember that it is assumed a stable currency is going to be the unit of record.

EVALUATION ONLY

BEHIND THE SCENES

In this illustration, you are transferring funds from the Checking account to the Savings account.

10200-Savings		10000-Checking	
200.00			200.00

QUICK REFERENCE — TRANSFERRING FUNDS BETWEEN ACCOUNTS

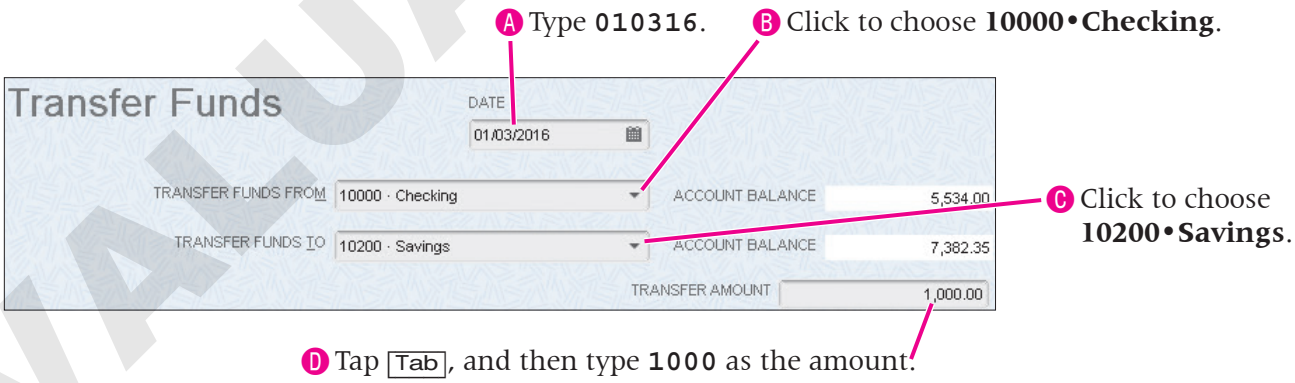
Task	Procedure
Transfer funds	■ Choose Banking→Transfer Funds. ■ Choose the account from which you wish to draw the funds. ■ Choose the account to which you wish to send the funds. ■ Type the amount to be transferred and, if you wish, a memo. ■ Click Save & Close or Save & New to record the transfer.

DEVELOP YOUR SKILLS 5-3

Move Funds Between Accounts

In this exercise, Allison will transfer funds between the Checking and Savings accounts.

1. Choose **Banking→Transfer Funds**.
2. Follow these steps to complete the funds transfer:



Notice that QuickBooks displays the account balances of the accounts involved in the transfer so you can verify sufficient funds are available.

BTS BRIEF

10200•Savings DR 1,000.00; **10000•Checking CR <1,000.00>**

3. Click **Save & Close** to record the transaction.

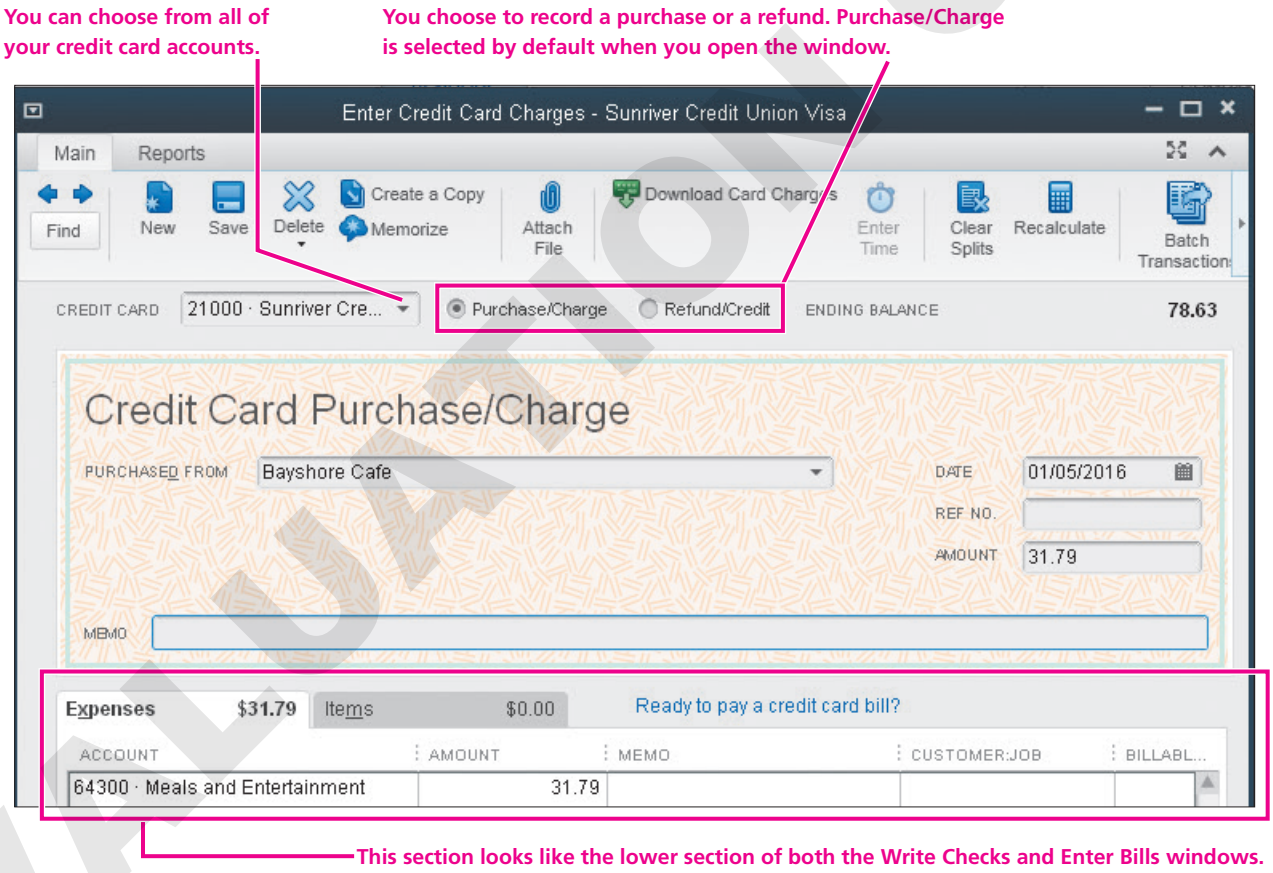
EVALUATION ONLY

Managing Credit and Debit Card Transactions

Credit cards give business owners an easy way to track their expenses. QuickBooks allows you to track credit card transactions just as you track checking and savings account transactions. You can set up as many credit card accounts as you need and simply choose the account you want to work with in the Enter Credit Card Charges window.

If you use your personal credit cards occasionally for business purposes, you should *not* enter them in QuickBooks as business credit cards. Only create accounts for business credit cards.

Credit card transactions are classified as either a charge (when you make a purchase) or a credit (when you make a return). As you will use the same form for both types, you need to choose the correct type when entering transactions.



This section looks like the lower section of both the Write Checks and Enter Bills windows.

Type of Account and Normal Balance

A credit card is a liability, so its normal balance is a credit. This means you credit the account when you make a purchase (a "charge") and debit the account when you make a payment (a "credit").

EVALUATION ONLY

TIP

The term credit is a bit confusing at this point, as you will debit your credit card account if you enter a "credit" transaction. However, if you think of it from the perspective of the merchant, it makes perfect sense!

Pay a Bill with a Credit Card

If you have entered a bill into QuickBooks, you do have the option to pay it with a credit card. Make sure that you use the Pay Bills window to accomplish the task, though, as you must remove the amount from Accounts Payable!

WARNING

If you use a credit card to pay a bill that you entered through the QuickBooks Enter Bills window, you must use the Pay Bills window when you pay it—or expenses and Accounts Payable will be overstated!

Dealing with Debit Card Transactions

When you make a purchase or pay a bill with a debit card, funds are taken directly from your checking account, which is different from what occurs for credit card purchases. Use the Write Checks window to handle debit card transactions. If you use the Enter/Pay Bills windows in QuickBooks, you can continue to use them when working with debit card purchases. This means that if you have entered a bill in QuickBooks and then choose to use a debit card to pay it, you must enter that payment through the Pay Bills window. Otherwise, the expenses will be overstated, and you will leave the bill hanging out in Accounts Payable.

When you enter a debit card transaction in the Write Checks window, indicate it by entering a code such as "DB" in the No. field.

Other Types of Transactions Affecting the Checking Account

In addition to debit card transactions, you may have other ones that draw funds from the checking account as well. For instance, ATM cards and a service such as PayPal™ can withdraw funds directly from your bank account. All of these transactions will be entered using the Write Checks window; you just need to create common codes that will be used in the No. field to record each type of transaction. Common codes include DB for debit card, ATM for an ATM card transaction, and PP for a PayPal payment. You do not have to use the codes suggested here; however, you should choose one code for each type of transaction and stick with it!

EVALUATION ONLY

BEHIND THE SCENES

A purchase credits the credit card account, as shown here.

64900-Office Supplies		64300-Meals and Entertaintment		21000-Sunriver CU Visa	
57.84		31.25			89.09

A payment or refund debits the credit card account, as shown here.

64900-Office Supplies		21000-Sunriver CU Visa	
	10.46	10.46	

When you use a credit card to pay a bill, the following occurs behind the scenes for you.

20000-Accounts Payable		21000-Sunriver CU Visa	
363.27			363.27

Using a debit card to make the same bill payment as above looks like the following behind the scenes.

20000-Accounts Payable		10000-Checking	
363.27			363.27

When you use a debit card to purchase office supplies, the following occurs behind the scenes for you.

64900-Office Supplies		10000-Checking	
363.27			363.27

EVALUATION ONLY

QUICK REFERENCE	RECORDING CREDIT AND DEBIT CARD TRANSACTIONS
Task	**Procedure**
Record a credit card transaction	■ Choose Banking→Enter Credit Card Charges. ■ Choose the account to record a purchase or refund to. ■ Enter the transaction information. ■ Click Save & Close or Save & New.
Record a debit card transaction	■ Choose Banking→Write Checks. ■ Select the bank account to which the debit card is linked. ■ Enter "DB" or the code you have chosen in the No. field. ■ Enter information into the payee, amount, and memo fields. ■ Ensure the proper expense/asset accounts are indicated on the Expense and/or Item tab. ■ Click Save & Close or Save & New.
Record a debit card transaction for a bill already entered into Accounts Payable	■ Choose Vendors→Pay Bills. ■ Select the bill you wish to pay by debit card. ■ Set the date and account to which the debit card is linked. ■ Choose to Assign check number in the Payment Method area; click Pay Selected Bills. ■ Type your code in the Assign Check Numbers window; click OK. ■ Click Done in the Payment Summary window.

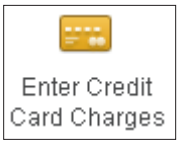
DEVELOP YOUR SKILLS 5-4

Manage Credit Card Transactions

Guy needs to purchase some supplies for the office. He has also decided to purchase refreshments for clients who stop in. In this exercise, you will help Allison to enter a credit card purchase and a return, as well as pay a bill with a credit card.

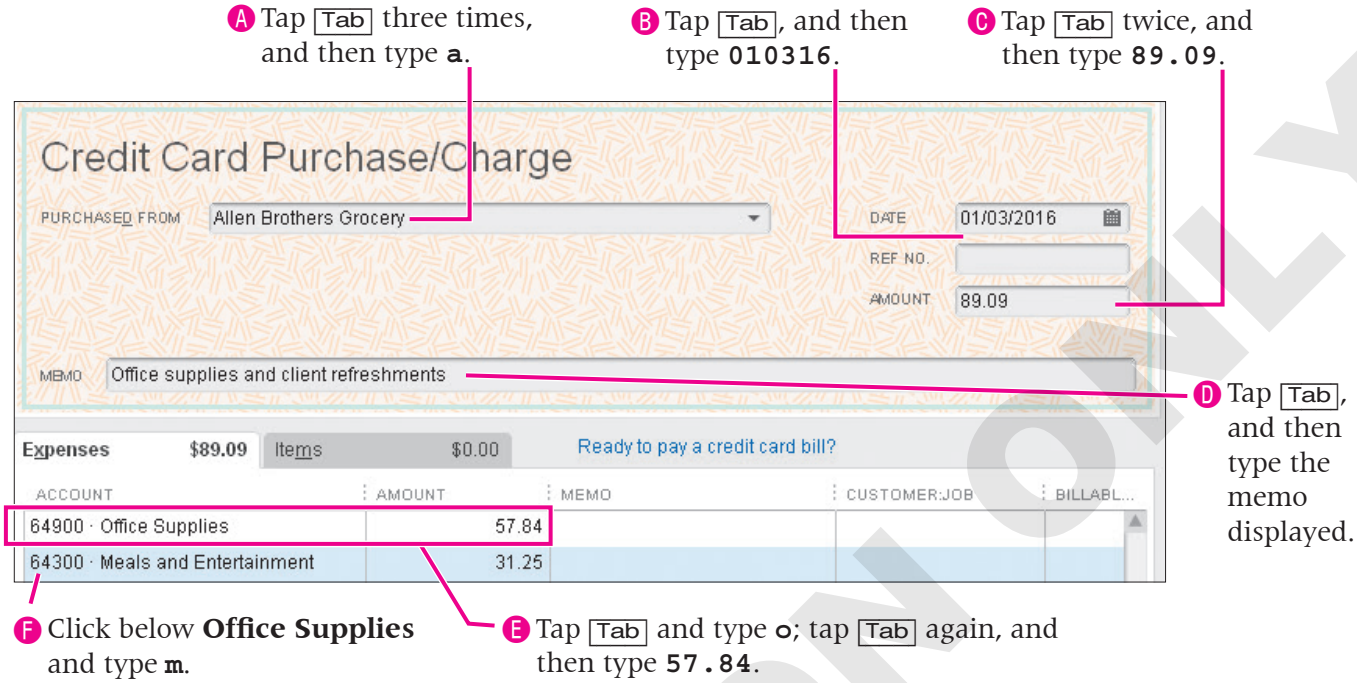
1. Click the **Enter Credit Card Charges** task icon in the Banking area of the Home page.

   Since you have only one credit card set up at this time, the information will fill in to the Credit Card field. If you had multiple cards, you would need to choose the appropriate one before entering other information.



EVALUATION ONLY

2. Follow these steps to record the credit card charge:



The amount for the Meals and Entertainment split will automatically fill in for you.

BTS BRIEF

64900•Office Supplies DR 57.84; 64300•Meals and Entertainment DR 31.25; **21000•Sunriver Credit Union Visa CR <89.09>**

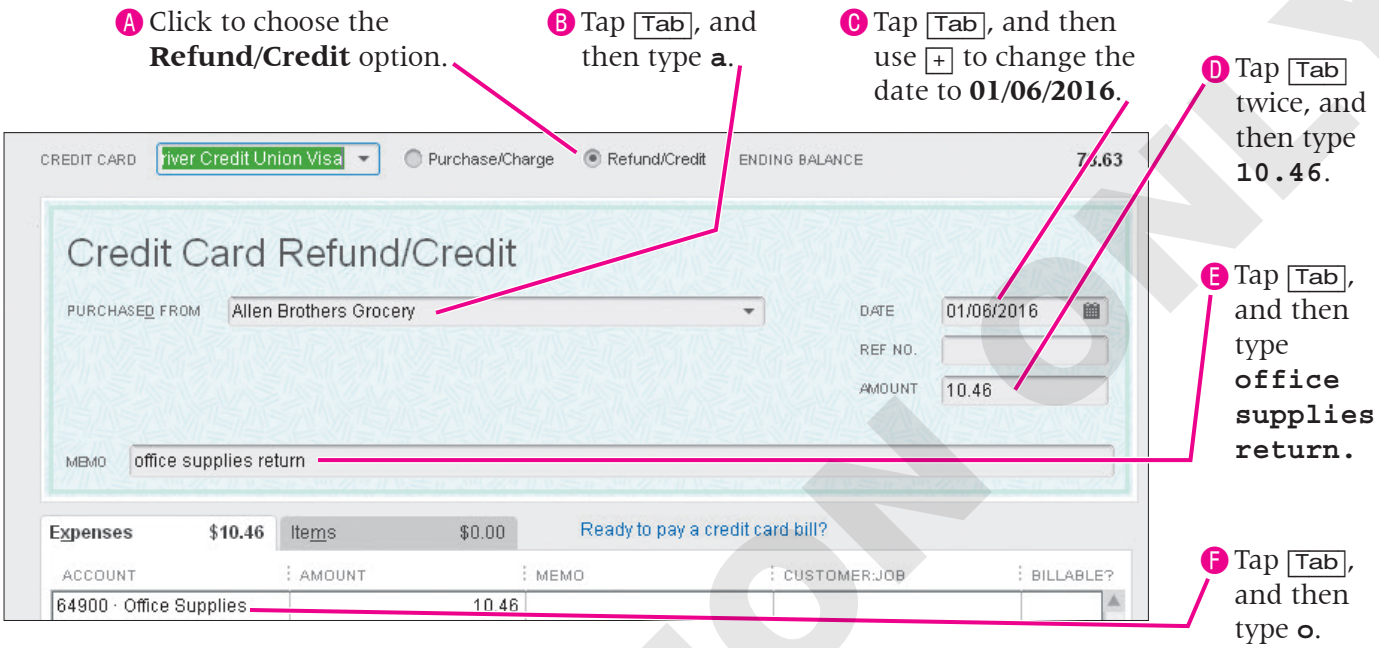
3. Click the **Save & New** button.

EVALUATION ONLY

Record a Credit Card Return

In the next transaction, Guy returns a calculator he purchased at Allen Brothers Grocery, as he realized he didn't need it once he got back to the office.

4. Follow these steps to record the credit card refund:



BTS BRIEF
21000•Sunriver Credit Union Visa DR 10.46; **64900•Office Supplies CR <10.46>**

5. Click the **Save & Close** button.

   QuickBooks records the transaction and closes the Enter Credit Card Charges window.

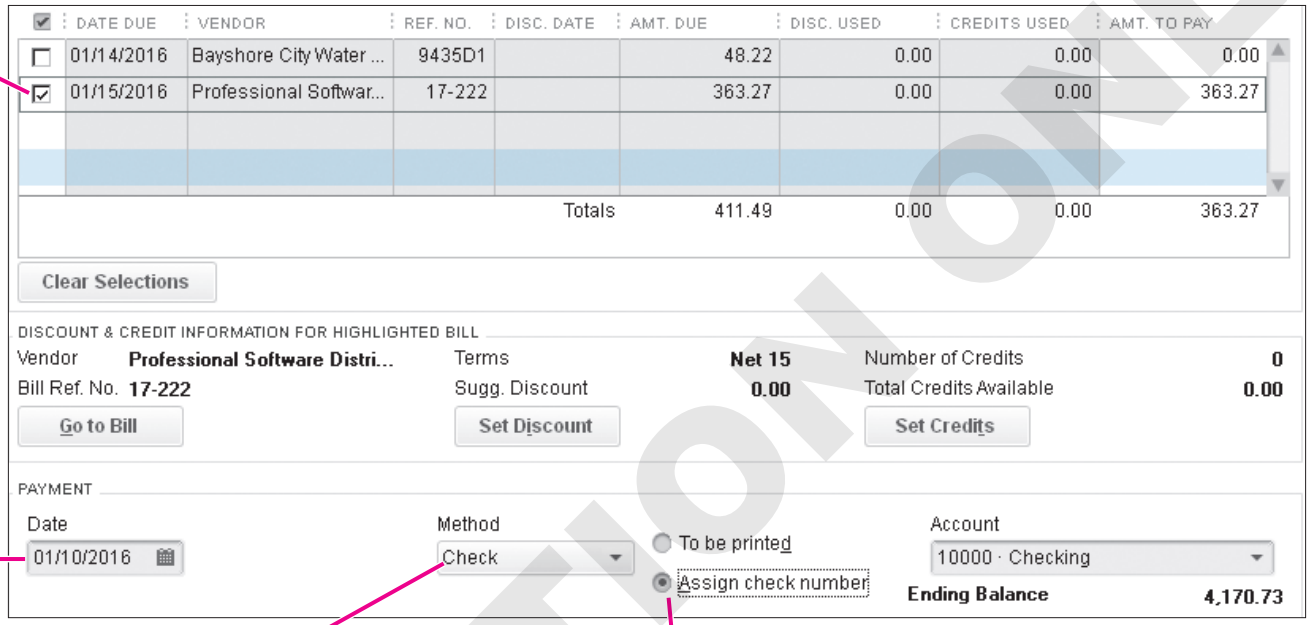
EVALUATION ONLY

Pay a Bill with a Debit Card

You can record a bill paid by debit card in QuickBooks, although you must use the Pay Bills window in order to properly affect Accounts Payable.

6. Click the **Pay Bills** task icon in the Vendors area of the Home page.
7. Follow these steps to pay a bill with a debit card:

A Click to place a checkmark in this box.



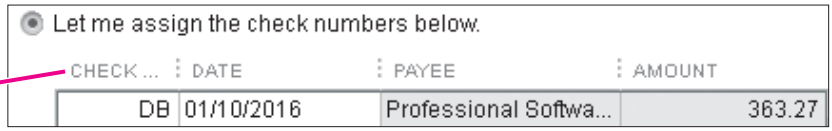
B Set the date to **01/10/2016**.

C Choose **Check** as the Method.

D Click in the circle to choose **Assign check number**.

E Click **Pay Selected Bills**.

F Click in the **Check No.** column, and then type **DB**.



G Click **OK**.

When you pay a bill with a debit card, you are affecting the Checking account, so you will need to assign the transaction the "check number" that you use for all debit card transactions. In the scenario above, that would be "DB."

8. Click **Done** in the Payment Summary window.

QuickBooks records the bill payment, debiting Accounts Payable and crediting Checking for you.

BTS BRIEF
20000•Accounts Payable DR 363.27; **10000•Checking CR <363.27>**

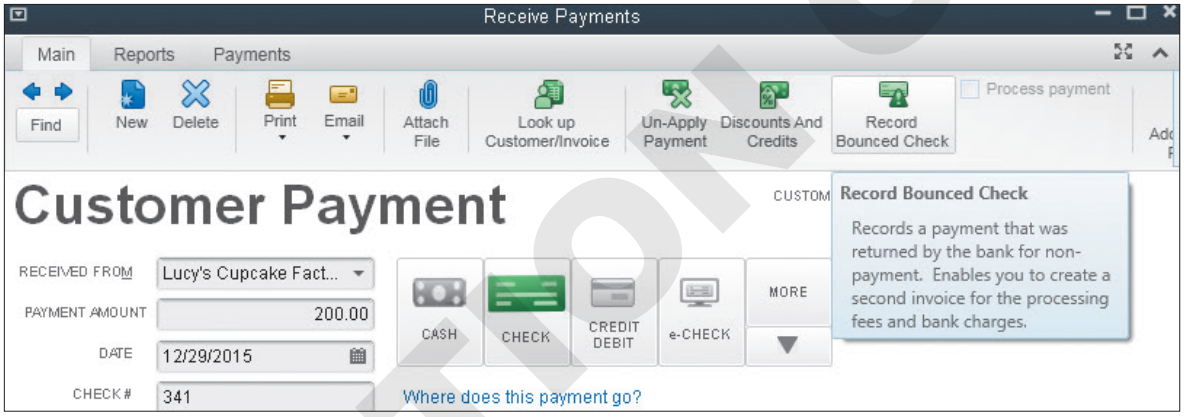
EVALUATION ONLY

Dealing with Bounced Checks

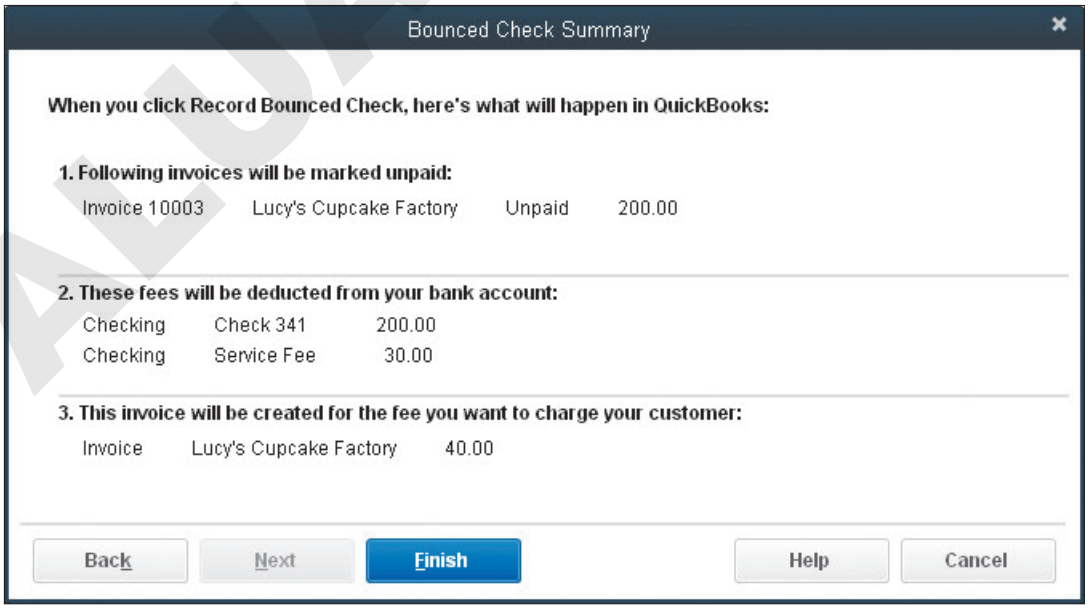
Unfortunately, almost all business owners must deal with customers whose checks are returned for non-sufficient funds (NSF) at some time or another. Many people call these "bounced checks," and this is the term also used in QuickBooks. This book uses the terms *NSF* and *bounced check*, though the latter is used more often because it is the term used in QuickBooks.

With the Bounced Check feature, you can easily account for NSF checks received from invoiced customers.

QuickBooks makes it very easy to account for bounced checks right from the Receive Payments window. However, if you receive a bounced check that was originally received on a sales receipt or directly through a deposit, you will need to account for it using the alternate method described in the Dealing with Bounced Checks Quick Reference table on page 187.

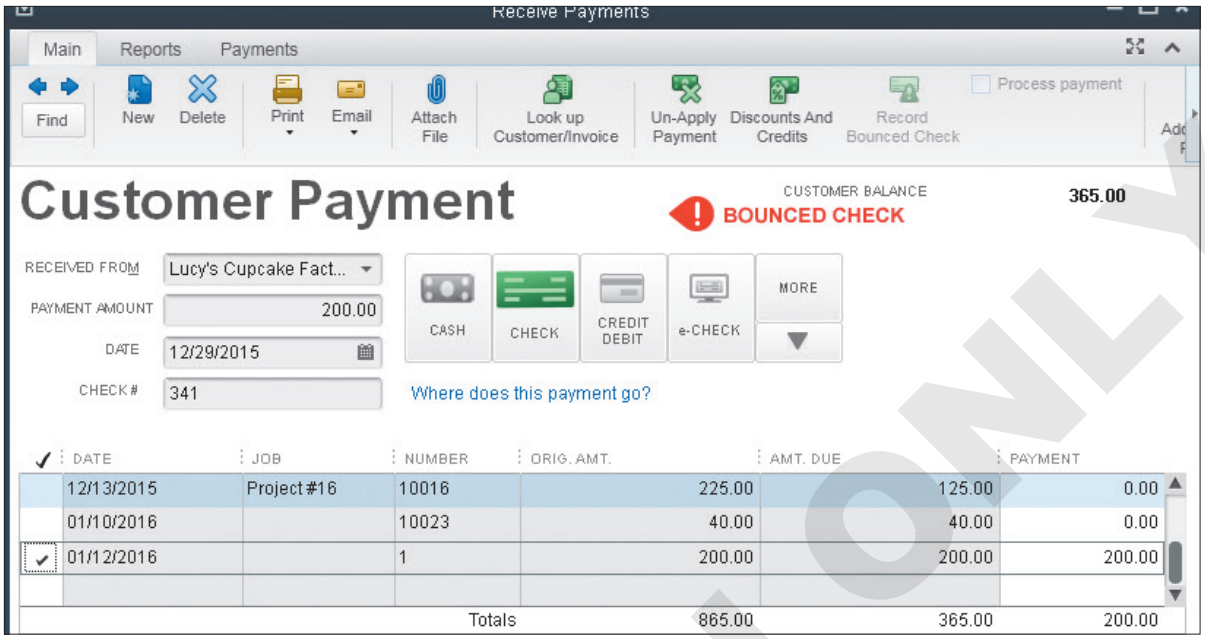


The bounced check feature can be accessed via the Main tab of the Ribbon in the Receive Payments window. Notice the ToolTip that appears when you place your mouse pointer over the Record Bounced Check button.



Once you have entered the fees related to the bounced check, you will see a Bounced Check Summary.

EVALUATION ONLY



Once the bounced check has been entered for a customer payment, you will see the Bounced Check stamp displayed.

A bounced check associated with a sales receipt or a straight deposit can be dealt with by generating a statement for the customer.

NOTE

The bank may charge you a lesser amount than you choose to pass on to the customer for a bounced check.

BEHIND THE SCENES

When you deal with a returned check, you will affect multiple accounts behind the scenes.

11000-Accounts Receivable	
200.00	
40.00	

10000-Checking	
	200.00
	30.00

60400-Bank Service Charges	
30.00	

48910-Returned Check Charges	
	40.00

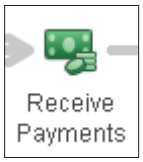
EVALUATION ONLY

QUICK REFERENCE	DEALING WITH BOUNCED CHECKS
Task	**Procedure**
Process a bounced check associated with an invoice	■ Open the Receive Payments window and locate the returned check. ■ Click the Record Bounced Check button. ■ Set the fees for the bounced check; click Next and then Finish.
Account for a bounced check received on a sales receipt or through the Make Deposit window	■ Create an Other Charge item for the service charge, directing it to the Other Income account. ■ Record the bank's fee in your bank account register (Bank Service Charges as account). ■ Record the check in your bank account register (customer/job as payee; Accounts Receivable as account). ■ Enter a statement charge for the customer's fee. ■ Send the customer a statement that shows the bounced check and fee.

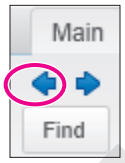
DEVELOP YOUR SKILLS 5-5

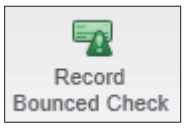
Handle a Bounced Check

In this exercise, you will account for a check that was returned to Average Guy Designs for non-sufficient funds.

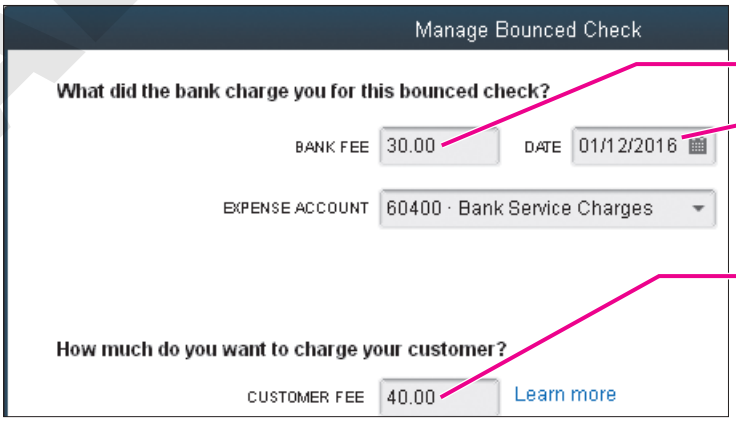


1. Click the **Receive Payments** task icon in the Customers area of the Home page.
2. Click the **Previous** button two times until the payment received on check #341 from **Lucy's Cupcake Factory** is displayed.





3. Click the **Record Bounced Check** button on the Main tab of the Ribbon.
4. Follow these steps to set the fees for the bounced check:



A Type **30** as the **Bank Fee**.

B Tap Tab, and then type **011216**.

C Tap Tab twice, and then type **40**.

D Click **Next**.

A Bounced Check Summary will be displayed.

EVALUATION ONLY

5. Click **Finish**.

The Receive Payments window will again be displayed and you will see that the check has been marked as bounced and a new invoice has been created to account for the bounced check.

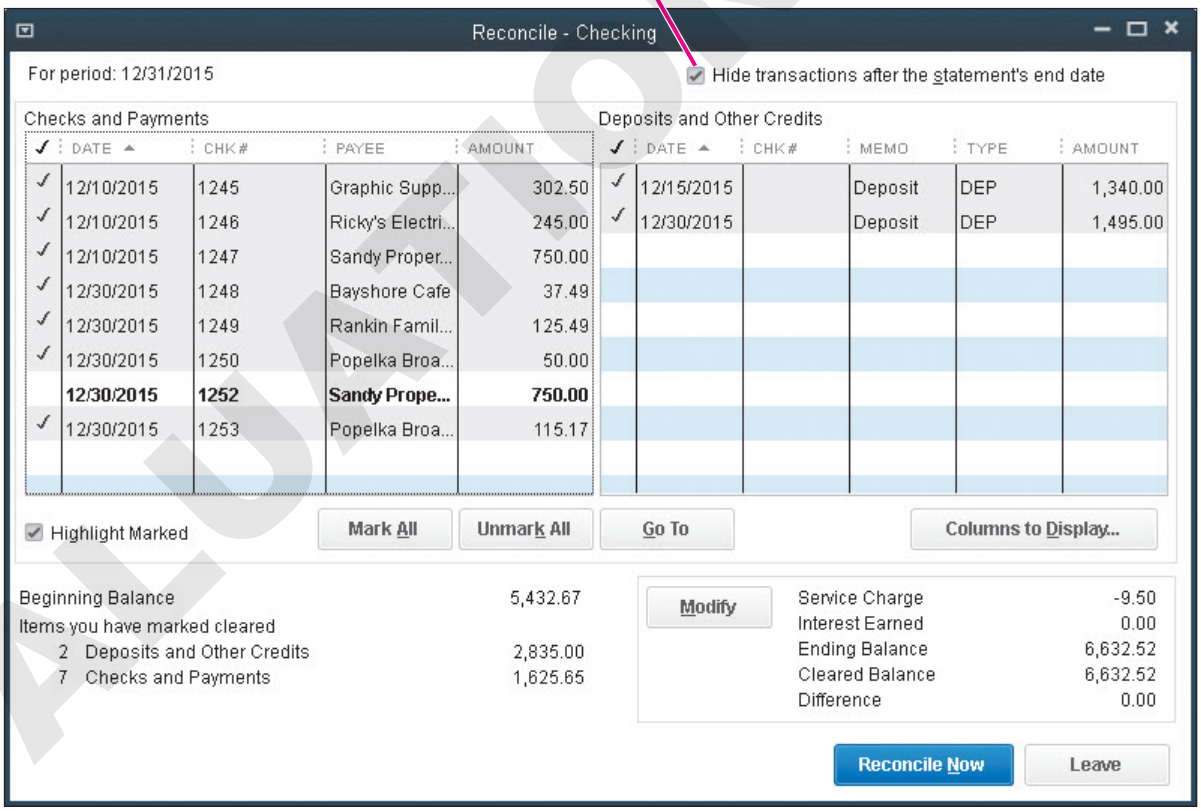
BTS BRIEF

11000•Accounts Receivable DR 240.00; 60400•Bank Service Charges DR 30.00; **10000•Checking CR <230.00>; 48910•Returned Check Charges CR <40.00>**

Reconciling Accounts

It is important to make sure that your account records in QuickBooks match those of the bank. The process of matching your accounts to the bank statements you receive is called reconciliation.

Clicking here will allow you to focus on transactions associated with the statement you are reconciling.



QuickBooks bank account reconciliation window

QuickBooks' Reconciliation Features

You should be aware of some important reconciliation features in QuickBooks. You can save your reconciliation reports in PDF so they are ready to send via email and are viewable with the free Adobe Reader program (also known as Acrobat Reader). In QuickBooks Pro, when you

EVALUATION ONLY

reconcile a new statement, the reconciliation report replaces the prior report with the new month's information. You should save each report as a PDF file to a storage location such as your hard drive, a cloud service, or a network drive if you are using the Pro edition. In QuickBooks Premier and Enterprise editions, QuickBooks stores all reconciliation reports as PDF files for you, and you can access them through QuickBooks at any time.

Locating Discrepancies

QuickBooks also provides a feature that helps you to locate discrepancies if there is a difference in balances during the reconciliation process. You can run a Reconciliation Discrepancy Report that lists transactions affecting the reconciliation balance. The types of transactions that can affect the balance are:

- Deleted transactions
- A change to a previously cleared amount
- Transactions that were manually un-cleared in the register
- Transactions in which the date was changed to a different statement period

When Your Accounts Don't Match

It is important to take the time when performing reconciliations to ensure there are no errors. As you clear each transaction, make sure the amounts are exactly the same. It is very frustrating when you get to the end of the transactions, and they don't balance.

TIP

Once you have cleared transactions through the reconciliation process, it is important to *not* change them. Changes may alter your starting balance for the next reconciliation. If you find yourself in such a situation, you can run a Reconciliation Discrepancy report to find the problem(s).

Problem Resolution Process

If you do find yourself in the unfavorable situation of finishing your reconciliation without balancing, consider the following suggestions:

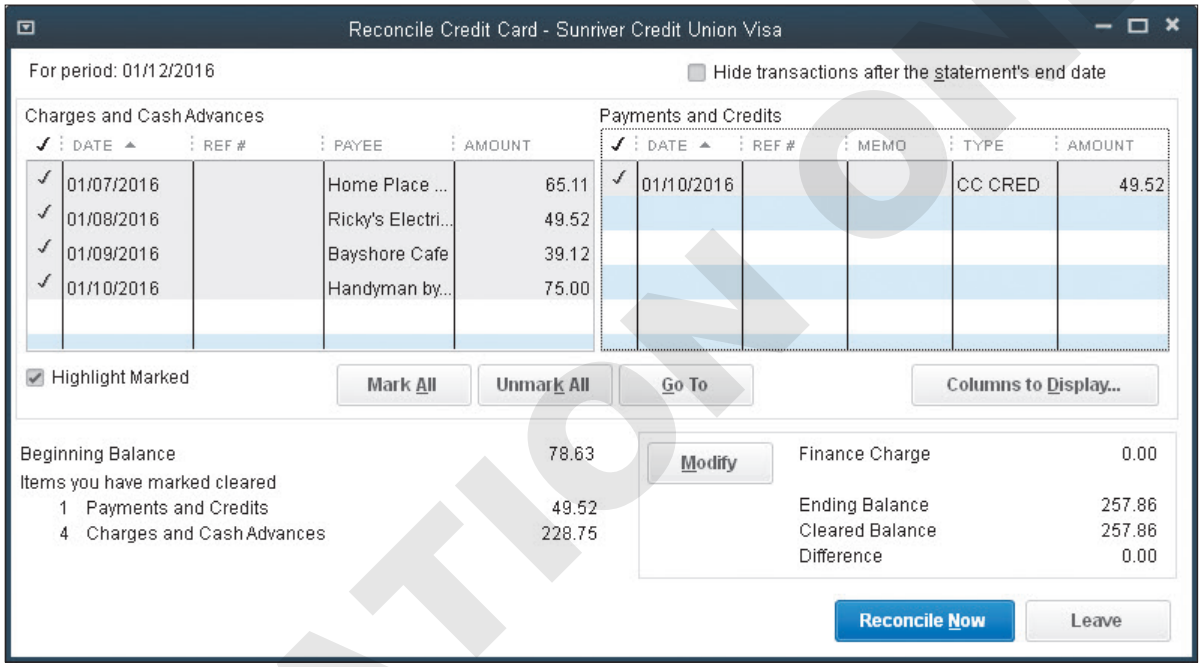
- Look for a transaction that is exactly the same amount as the difference and ensure whether or not it should be cleared.
- Determine whether you are missing a deposit or a payment by looking at the totals of each on the bank statement and the QuickBooks reconciliation window.
- Compare the number of transactions on the bank statement to the number of cleared transactions in QuickBooks.
- Verify the individual amount of each transaction on the bank statement and compare it to the amounts you have in QuickBooks.
- Determine whether it is a bank error (the bank may have recorded a transaction for the wrong amount).
- If it is a bank error, you can create an adjustment transaction in QuickBooks, notify the bank, and then reverse the adjustment transaction after the bank corrects the error.
- Run a Reconciliation Discrepancy report to see if any changes were made to previously cleared transactions. If changes were made to previously cleared transactions, undo the last reconciliation and redo it.

EVALUATION ONLY

Reconciling Credit Cards

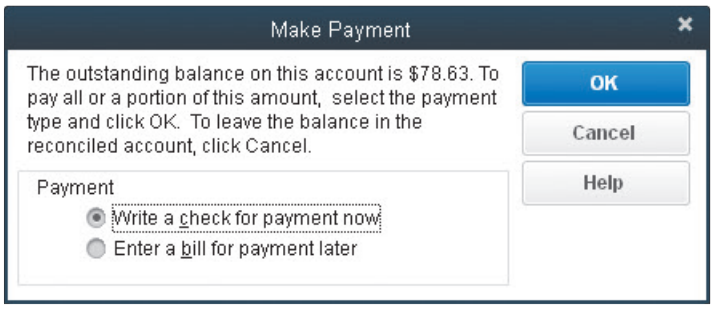
You can reconcile your credit cards the same way as you reconcile your bank account, although you access the command through the Chart of Accounts.

Once you have reconciled the credit card, you have the option to pay any amount due. You can choose to either write a check or enter a bill for the payment. QuickBooks takes the balance due on the credit card and fills it in to either the Enter Bills or the Write Checks window. If you don't plan to pay the entire amount owed, you can change the amount manually. You will reconcile the credit card in the "Tackle the Tasks" section at the end of the chapter.



You can access the command to reconcile a credit card through the Chart of Accounts, rather than the Banking option on the menu bar. The process from there looks the same as it does when you reconcile a bank account.

After you complete the reconciliation of a credit card, you will be prompted to either write a check or enter a bill for the balance due, as displayed in the illustration.



FLASHBACK TO GAAP: ASSUMPTION OF A GOING CONCERN

Remember that it is assumed that the business will be in operation indefinitely.

EVALUATION ONLY

QUICK REFERENCE	RECONCILING BANK AND CREDIT CARD ACCOUNTS
Task	**Procedure**
Reconcile a bank account	■ Choose Banking→Reconcile. ■ Choose the account you wish to reconcile; enter the statement date and ending balance. ■ Enter any service or finance charges; click Continue. ■ Compare the QuickBooks transactions to the bank statement; mark off cleared transactions. ■ Once the difference between QuickBooks and the bank statement is zero, click Reconcile Now.
Reconcile a credit card	■ Choose Lists→Chart of Accounts; single-click the desired credit card account. ■ Click the Activities button at the bottom of the window; choose Reconcile Credit Card. ■ Choose the account; enter the statement date and ending balance. ■ Enter any service or finance charges; click Continue. ■ Compare the QuickBooks transactions to the bank statement; mark off cleared transactions. ■ Once the difference between QuickBooks and the bank statement is zero, click Reconcile Now.

DEVELOP YOUR SKILLS 5-6

Reconcile the Checking Account

In this exercise, you will reconcile the checking account in QuickBooks. First, you will help Allison prepare to reconcile the checking account for Average Guy Designs. The bank statement for this account that you will use to complete the reconciliation is displayed here.

Before You Begin: *You will be working with a bank statement. You can use the illustration shown on the following page, or you can print Develop Your Skills 5-6 from your file storage location.*

EVALUATION ONLY

Sunriver Credit Union
487 Merrifield Lane
Bayshore, CA 91547

Statement of Account Prepared For:
Average Guy Designs
110 Sampson Way
Bayshore, CA 91547

Account Number: 11111-44444

Statement Period: Dec 1 - Dec 31, 2015

Total Deposits:	$8,267.67	Total Payments:	$1,625.65
Beginning Balance:	$5,432.67	Ending Balance:	$6,632.52

Transactions:

Date	*Transaction type*	*Payment*	*Deposit*	*Balance*
12/1/15	Beginning Balance			$5,432.67
12/10/15	Check #1245	302.50		$5,130.17
12/10/15	Check #1247	750.00		$4,380.17
12/10/15	Check #1246	245.00		$4,135.17
12/15/15	Deposit		1340.00	$5,475.17
12/29/15	Check #1250	50.00		$5,425.17
12/29/15	Check #1249	125.49		$5,299.68
12/30/15	Check #1248	37.49		$5,262.19
12/30/15	Deposit		1495.00	$6,757.19
12/31/15	Check #1253	115.17		$6,642.02
12/31/15	Service Charge	9.50		$6,632.52
	Ending Balance			6,632.52

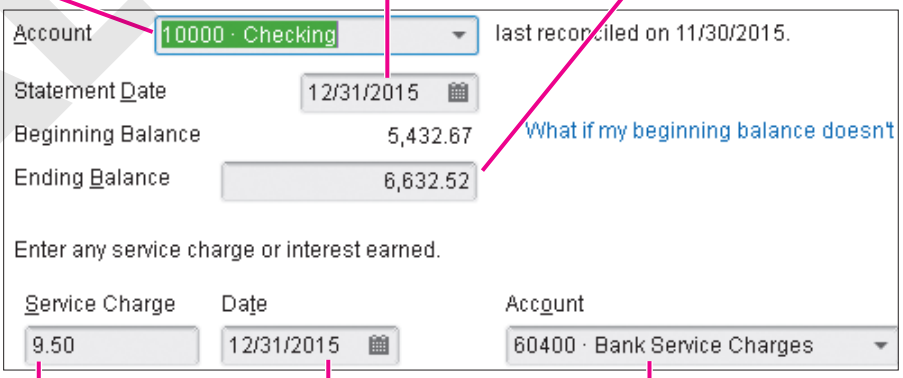
1. Click the **Reconcile** task icon in the Banking area of the Home page.
   QuickBooks displays the Begin Reconciliation window.

2. Using the illustration of the bank statement provided or the one you printed, follow these steps to prepare for reconciliation:

A Ensure that **10000•Checking** is the account displayed.

B Tap Tab, and then type `123115`.

C Tap Tab, and then type `6632.52`.



D Tap Tab, and then type `9.5`.

E Tap Tab, and then type `123115`.

F Tap Tab, and then type `b`. QuickBooks will fill in **60400•Bank Service Charges** as the account.

EVALUATION ONLY

3. Click **Continue** to move to the Reconciliation-Checking window.

   The Reconciliation-Checking window shows all transactions waiting to be cleared.

Reconcile a Checking Account

Now that you have finished the prep work, it is time to begin the actual reconciliation.

4. Click to place a checkmark to hide all transactions after the statement's end date.

5. Click in the **Checkmark** column to the left of each transaction in QuickBooks that is also on the bank checking statement displayed above step 1.

   When you are finished, your Reconciliation-Checking window should match the following illustration.

For period: 12/31/2015 ☑ Hide transactions after the statement's end date

Checks and Payments

✓	DATE	CHK #	PAYEE	AMOUNT
✓	12/10/2015	1245	Graphic Supp...	302.50
✓	12/10/2015	1246	Ricky's Electri...	245.00
✓	12/10/2015	1247	Sandy Proper...	750.00
✓	12/30/2015	1248	Bayshore Cafe	37.49
✓	12/30/2015	1249	Rankin Famil...	125.49
✓	12/30/2015	1250	Popelka Broa...	50.00
	12/30/2015	1252	Sandy Prope...	750.00
✓	12/30/2015	1253	Popelka Broa...	115.17

Deposits and Other Credits

✓	DATE	CHK #	MEMO	TYPE	AMOUNT
✓	12/15/2015		Deposit	DEP	1,340.00
✓	12/30/2015		Deposit	DEP	1,495.00

6. Look at the **"Difference"** at the bottom-right of the window to see if you have successfully reconciled your account.

   The goal when you perform a reconciliation is for the Difference to be 0.00. The Difference is calculated by determining the difference between the transactions on the bank statement and those that you have marked cleared in QuickBooks.

Beginning Balance	5,432.67	Modify	Service Charge	-9.50
Items you have marked cleared			Interest Earned	0.00
2 Deposits and Other Credits	2,835.00		Ending Balance	6,632.52
7 Checks and Payments	1,625.65		Cleared Balance	6,632.52
			Difference	0.00

7. Click the **Reconcile Now** button, and then click **OK** in the Information window, if necessary.

   There is a pause as QuickBooks records the marked transactions as cleared.

8. Click **Close** to choose to not produce a report at this time.

   You will learn about reconciliation reports in the next section.

EVALUATION ONLY

Dealing with Oops in Banking Transactions

It is inevitable that you will need to deal with either errors or modifications to transactions in QuickBooks. It is very important that you do this properly to ensure that everything behind the scenes is correct. You have already seen what errors dealing with customer- and vendor-transactions look like, so now we will look at possible errors when working with banking accounts.

Fixing Errors

The following table outlines an error related to the Chart of Accounts as well as an error that occurs when dealing with a debit card transaction incorrectly, the effects of the errors behind the scenes, and how to correct them.

COMMON ERRORS AND FIXES

Error	Effect Behind the Scenes	The Fix
The wrong account type was chosen when creating a new account in the Chart of Accounts.	The types of accounts involved will determine what the damage will be behind the scenes. (But there will be damage!)	Edit the account through the Chart of Accounts and choose the correct account type.
A debit card transaction was entered in the Enter Credit Card Charges window.	The wrong account is credited, and you will have an inflated amount displayed in Checking as well as the credit card account.	Delete the credit card transaction and reenter it through a window that affects Checking.

DEVELOP YOUR SKILLS 5-7

Correct Banking Errors

In this exercise, you will execute two tasks incorrectly and then fix them.

Do It the Wrong Way – Set the Account Type

The business has just received a Discover card that will be used for expenses. In this next example, you will set up the account incorrectly for the purpose of learning how to fix the error and do it correctly.

1. Choose **Lists→Chart of Accounts**.
2. Click the **Account** menu button, and then choose **New**.
3. Select **Expense** as the type of account, and then click **Continue**.
4. Type **`62300`** as the Number, tap [Tab], and then type **`Discover Card`** as the Account Name.

EVALUATION ONLY

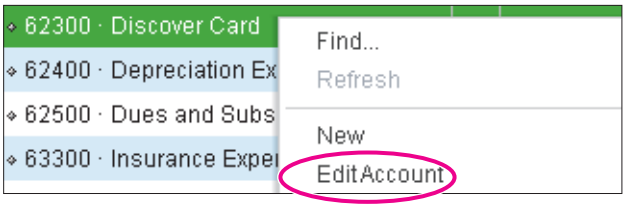
5. Click **Save & Close**.

   No doubt you have already realized what the error is in this example! While you will be using the card to pay for expenses, you should not set it up as an expense account. This will have huge ramifications behind the scenes, so you need to fix it pronto!

Do It the Right Way – Set the Account Type

In order to fix the error of setting up an account as the wrong type, you need to open the Edit Account window. The Chart of Accounts should still be open from the last step.

6. Right-click **62300 • Discover Card** in the Chart of Accounts window, and then choose **Edit Account** from the menu.



7. Follow these steps to fix the error:

   A Click the drop-down arrow, and then choose **Credit Card**.

   B Tap Tab, and then type 23000.

   C Click **Save & Close**.

   You must change the account number when you change the account type.

8. Close the **Chart of Accounts** window.

Do It the Wrong Way – Enter a Debit Card Transaction as a Credit Card

Allison has just received a receipt from Guy for graphic art supplies. He used his debit card, but you will enter it as a credit card transaction, incorrectly, for the purpose of learning how to fix the error and do it correctly.

9. Choose **Banking→Enter Credit Card Charges**; ensure **Sunriver Credit Union Visa** and **Purchase/Charge** are selected.

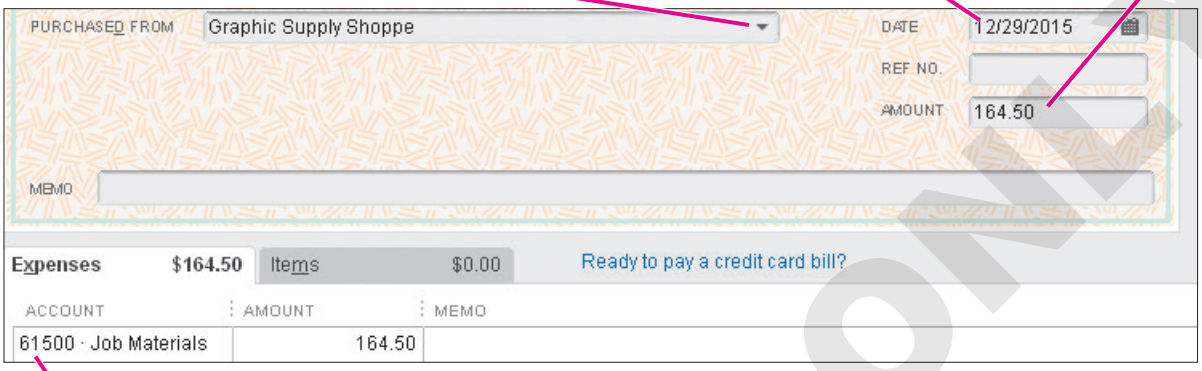
EVALUATION ONLY

10. Follow these steps to enter the transaction:

Ⓐ Click the drop-down arrow and choose **Graphic Supply Shoppe**.

Ⓑ Tap Tab, and then type `122915`.

Ⓒ Tap Tab twice, and then type `164.50`.



Ⓓ Tap Tab twice, and then type `j`.

Ⓔ Click **Save & Close**.

Think about this transaction. What is wrong with it? By entering the debit card transaction in the Enter Credit Card Charges window, you have increased the balance in the credit card account and have not removed the funds from your Checking account.

BTS BRIEF

61500•Job Materials DR 164.50; **21000•Sunriver Credit Union Visa CR <164.50>**

Do It the Right Way – Enter a Debit Card Transaction and Credit Checking

To fix the debit card transaction that was handled improperly, you must delete it and reenter the payment using the Write Checks window.

11. Choose **Banking→Enter Credit Card Charges**.

12. Click the **Previous** button until the transaction you just entered is displayed.

You can look for a transaction by using the Previous and Next buttons, if you believe the transaction to be easy to locate. If not, use the Find or Search feature.

13. Choose **Edit→Delete Credit Card Charge**; click **OK** in the Delete Transaction window.

FROM THE KEYBOARD

Ctrl+d to delete the selected transaction

14. Close the **Enter Credit Card Charges** window.

15. Click the **Write Checks** task icon in the Customers area of the Home page.

EVALUATION ONLY

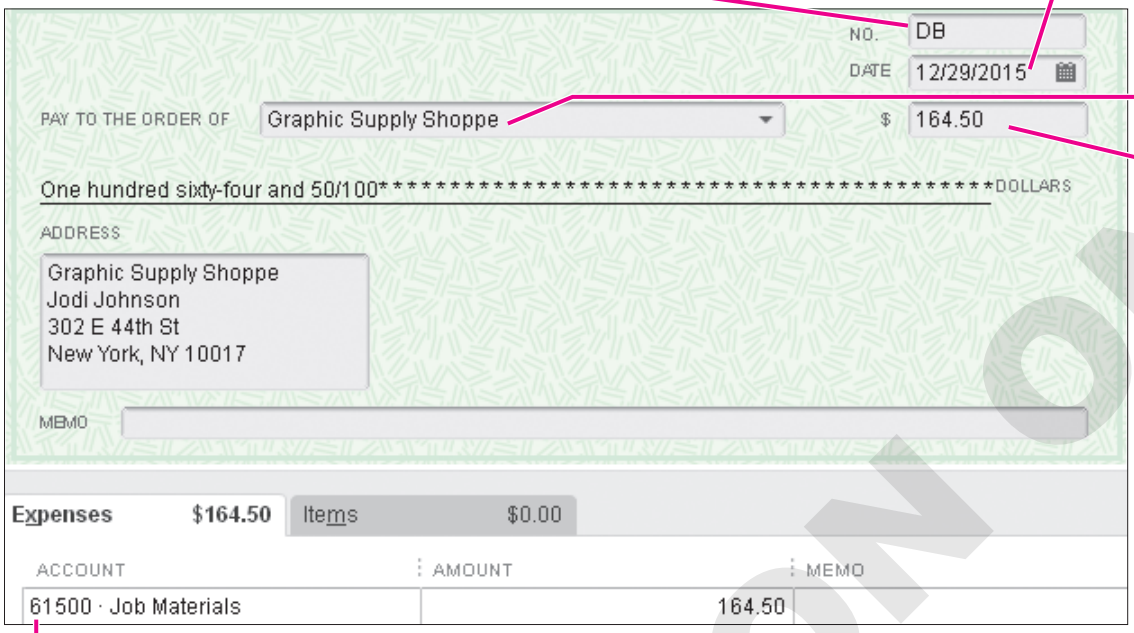
16. Follow these steps to enter the debit card purchase correctly:

Ⓐ Tap Tab, and then type **DB**.

Ⓑ Tap Tab, and then type **122915**, if necessary.

Ⓒ Tap Tab, and then type **g**.

Ⓓ Tap Tab, and then type **164.50**.



Ⓔ Verify **61500•Job Materials** is displayed.

BTS BRIEF
21000•Sunriver Credit Union Visa DR 164.50; **61500•Job Materials CR <164.50>**
61500•Job Materials DR 164.50; **10000•Checking CR <164.50>**

17. Click **Save & Close**.

Before moving on, think about what you have just completed and make sure you understand the "why" behind it. You have ensured the balances in the Checking and Credit Card accounts are now correct by recording the debit card purchase correctly.

EVALUATION ONLY

Working with Banking and Balance Sheet Reports

In this section, you will learn about reports that can tell you stories about your banking activities in QuickBooks as well as those that display information about your balance sheet accounts (asset, liability, and equity). You will also have an opportunity to look at the snapshots available in QuickBooks. You can access snapshots relative to your payments, company, and customers.

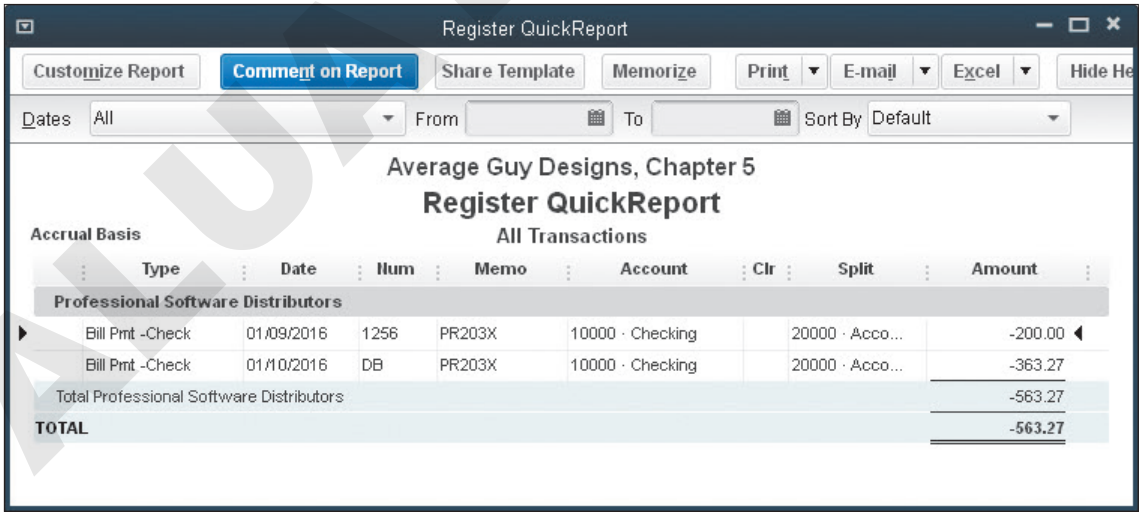
Banking Reports

The QuickBooks banking feature comes with preset reports for you to use to get answers from your data. Banking reports deal with answers to questions such as:

- What are all of the transactions involving a specific payee?
- What checks have not cleared the bank as of the last bank statement?
- Which payments still need to be deposited?
- Where can I find a list of all transactions that affect my checking account?
- What changes in transactions may affect my next reconciliation?

Register QuickReports

Register QuickReports are run right from a register window. Once you have selected a transaction and clicked the QuickReport button, you will receive a report that shows all transactions for the payee of the selected transaction.



This is an example of a register QuickReport based on Average Guy Designs' transactions with Professional Software Distributors.

EVALUATION ONLY

Reconciliation Reports

Reconciliation reports show transactions that have cleared as well as those that have yet to clear the bank. QuickBooks allows you to save reconciliation reports in a PDF format.

Average Guy Designs, Chapter 5
Reconciliation Summary
10000 · Checking, Period Ending 12/31/2015

	Dec 31, 15	
Beginning Balance		5,432.67
Cleared Transactions		
Checks and Payments - 8 items	-1,635.15	
Deposits and Credits - 2 items	2,835.00	
Total Cleared Transactions	1,199.85	
Cleared Balance		6,632.52
Uncleared Transactions		
Checks and Payments - 1 item	-750.00	
Total Uncleared Transactions	-750.00	
Register Balance as of 12/31/2015		5,882.52
New Transactions		
Checks and Payments - 8 items	-2,151.29	
Deposits and Credits - 1 item	200.00	
Total New Transactions	-1,951.29	
Ending Balance		3,931.23

Take note of what a reconciliation report will display for you. In this example, you can see a Reconciliation Summary report, and you will produce a Reconciliation Detail report in the next exercise.

Alternatives to Printing Reports

Of course you can send any report to the printer. QuickBooks also gives you options for storing or working with a report:

- **Email:** QuickBooks can convert the report to PDF, which can be viewed with the free Adobe Reader program. This allows viewing of the report exactly as it would print even to those who do not have QuickBooks. When you choose to email a form or report to a customer, the form or report will be converted automatically to PDF for you.
- **Export:** QuickBooks can export the report to Microsoft Excel so you can use Excel's powerful spreadsheet features to work with your data. You will have an opportunity to work with QuickBooks reports in Excel in Chapter 10, Customizing and Integrating in QuickBooks.

Saving Reports and Forms as PDF

PDF copies of QuickBooks reports and forms make emailing forms and reports convenient for you. They are also a great way to create copies to save for your own records. You learned about printing a file to PDF in the How do I save as a PDF? section of Chapter 1 (page 11).

EVALUATION ONLY

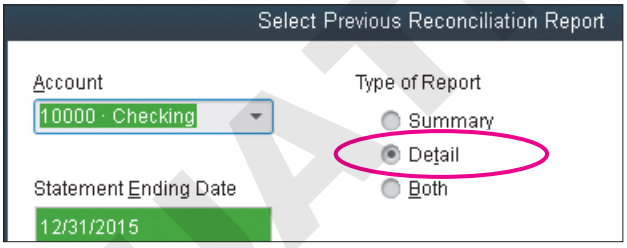
QUICK REFERENCE	PRODUCING BANKING REPORTS
Task	**Procedure**
Produce a register QuickReport	■ Open the register from which you wish to create the report. ■ Click within the transaction on which you wish to base the report. ■ Click QuickReport on the register toolbar.
Produce a reconciliation report	■ Choose Reports→Banking→Previous Reconciliation. ■ Choose the correct account and the statement ending date. ■ Choose whether you want a detail or summary report (or both); click Display.
Produce a reconciliation discrepancy report	■ Choose Reports→Banking→Reconciliation Discrepancy. ■ Choose the correct account; click OK.

DEVELOP YOUR SKILLS 5-8

Produce Banking Reports and a PDF Copy of a Report

In the last exercise, you reconciled the checking account for Average Guy Designs. In this exercise, you will help Allison to produce two banking reports and save one of them as a PDF file.

1. Choose **Reports→Banking→Previous Reconciliation**.
2. Ensure **10000•Checking** is displayed and that the circle to the left of Detail is selected.



3. Click the **Display** button to produce the report.
   QuickBooks generates this report as a PDF file that can be saved, printed, or emailed.
4. Close the **Reconciliation Detail** report window.

Run a Register QuickReport

You will now create a report based on information contained within your Checking account.

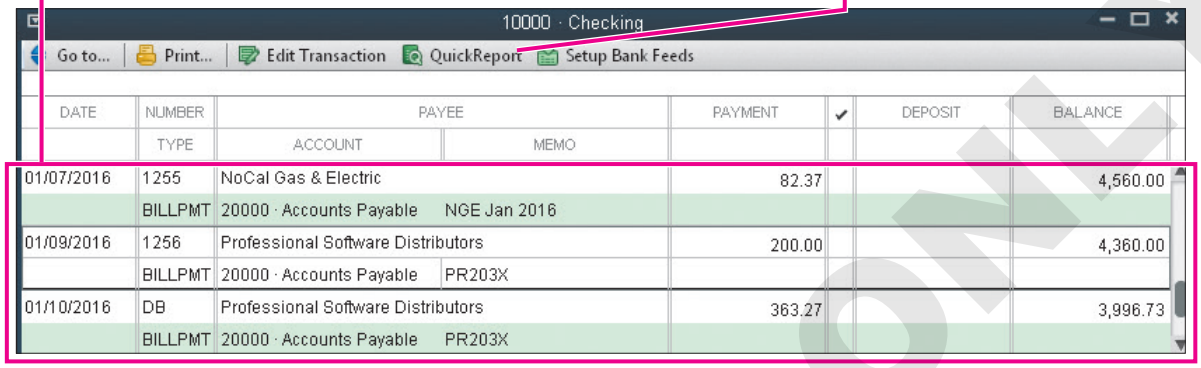
5. Click the **Check Register** task icon in the Banking area of the Home page.
6. Click **OK** to choose the **10000•Checking** account.
   The Average Guy Designs Checking register will be displayed.

EVALUATION ONLY

7. Follow these steps to produce the register QuickReport:

A Scroll up until the January transactions for **Professional Software Distributors** are visible; single-click anywhere within either of the transactions.

B Click the **QuickReport** button on the toolbar.



A report will be displayed that shows all of the transactions from the checking register for Professional Software Distributors. Notice the various buttons on the toolbar that you can use to print, email, export, and perform other tasks with this report. Leave this report open for the next step.

FROM THE KEYBOARD
Ctrl+q to display a QuickReport

Produce a PDF Copy of a Report

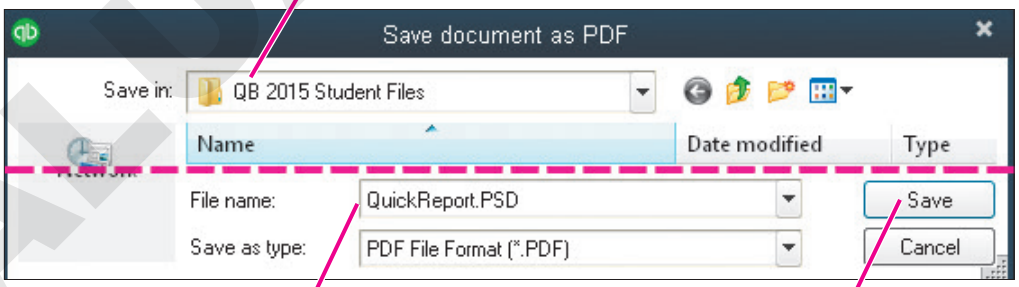
Now you will help Allison to save a PDF copy of this report. You will save it in your default file location.

8. Make sure that the QuickReport for **Professional Software Distributors** is still the active window, and then choose **File→Save as PDF** from the main QuickBooks menu bar.

   A Save document as PDF window will appear.

9. Follow these steps to save a copy of the report as a PDF file:

A Navigate to your file storage location.



B Replace what is in the File name field with `QuickReport.PSD`.

C Click **Save**.

QuickBooks will process the command, saving a copy of the file to your default file location.

10. Choose **Window→Close All**.

EVALUATION ONLY

Balance Sheet Reports

In Chapter 4, Working with Vendors, you learned how to produce one of the main company reports, Profit & Loss. In this section, you will look at another vital report, the balance sheet report. Extensive coverage of the reports produced at the end of a reporting period for a company can be found in Chapter 12, Reporting, Adjusting Entries, and Closing the Books.

Types of Accounts Displayed on a Balance Sheet Report

A balance sheet report displays all of your asset, liability, and equity accounts (hence the designation the "balance sheet accounts"). You can customize your report to show only the accounts you wish to display.

Average Guy Designs, Chapter 5
Balance Sheet
As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
10000 · Checking	5,718.02
10200 · Savings	7,382.35
Total Checking/Savings	13,100.37
Accounts Receivable	
11000 · Accounts Receivable	2,680.00
Total Accounts Receivable	2,680.00
Total Current Assets	15,780.37
TOTAL ASSETS	15,780.37
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	563.27
Total Accounts Payable	563.27
Total Current Liabilities	563.27
Total Liabilities	563.27
Equity	
30000 · Opening Balance Equity	12,815.02
Net Income	2,402.08
Total Equity	15,217.10
TOTAL LIABILITIES & EQUITY	15,780.37

Average Guy Designs, Chapter 5
Balance Sheet
As of January 15, 2016

	Jan 15, 16
ASSETS	
Current Assets	
Checking/Savings	
10000 · Checking	3,016.73
10200 · Savings	8,382.35
10400 · Money Market	1,000.00
Total Checking/Savings	12,399.08
Accounts Receivable	
11000 · Accounts Receivable	2,920.00
Total Accounts Receivable	2,920.00
Total Current Assets	15,319.08
TOTAL ASSETS	15,319.08
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	306.08
Total Accounts Payable	306.08
Total Current Liabilities	306.08
Total Liabilities	306.08
Equity	
30000 · Opening Balance Equity	12,815.02
32000 · Owners Equity	2,402.08
Net Income	-204.10
Total Equity	15,013.00
TOTAL LIABILITIES & EQUITY	15,319.08

Note the balance sheet as of December 31, 2015 on the left compared to the one dated January 15, 2016 on the right. The Net Income has been "rolled" into Owner's Equity for you at the end of the accounting period and "starts over" at the beginning of the next one.

Visualize!

Tab: Reports
Topic: Balance sheet

EVALUATION ONLY

Company Snapshot

The Company Snapshot window gives you a quick view of your company's bottom line in one convenient place. You can customize it to include "at-a-glance" reports that are most important to your company. The Company Snapshot can be accessed via a button on the Icon Bar or by choosing Reports→Company Snapshot from the menu bar. The Company Snapshot will show information only within a preset date range. If you don't see anything displayed, it is likely because the date for which you are performing the exercise is past the date range available through the snapshot.

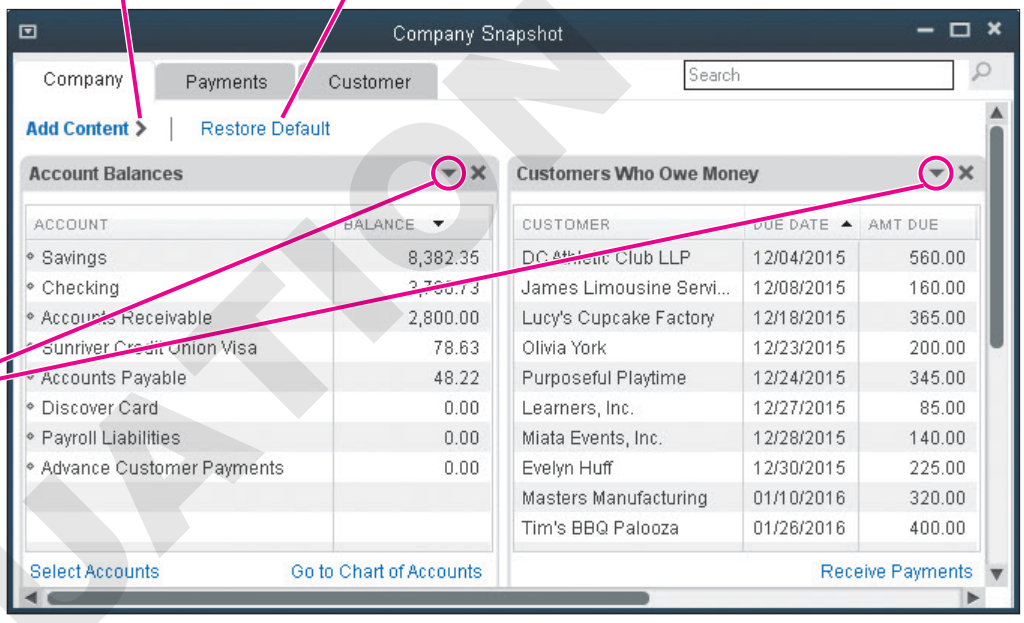
Visualize!

Tab: Reports
Topic: Company Snapshot

Browse for content panels to include in your Company Snapshot.

Bring back any removed panels, reset any date range changes, and remove any added panels.

These drop-down menus provide options to print, print preview, or save as an image your content panel data.



Information in the Company Snapshot is contained within content panels, each with its own Close button. You can customize the Company Snapshot to display information that is of value to you. Notice the three tabs at the top of the window that allow you to switch between the three snapshot views.

QUICK REFERENCE	WORKING WITH BALANCE SHEET REPORTS AND COMPANY SNAPSHOTS
Task	**Procedure**
Produce a balance sheet report	■ Choose Reports→Company & Financial→Balance Sheet Standard.
Produce a Company Snapshot	■ Choose Reports→Company Snapshot. ■ Customize the snapshot to meet your needs.

EVALUATION ONLY

DEVELOP YOUR SKILLS 5-9

View a Balance Sheet Report and a Company Snapshot

In this exercise, you will create both a balance sheet report and a company snapshot for Average Guy Designs. When you create a balance sheet report, it will be based as of a certain date rather than for a period of time (as is the case for a Profit & Loss report).

1. Choose **Reports→Company & Financial→Balance Sheet Standard**.
2. Tap [Tab], type **123115**, and then tap [Tab] again.
   QuickBooks displays a balance sheet report showing the asset, liability, and equity account balances as of December 31, 2015.
3. Close the **Balance Sheet** window, choosing not to memorize the report.

Display and Customize the Company Snapshot

You will now help Allison to customize the Company Snapshot and then restore the default.

4. Choose **Reports→Company Snapshot**.
   Depending on the actual date that you perform this exercise, you may or may not have information displayed since all of the transactions we have entered up to this point are dated in December 2015/January 2016. Don't worry about the data displayed in the content panel for this exercise, but rather focus on how to manipulate it.
5. Follow these steps to remove a content panel from the snapshot:

A Click the **Close** button to remove the Income and Expense Trend panel.

B Click **OK** in the Remove Content window.

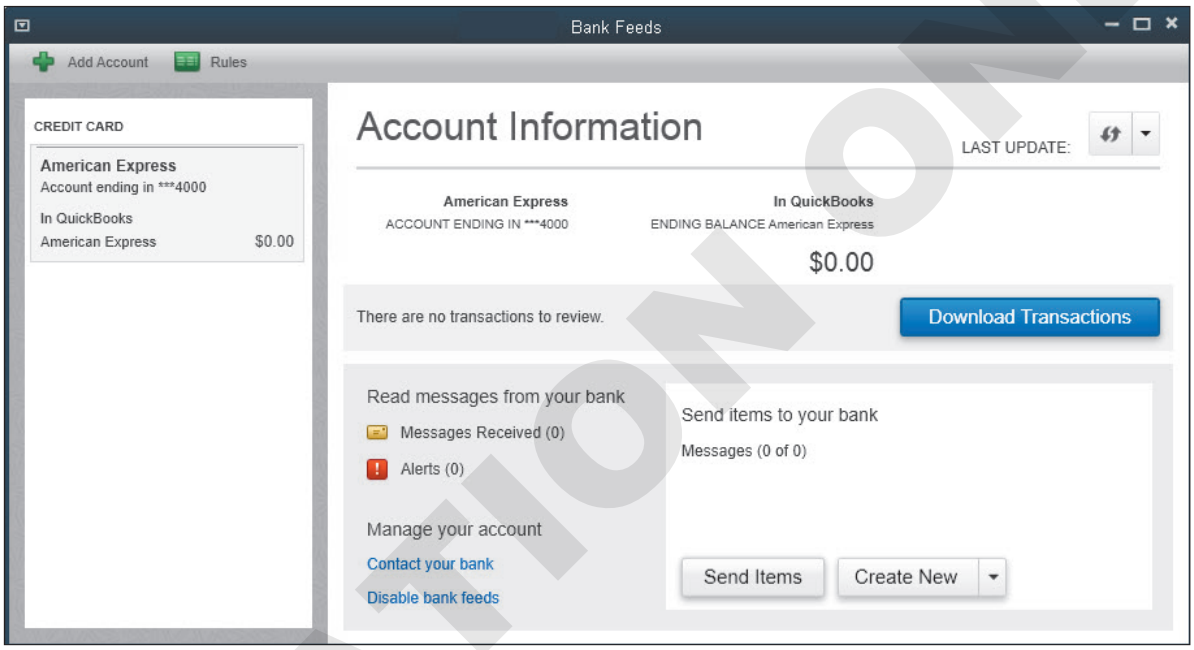
   Notice that once you have removed the Income and Expense Trend panel, the Account Balances panel "snaps" up into the vacated space. You will now restore the default content panels to the snapshot.
6. Click the **Restore Default** link above the Account Balances panel.

7. Click **Yes** in the Restore Default window.
8. Close the **Company Snapshot** window.
9. Once you are finished learning about Banking Online with QuickBooks, choose the appropriate option for your situation:
   - If you will continue working, leave QuickBooks open.
   - If you are finished working in QuickBooks for now, choose **File→Exit**.

EVALUATION ONLY

Working with QuickBooks Bank Feeds

There are a variety of tasks that can be carried out online with QuickBooks using the Bank feeds feature. Bank feeds allow you to download transactions, view the transactions that have cleared your account, see your current balance, and add new transactions to QuickBooks from your financial institution. This feature allows you to save time from having to type in all your transactions, helps you to maintain better accuracy in your records, and also assists in cash flow management.



Once you have set up at least one bank feed in QuickBooks, the Bank Feeds Center will be available to you.

What you can do through bank feeds is determined by your financial institution, so you must check with it to verify what services are offered (or if any are offered at all). Also, there is no fee to use bank feeds in QuickBooks, but your financial institution may charge a fee for the service.

Bank Feeds Exclusivity

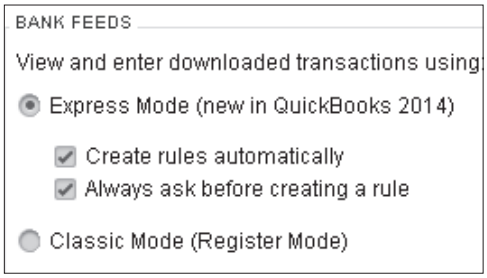
In Chapter 2, Creating a Company, you learned about multi-user mode. If you do work on your company file with others, be aware that only one person at a time can be using bank feeds. The person who will be performing bank feed tasks must acquire exclusive use. If you are working in single-user mode, you do not need to acquire exclusivity as you already have it.

EVALUATION ONLY

The Modes of Bank Feeds

You can choose how to work with your banking transactions through bank feeds as there are two different modes:

- **Express—**This mode is the new and improved QuickBooks online banking experience. In this mode, you work within the Transactions List window in order to match and add transactions, and renaming rules are created for you automatically.
- **Classic—**This mode is what was available in QuickBooks 2013 and earlier versions. In this mode, you work within account registers to match and add transactions, and you work with aliases to match names.



You can choose to switch between the modes of bank feeds on the Company tab of the Checking category in the Edit Preferences window.

You do not have to choose one mode with which to work as you can switch between the two at any time. However, renaming rules from Express mode and aliases from Classic are not available in the other mode if you switch.

Bank Feeds and Reconciliation

Earlier in this chapter you learned about reconciling your QuickBooks records with the bank. When you use bank feeds you still must reconcile your accounts in the same way as you learned in this chapter. The advantage of reconciling when you use bank feeds, however, is that the majority (if not all) of your transactions have been matched already and reconciliation will be quicker. If you do have a discrepancy, then use the same problem-solving process outlined in this chapter to resolve it.

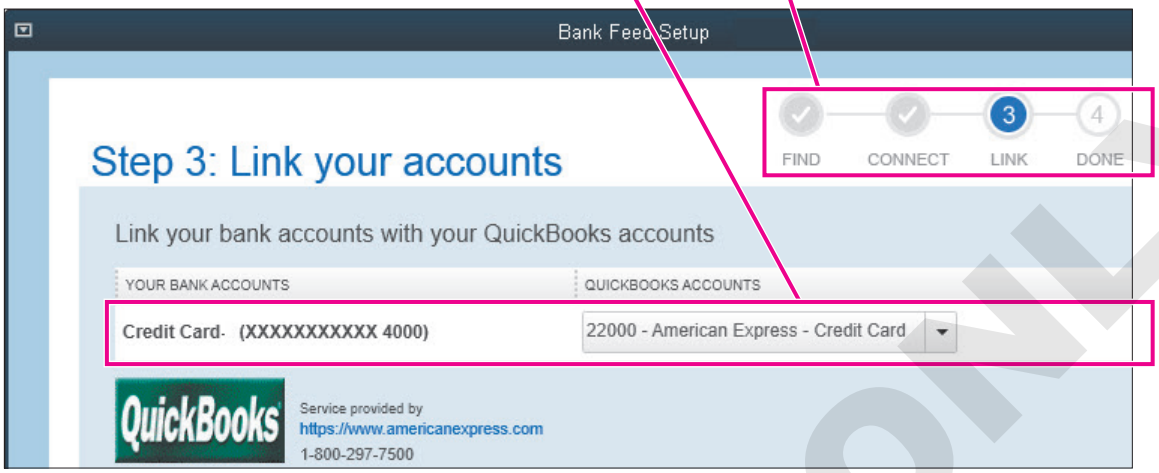
Setting Up Bank Feeds in QuickBooks

Before you can use the bank feeds feature in QuickBooks, you must complete any required applications with your financial institution(s) for your banking, credit card, or other eligible accounts. The set-up process involves four steps that QuickBooks will guide you through.

EVALUATION ONLY

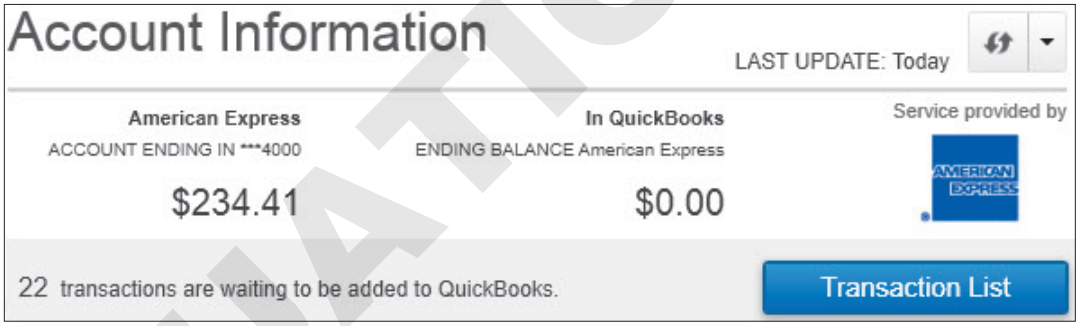
You will be able to match your bank accounts to your QuickBooks account or create a new QuickBooks account here.

Note the four steps in the setup process.



Matching and Recording Bank Feeds

Once you have set up bank feeds in QuickBooks, you will be able to download transactions from your financial institution(s), match them to transactions you have entered into QuickBooks, and properly record (remember you have to get it right behind the scenes!) new transactions that are not yet entered into QuickBooks.



Once QuickBooks is done downloading transactions in the Bank Feeds Center, you will see a link to the Transaction List and a summary of what your next step is.

QuickBooks attempts to match transactions for you by looking at check numbers, amounts, dates, and payees. You can also choose to unmatch or manually match a transaction if QuickBooks didn't get the matching right.

Recording Deposits

Many times your bank deposits comprise more than one payment, but it is recorded as one. Once you have downloaded your bank feeds, you will need to match the individual items in your register to the downloaded information. You will learn how to do this through the WebSim exercise in this section.

EVALUATION ONLY

Recording Expenses

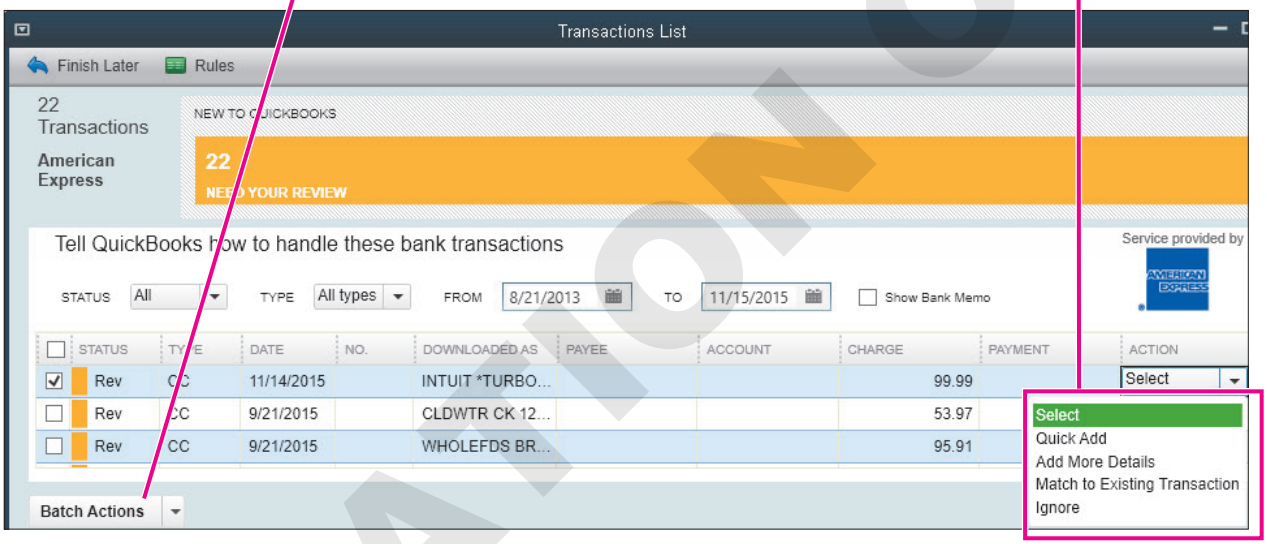
In the same way that you may have downloaded a deposit that doesn't match a single transaction in your QuickBooks register, you may also have a transaction that doesn't match an expense.

Record a Credit Card Transaction

Credit card transactions are treated the same as other banking transactions when working with bank feeds. You will need to create a bank feed for your QuickBooks credit card account(s) the same as you did for your bank accounts and then follow the procedures to match and record transactions once they have downloaded.

You can also choose multiple transactions and then process all of them as a batch.

You can choose what you wish to do with each transaction that you have downloaded in the Action column.



The Transaction List window will be displayed for you to match and record downloaded transactions.

Passing Notes with Your Financial Institution

If you have a direct connection with your financial institution, you can exchange messages back and forth with it. Make sure to pay attention to messages you have received, as some require you to complete a task before they can be deleted.

Electronic Invoice Payment Processing

Another feature available in QuickBooks is that you can email invoices to your customers and then receive payment from them electronically via the Internet. You will learn more about this invoicing and payment processing feature in Chapter 6, Dealing with Physical Inventory.

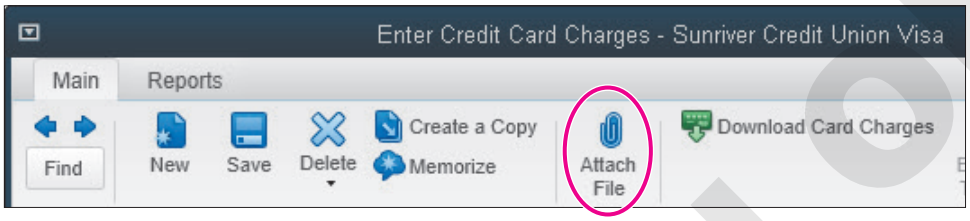
Making Vendor Payments with Bank Feeds

If your bank offers the service, you can make payments to your vendors through bank feeds as well. If your institution does not offer this service, you can still pay your bills through QuickBooks by using the QuickBooks Bill Pay Service that has you work with a vendor that partners with Intuit.

EVALUATION ONLY

QuickBooks Doc Center

The Doc Center allows you to store electronic documents on your local computer, network drive, or other storage location accessible from your computer station that can be attached to your QuickBooks transactions and customer, vendor, and employee list items for no additional fee.



Notice the Attach buttons available in the Vendor Information area of the Vendor Center and on the toolbar of the Enter Credit Card Charges window.

QUICK REFERENCE	WORKING WITH BANK FEEDS AND THE DOC CENTER
Task	**Procedure**
Set up an account for online access	■ Contact your financial institution and find out what services they offer; complete an application, if necessary. ■ Choose Banking→Bank Feeds→Setup Bank Feed for an Account. ■ Progress through the steps in the Bank Feeds Setup interview.
Acquire exclusive use of Bank Feeds	■ Choose Banking→Bank Feeds→Acquire Exclusive Use.
Switch between bank feed modes	■ Choose Edit→Preferences. ■ Click the Checking category, and then display the Company Preferences tab. ■ In the Bank Feeds section, select the mode option; click OK.
Open the Doc Center	■ Choose Company→Documents→Doc Center.
Add a file located on your computer to the Doc Center	■ Open the Doc Center; click the Add a Document button. ■ Navigate to and click the desired file; click Open.
Add a file to the Doc Center by scanning	■ Make sure your computer is connected to the scanner. ■ Open the Doc Center; click the Scan a Document button. ■ Choose a scan profile; click Scan.

EVALUATION ONLY

QUICK REFERENCE	WORKING WITH BANK FEEDS AND THE DOC CENTER (continued)
Task	**Procedure**
Drag and drop a file from Outlook into the Doc Center	■ Open Outlook and display the message with the attachment you wish to add to the Doc Center. ■ Open the Doc Center. ■ Move windows as needed to ensure that you can see both the Outlook attachment and the drop zone in the Doc Center. ■ Drag and drop the attachment from Outlook to the Doc Center.
Attach a document to a transaction or item	■ Open the transaction or item to which you wish to attach a document. ■ Click the Attach button. ■ Choose the document from the Doc Center.

Working with Web-Based Simulations

The next exercise you will complete in this book will be a web-based simulation (WebSim) that requires you to have an Internet connection. With a WebSim, you will be working as if you were using QuickBooks; however, the exercise is actually being performed on a web page.

DEVELOP YOUR SKILLS 5-10

Work with Bank Feeds

WebSim Work with Bank Feeds

In this exercise, you will set up and use bank feeds in QuickBooks.

1. Navigate to the Student Resource Center.
2. From the left navigation bar, click **Unit 1**; in the main content window, click **Chapter 5**; and then click **Develop Your Skills 5-10 Work with Bank Feeds.**
3. Follow the instructions on your screen.

EVALUATION ONLY

Tackle the Tasks

Now is your chance to work a little more with Average Guy Designs and apply the skills that you have learned in this chapter to accomplish additional tasks. You will use the same company file you used in the Develop Your Skills exercises throughout this chapter. Enter the following tasks, referring back to the concepts in the chapter as necessary.

Create banking and credit card accounts	Use the following information to create two new accounts: 10400•Money Market; Sunriver Credit Union 22000•American Express
Make a deposit	On 1/5/16, Guy traveled to a local business and provided assistance to the owner who was trying to edit a video. He received $250 cash and chose to not enter the customer in QuickBooks. Deposit the funds from this transaction to Checking on the same day.
Transfer funds	On 1/5/16, transfer $1,000 from Checking to Money Market.
Enter credit card transactions	Enter the following Sunriver Credit Union Visa transactions: On 1/7/16, purchased a customer appreciation lunch from Home Place Pizzeria (add as a new vendor) for $65.11, using the 64300•Meals and Entertainment account. On 1/8/16, purchased a new computer mouse from Ricky's Electric City for $49.52, using 64900•Office Supplies as the account. On 1/9/16, took a new client out to lunch at Bayshore Café for $39.12, using 64300•Meals and Entertainment as the account. On 1/10/16, paid $75.00 to Handyman by the Bay for work he did to wire Allison's new workstation, using 67200•Repairs and Maintenance as the account. On 1/10/16, returned the computer mouse to Ricky's Electric City.
Reconcile a credit card	Now it is time to reconcile your Sunriver Credit Union Visa credit card. The Sunriver Credit Union Visa Statement is on the following page. Once you have reconciled the credit card, choose to enter a bill for payment later (QuickAdd Sunriver Credit Union as a vendor) and create a summary reconciliation report.
Produce reports	Display a summary previous reconciliation report for the Sunriver Credit Union Visa account. Display a previous reconciliation detail report for the Sunriver Credit Union Visa Account.

EVALUATION ONLY

Sunriver Credit Union
487 Merrifield Lane
Bayshore, CA 91547

Visa Statement Prepared For:
Average Guy Designs
110 Sampson Way
Bayshore, CA 91547

Account Number: XXXX XXXX XXXX 7777

Statement Period: December 13, 2015 - January 12, 2016

Total Charges:	$317.84	Total Credits:	$59.98
Beginning Balance:	$0.00	Ending Balance:	$257.86

Transactions:

Date	*Transaction type*	*Charge*	*Credit*	*Balance*
	Beginning Balance			$0.00
1/3/2016	Allen Brothers Grocery	89.09		$89.09
1/6/2016	Allen Brothers Grocery		10.46	$78.63
1/7/2016	Home Place Pizzeria	65.11		$143.74
1/8/2016	Ricky's Electric City	49.52		$193.26
1/9/2016	Bayshore Café	39.12		$232.38
1/10/2016	Handyman By the Bay	75.00		$307.38
1/10/2016	Ricky's Electric City		49.52	$257.86
1/12/2016	Periodic Finance Charge	0		$257.86
	Ending Balance			$257.86

Concepts Review

To test your knowledge of the key concepts introduced in this chapter, complete the Concepts Review quiz on the Student Resource Center or in your eLab course.

EVALUATION ONLY

Reinforce Your Skills

Angela Stevens has just relocated her company, Quality-Built Construction, from California to Silverton, Oregon. You will be working with a QuickBooks Sample Company File in this exercise as it will allow you to run full payroll in a future chapter without having to purchase a payroll subscription.

***Before You Begin**: Remember your options! You may use either the company file or the portable company file that is provided for these exercises.*

- **Option 1:** *Open* **RYS_Chapter05** *from your file storage location.*
- **Option 2:** *Restore* **RYS_Chapter05 (Portable)** *from your file storage location, adding your last name and first initial to the end of the filename.*

For a reminder of how to restore a portable company file, see Develop Your Skills 1-1 (pages 13–15).

REINFORCE YOUR SKILLS 5-1

Work with Bank Accounts and Make a Deposit

In this exercise, you will take care of the banking tasks for Quality-Built Construction. Since Angela's business checking account does not earn interest, she has decided to open a money market account. You will begin by helping her to set up this account.

1. Choose **Lists→Chart of Accounts**.
2. Click the **Account** menu button and choose **New**.
3. Choose **Bank** as the account type, and then click **Continue**.
4. Type `Company Money Market Account` as the new account name, and `1150` as the account number.
5. Click **Save & Close**, choosing `No` in the Set Up a Bank Feed window.
6. Close the **Chart of Accounts** window.

Move Funds Between Accounts

Since the money market account earns interest, Angela has decided to transfer some funds from her checking account into it.

7. Choose **Banking→Transfer Funds**.
8. Set the date to `1/2/20`.
9. Choose **Company Checking Account** as the Transfer Funds From account.
10. Choose **Company Money Market Account** as the Transfer Funds To account.
11. Type `80000` as the transfer amount.
12. Click **Save & Close** to record the transfer and close the window.

EVALUATION ONLY

Make Deposits

Angela did a presentation for a local organization on the steps you need to take prior to building a new home. She needs to deposit the fee she earned into her checking account along with the funds that are currently in the Undeposited Funds account. You will do this in two separate steps.

13. Choose **Banking→Make Deposits**.
14. Select all of the payments in the **Payments to Deposit** window, and then click **OK**.
15. Ensure **Checking** is the Deposit To account. Click **OK** if the default account information window appears in order to acknowledge it and move to the Make Deposits window.
16. Set the deposit date as **`1/03/20`**, and then click **Save & New**.
17. Change the Date for the next deposit to **`1/4/20`**, tap Tab, and then type **`Presentation`** as the memo.
18. Click in the **From Account** column, and then type **`consu`** to fill in **Consultation Income** as the income account.

    Remember, you do not have to enter a customer, but you must enter an income account!
19. Enter the payment in the form of a check: number **`753`** for **`$800`**.

    Your screen should resemble the following illustration.

20. Click **Save & Close** to record the transaction and close the window.

EVALUATION ONLY

REINFORCE YOUR SKILLS 5-2

Reconcile a Bank Account

The bank statement has just arrived. In this exercise, you will reconcile Quality-Built Construction's Company Checking Account. You may print your own statement (Reinforce Your Skills 5-2 Bank Statement) from your file storage location or refer to the illustration shown after step 2.

1. Choose **Banking→Reconcile**.
2. Use the back statement to reconcile the Checking account for Angela.

Tradesman Credit Union
487 Merrifield Lane
Portland, OR 97331

Statement of Account Prepared For:
Quality-Built Construction
316 Maple St
Silverton, OR 97381

Account Number: 555-777
Statement Period: Dec 1 - Dec 31, 2019

Total Deposits:	$33,500.00	Total Payments:	$120,253.43
Beginning Balance	$186,145.28	Ending Balance	$99,391.85

Transactions:

Date	*Transaction type*	*Payment*	*Deposit*	*Balance*
	Beginning Balance			$186,145.28
12/4/19	11327	27.05		$186,118.23
12/5/19	11329	35,034.00		$151,084.23
12/5/19	11328	24,098.00		$126,986.23
12/5/19	11342	11,986.00		$115,000.23
12/5/19	11341	4,521.00		$110,479.23
12/5/19	11337	3,567.09		$106,912.14
12/5/19	11332	3,400.00		$103,512.14
12/5/19	11333	2,790.03		$100,722.11
12/5/19	11338	2,380.00		$98,342.11
12/5/19	11330	2,350.00		$95,992.11
12/5/19	11331	1,250.00		$94,742.11
12/5/19	11344	936.00		$93,806.11
12/5/19	11340	400.00		$93,406.11
12/5/19	11334	227.00		$93,179.11
12/5/19	11336	185.00		$92,994.11
12/5/19	11339	180.00		$92,814.11
12/5/19	11335	100.00		$92,714.11
12/5/19	11343	12.00		$92,702.11
12/5/19	Transfer	6,100.00		$86,602.11
12/8/19	10769	999.42		$85,602.69
12/15/19	10768	200.00		$85,402.69
12/15/19	Deposit		33,500.00	$118,902.69
12/15/19	11345	32.05		$118,870.64
12/18/19	11351	4,800.00		$114,070.64
12/20/19	11346	2,300.00		$111,770.64
12/20/19	11347	1,635.02		$110,135.62
12/20/19	11349	1,364.55		$108,771.07
12/20/19	11350	512.22		$108,258.85
12/20/19	11348	227.00		$108,031.85
12/20/19	11352	180.00		$107,851.85
12/22/19	Transfer	8,100.00		$99,751.85
12/23/19	11355	100.00		$99,651.85
12/26/19	11356	250.00		$99,401.85
12/31/19	Service Charge	10.00		$99,391.85
	Ending Balance			$99,391.85

EVALUATION ONLY

Pay attention to the following hints when you reconcile:

- *Make sure to set the reconciliation date to 12/31/2019.*
- *In the Begin Reconciliation window, make sure to enter the ending balance and the service charge.*
- *In the Reconcile-Checking window, make sure to mark only those transactions that have cleared the bank (and are on the bank statement) and that have zero differences before you click Reconcile Now.*
- *If the difference is not zero, see the Problem Resolution Process section on page 189.*

3. Choose to not create a reconciliation report now.

REINFORCE YOUR SKILLS 5-3

Manage Credit Card Transactions

In this exercise, you will help Angela to set up and use her new Visa credit card in QuickBooks.

1. If necessary, choose **Lists→Chart of Accounts**.
2. Click the **Account** menu button and choose **New** from the context menu.
3. Choose **Credit Card** as the account type, and then click **Continue**.
4. Name the new account **`2070•Marion CU Visa`**.
5. Click **Save & Close** to enter the new account and close the window, choosing **No** when asked if you want to set up bank feed services.

Enter a Credit Card Charge

Angela is purchasing oil filters for the business vehicles. She is not sure of the exact filter for one of the trucks, so she will purchase two and return one of them later.

6. Choose **Banking→Enter Credit Card Charges**, and ensure that the **Marion CU Visa** is selected.
7. Tap Tab three times, and then type **`Auto Supply Warehouse`** as the vendor. Tap Tab again, and then choose to **Quick Add** the store as a vendor.
8. Set the date to **`1/2/20`**, tap Tab twice, and then type **`$150`** as the amount.
9. Click in the **Account** column and choose **6101•Gas and Oil** as the expense account.
10. Click **Save & New** to record the transaction.

Enter a Credit Card Credit

Now you will process the return for Angela. The Enter Credit Card Charges window should still be open from the last step; if it isn't, choose Banking→Record Credit Card Charges→Enter Credit Card Charges.

11. Choose **Auto Supply Warehouse** as the vendor.
12. Set the date to **`1/4/20`**.
13. Choose the **Refund/Credit** option to show it is a return.
14. Type **`$30`** as the amount and ensure that **6101•Gas and Oil** is the account.
15. Click **Save & Close** to record the refund and close the window.

EVALUATION ONLY

REINFORCE YOUR SKILLS 5-4

Produce Banking and Balance Sheet Reports

Angela wants to run some banking reports to get answers from her data. In this exercise, you will help her to do just that. Angela has already performed the reconciliation, and she asks you to print the reconciliation report.

1. Choose **Reports→Banking→Previous Reconciliation**.
2. Choose to create a **Summary** report for the reconciliation you just performed (statement ending date of 12/31/2019).
3. Click **Display** to produce the report.
4. Preview how the report will print, and then close the **Reconciliation Summary** window.

Run a Deposit Detail Report

Angela would like to see all of her bank deposits for December, so she will run a report to display them.

5. Choose **Reports→Banking→Deposit Detail**.
6. Tap [Tab], and then type `120119`; tap [Tab], and then type `123119`.
7. Click the Refresh button on the report toolbar.
   You will see a report that displays the details for each deposit in December.

TIP

If you tap [Tab] after changing the date, QuickBooks will automatically refresh the report for you, too.

8. Choose **File→Save as PDF**.
9. Choose to save a copy of the report in your default storage location, naming it `December 2019 Deposits`.
10. Close the **Deposit Details** report window, clicking **No** when asked to memorize the report.

Display a Balance Sheet Report

11. Choose **Reports→Company & Financial→Balance Sheet Standard**.
12. Tap [a] to change the date range to **All**.
13. Choose **Window→Close All**.
14. Choose the appropriate option for your situation:
    - If you will continue working, leave QuickBooks open.
    - If you are finished working in QuickBooks for now, choose **File→Exit**.

EVALUATION ONLY

Apply Your Skills

Before You Begin: Remember your options! You may use either the company file or the portable company file that is provided for these exercises.

- **Option 1:** *Open* **AYS_Chapter05** *from your file storage location.*
- **Option 2:** *Restore* **AYS_Chapter05 (Portable)** *from your file storage location, adding your last name and first initial to the end of the filename.*

For a reminder of how to restore a portable company file, see Develop Your Skills 1-1 (pages 13–15).

APPLY YOUR SKILLS 5-1

Manage Banking and Deposits

In this exercise, you will help Dr. James with some basic banking tasks.

1. Open the **Chart of Accounts** and create two new accounts for Wet Noses: a bank account named **`Money Market`** and a credit card account named **`American Express`**. Choose to not set up online services for either account.
2. Open the **Make Deposits** window and choose to deposit all four payments from the Undeposited Funds account into your Checking account on 6/8/16.
3. Open the **Transfer Funds** window and transfer $30,000 from Checking to Money Market on 6/10/16.

APPLY YOUR SKILLS 5-2

Enter Credit Card Transactions

In this exercise, you will enter transactions into the credit card account you just created.

1. Open the Enter Credit Card Charges window.
2. Enter the following **American Express** charges for the month.
   Quick Add any vendors not on the Vendor List and use your best judgment in selecting an expense account.

Date	Vendor	Amount	Memo
6/1/16	Thrifty Grocery	$26.73	Bottled water and soda for office
6/4/16	Glen's Handyman Service	$108.70	Office repairs
6/4/16	Malimali Hardware Store	$43.20	Supplies for office repairs
6/8/16	Labyrinth Veterinary Publications	$94.85	Reference books
6/11/16	Thrifty Grocery	$18.49	Refreshments for office
6/14/16	Bothell Pet Supply Co.	$115.43	Boarding supplies
6/14/16	Karel's Gardening Service	$60.00	Monthly garden maintenance
6/20/16	Beezer Computer Repair	$145.00	Computer repair
6/20/16	Bothell Pet Supply Co.	-$38.29	Return-Boarding supplies
6/22/16	Laura's Café	30.21	Business lunch with partner

3. Close the **Enter Credit Card Charges** window when you are finished.

EVALUATION ONLY

APPLY YOUR SKILLS 5-3

Deal with a Returned Check

In this exercise, you will help Dr. James to account for check #6666 from Mary Ann Gulch for $145.65 that was returned for non-sufficient funds.

1. Choose **Customers→Receive Payments**.
2. Click the **Previous** button until the bounced check used to pay invoice **167** is displayed.
3. Click the Record Bounced Check button.

Enter the Fee Information

4. Enter a **Bank Fee** of $**25** on **6/6/2016**, using **Bank Service Charges** as the account.
5. Enter a **Customer Fee** of $**45**.

APPLY YOUR SKILLS 5-4

Reconcile a Credit Card Account

In this exercise, you will reconcile the American Express account.

1. Open the **Chart of Accounts** and begin the process to reconcile the **American Express** account using the following illustration.

American Express
6539 Beck Place
New York, NY 07852

Credit Card Statement Prepared For:
Wet Noses Veterinary Clinic
589 Retriever Drive
Bothell, WA 98011

Account Number: 3333-888888-22222

Statement Period: May 21 - June 20, 2016

Total Charges:	$612.40	Total Credits:	$38.29
Beginning Balance:	$0.00	Ending Balance:	$574.11

Transactions:

Date	*Transaction type*	*Charge*	*Credit*	*Balance*
	Beginning Balance			$0.00
6/1/2016	Thrifty Grocery	26.73		$26.73
6/4/2016	Glen's Handyman	108.70		$135.43
6/4/2016	Malimali Hardware Store	43.20		$178.63
6/8/2016	Laby Vet Pub	94.85		$273.48
6/11/2016	Thrifty Grocery	18.49		$291.97
6/14/2016	Bothell Pet Supply	115.43		$407.40
6/14/2016	Karel's Gardening Service	60.00		$467.40
6/20/2016	Beezer Computer	145		$612.40
6/20/2016	Bothell Pet Supply		38.29	$574.11
	Periodic Finance Charge	0		$574.11
	Ending Balance			$574.11

EVALUATION ONLY

2. When you have completed the reconciliation, write a check to **American Express** for the entire amount on 6/22/2016, choosing for it to be printed later. Then, display a **summary reconciliation report**.

APPLY YOUR SKILLS 5-5

Answer Questions with Reports

LAB QUICK GRADER

In this exercise, you will answer questions for Dr. James by running reports. You may wish to display the Report Center in List View to help you answer the questions. Ask your instructor if you should print the reports, print (save) them as PDF files, export them to Excel, or simply display them on the screen.

1. What are the details of the checks that have been written during June 2016?
2. Which transactions were cleared and which were not cleared when the American Express account was reconciled?
3. Is it possible to get a detailed list of all deposits for June 2016?
4. Are there any missing or duplicate check numbers in the Checking account?
5. What is the balance of all of the balance sheet accounts as of June 22, 2016?
6. Submit your reports based on the guidelines provided by your instructor.
7. Choose the appropriate option for your situation:
   - If you will continue working, leave QuickBooks open.
   - If you are finished working in QuickBooks for now, choose **File→Exit**.

EVALUATION ONLY

Extend Your Skills

In the course of working through the following Expand Your Skills exercises, you will be utilizing various skills taught in this and previous chapter(s). Take your time and think carefully about the tasks presented to you. Turn back to the chapter content if you need assistance.

5-1 Sort Through the Stack

Before You Begin: Restore the **EYS1_Chapter05 (Portable)** file or open the **EYS1_Chapter05** company file from your storage location. This file does not have a password. If the QuickBooks Login window appears, leave the username as Admin, leave the Password field empty, and click OK.

You have been hired by Arlaine Cervantes to help her with her organization's books. She is the founder of Niños del Lago, a nonprofit organization that provides impoverished Guatemalan children with an engaging educational camp experience. You have just sat down at your desk and opened a large envelope from her with a variety of documents and noticed that you have several emails from her as well. It is your job to sort through the papers and emails and make sense of what you find, entering information into QuickBooks whenever appropriate and answering any other questions in a word-processing document saved as **`EYS1_Chapter05_LastnameFirstinitial`**. Remember, you are digging through papers you just dumped out of an envelope and addressing random emails from Arlaine, so it is up to you to determine the correct order in which to complete the tasks.

- Scribbled on a scrap of paper: I looked at QuickBooks and saw money in an account called "Undeposited Funds." Why isn't it in the Checking account? Can you move it for me? I deposited those funds into the Checking account on 7/11/2016!
- New credit card document on desk: From Jasper State Bank, number 7777 2222 0000 2938, $7,500 credit limit.
- Note: Opened a new Money Market bank account at Jasper State Bank on 7/10/16. Transferred $1,000 from Savings to fund the new account. Need QuickBooks account set up.
- Bank deposit slip: Check #2323 dated 7/14/2016 for a $2,500 deposit to Checking. Handwritten message on slip reads, "From Hanson Family Trust."
- Credit card receipt: Dated 7/15/2016; for office supplies; $75.11; paid to Supplies Online.
- Note: Would you please create a report that shows all of the activity in the Checking account for July 2016 and save it as a PDF file so I can email it to the accountant?
- Bank deposit slip: Dated 7/30/2016 for $750; handwritten on slip, check #1835 from Lakeside Christian School for remaining balance due.
- Credit card receipt: Dated 7/23/2016; payable to Casey's Service Station; for auto fuel; amount of $35.61. (Hint: This is for travel to a workshop site.)
- Scribbled note from Arlaine: Can you produce a report for me that shows the balances for all of the asset, liability, and equity accounts as of 7/31/2016?

EVALUATION ONLY

5-2 Be Your Own Boss

Before You Begin: Complete Extend Your Skills 4-2 before starting this exercise.

In this exercise, you will build on the company file that you outlined and created in previous chapters. If you have created a file for your actual business, then enter your bank and credit card accounts and deposit any funds waiting in Undeposited Funds; complete any fund transfers between accounts and enter all credit and debit card transactions; enter any bounced checks; finally, use the bank statements received from your financial institution and reconcile all accounts. If you are creating a fictitious company, then create at least two banking accounts and one credit card account. Deposit all funds received in Chapter 4 into a bank account and transfer funds between your two bank accounts; account for a bounced check. You will make up the names and information for this exercise.

Create Balance Sheet and Deposit Detail reports and submit them to your instructor based on the instructions provided.

Open the company file you worked on in Extend Your Skills 4-2 and complete the tasks outlined above. When you are done, save it as a portable company file, naming it as **`EYS2_Chapter05_LastnameFirstinitial (Portable)`** and submit it to your instructor based on the instructions provided.

5-3 Use the Web as a Learning Tool

Throughout this book, you will be provided with an opportunity to use the Internet as a learning tool by completing WebQuests. According to the original creators of WebQuests, as described on their website (http://WebQuest.org), a WebQuest is "an inquiry-oriented activity in which most or all of the information used by learners is drawn from the web." To complete the WebQuest projects in this book, navigate to the Student Resource Center and choose the WebQuest for the chapter on which you are working. The subject of each WebQuest will be relevant to the material found in the chapter.

WebQuest Subject: Online banking with QuickBooks

EVALUATION ONLY