



QUICKBOOKS DESKTOP 2020 CLIENT TRAINING

Lesson 4

Work with Bank Accounts



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About the Author



Esther Friedberg Karp, MBA

President, EFK CompuBooks Inc.

esther@e-compubooks.com

Esther Friedberg Karp is an internationally renowned trainer, writer, business consultant and speaker who has been repeatedly listed as one of Insightful Accountant's Top 100 QuickBooks ProAdvisors in the world. She has also been named to their Top 10 list on two occasions: as Top International ProAdvisor and Top Trainer/Writer ProAdvisor.

Based in Toronto, Canada, Esther has the unique distinction of holding ProAdvisor certifications in the United States, Canada and the United Kingdom. She has authored materials and delivered educational and certification courses for Intuit in all those countries, as well as Australia where she conducted live QuickBooks Online training. She has spoken at Scaling New Heights, QuickBooks Connect and other conferences, and has written countless articles for Intuit Global.

Esther's clients include companies worldwide and accounting professionals who seek her out on behalf of their own clients. She is sought out for her expertise in various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries. She also teaches QuickBooks Core and Advanced certification classes to accounting professionals in Canada.

Esther holds a BSc from the University of Toronto in Actuarial Science and Mathematics, and an MBA in Marketing and Finance from York University's Schulich School of Business.

She can be reached at esther@e-compubooks.com or 416-410-0750.



Lesson Objectives

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

Write a QuickBooks Check



Step-by-Step: Write a Check

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

Write Checks - Checking

Main Reports

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

BANK ACCOUNT 10100 - Checking ENDING BALANCE 46,969.10

NO. 269
DATE 02/28/2024

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

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

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

MEMO Monthly Vechiicle Repairs and Maintenance

Expenses \$231.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BIL...	CLASS
60100 - Automobile:6...	231.00	Monthly Vechiicle Repairs and Maintenance	Overhead	<input type="checkbox"/>	Overhead

Save & Close Save & New Revert

2. In the *Pay to the Order of* field, choose the name of the vendor you wish to pay.
If the Check for Bills window (indicating that there are unpaid bills outstanding for this vendor) pops up, you may choose the option to **Go to Pay Bills** instead.
3. Complete the remaining information on the check.
4. Click **Save & Close**.

NOTES

Use Bank Account Registers



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

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

Chart of Accounts					
Look for account name or number					
<input type="text"/>		<input type="button" value="Search"/>	<input type="button" value="Reset"/>		
NAME	DESCRIPTION	TYPE	BALANCE TOTAL	ATTACH	
10100 · Checking	Cash	Bank	46,969.10		
10300 · Savings	Savings	Bank	17,910.19		
10400 · Petty Cash	Petty Cash	Bank	500.00		
11000 · Accounts Receivable	Accounts Receivable	Accounts Receivable	93,007.93		
12000 · Undeposited Funds	Undeposited Funds	Other Current Asset	2,440.00		
12100 · Inventory Asset	Inventory Asset	Other Current Asset	30,683.38		
12800 · Employee Advances	Employee Advances	Other Current Asset	832.00		
13100 · Pre-paid Insurance	Pre-paid Insurance	Other Current Asset	4,050.00		
13400 · Retainage Receivable	Retainage Receivable	Other Current Asset	3,703.02		
15000 · Furniture and Equipment	Furniture and Equipment	Fixed Asset	34,326.00		
15100 · Vehicles	Vehicles	Fixed Asset	78,936.91		
15200 · Buildings and Improvements	Buildings and Improvements	Fixed Asset	325,000.00		
15300 · Construction Equipment	Construction Equipment	Fixed Asset	15,300.00		
16900 · Land	Land	Fixed Asset	90,000.00		
17000 · Accumulated Depreciation	Accumulated Depreciation	Fixed Asset	-110,344.60		
18700 · Security Deposits	Security Deposits	Other Asset	1,720.00		
20000 · Accounts Payable	Moneys you owe to vendors and suppliers	Accounts Payable	26,636.92		
20500 · QuickBooks Credit Card	QuickBooks Credit Card	Credit Card	94.20		
20600 · CalOil Credit Card		Credit Card	382.62		
Subcontracted Federal WH		Other Current Liability	0.00		
20700 · Due to Owner	Short Term Loan from Owner - No Note or Bond	Other Current Liability	0.00		
24000 · Payroll Liabilities	Payroll Liabilities	Other Current Liability	5,404.45		
24010 · Federal Withholding		Other Current Liability	1,364.00		
24020 · FICA Payable		Other Current Liability	2,118.82		
24030 · AEIC Payable		Other Current Liability	0.00		

Account ▾ Activities ▾ Reports ▾ Attach Include inactive

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

DATE	NUMBER	TYPE	ACCOUNT	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
2/15/2024	10075	PAY CHK -split-	Gregg O. Schneider			1,033.98		50,876.41
2/15/2024	10076	PAY CHK -split-	Dan T. Miller			1,350.15		49,526.26
2/15/2024	10077	PAY CHK -split-	Elizabeth N. Mason			932.92		48,593.34
2/15/2024	10078	PAY CHK -split-	Gregg O. Schneider			1,082.12		47,511.22
2/15/2024	10079	PAY CHK -split-	Gregg O. Schneider			1,082.12		46,429.10
2/15/2024		SEND					500.00	46,929.10
1/31/2025	491	CHK	10300 - Savings	City of Middlefield		175.00		46,754.10
2/15/2024								
ENDING BALANCE								46,794.10

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

NOTES

Enter a Handwritten Check

Sometimes you need to write a check by hand on the spot for items or services you did not plan to purchase. QuickBooks lets you write the check then enter it later in the checking account register or on the check form.



Step-by-Step: Enter a Handwritten Check in the Checking Account Register

1. From the Banking drop-down menu choose **Write Checks**.
2. Ensure the proper account is selected in the **Bank Account** drop-down at the top of the check.
3. Click in the **No.** (check number) field in the blank transaction and enter the number from the handwritten check. (If the No. field says To Print, uncheck the **Print Later** box on the toolbar at the top of the check in the Main tab of the ribbon.)
4. Enter the information from the handwritten check and assign it to the corresponding expense account.
5. **Save &** Close.

NOTES

Transfer Money Between Accounts

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



Step-by-Step: Transfer Money

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

The screenshot shows the 'Transfer Funds' window in QuickBooks. The window title is 'Transfer Funds Between Accounts'. The menu bar includes 'Previous', 'Next', 'Save', 'Journal', and 'Attach'. The main form area is titled 'Transfer Funds'. It contains the following fields and values:

Field	Value
DATE	12/15/2024
CLASS	[Dropdown]
TRANSFER FUNDS FROM	10100 - Checking
ACCOUNT BALANCE	46,794.10
TRANSFER FUNDS TO	10300 - Savings
ACCOUNT BALANCE	17,910.19
TRANSFER AMOUNT	42,000.00
MEMO	Funds Transfer Ref #AB2786CA

There is also an 'Online Funds Transfer' checkbox. At the bottom are buttons for 'Save & Close', 'Save & New', and 'Clear'.

2. In the Transfer Funds From field, choose the account from which you are transferring the money.
3. In the Transfer Funds To field, choose the account to which the money is being transferred.
4. Enter the amount you wish to transfer in the Transfer Amount field.
5. If this were a multicurrency situation, you would also choose the currency of the Transfer Amount and the exchange rate given to you by the bank. (The example here is not a multicurrency situation and therefore you do not see those fields in this screen capture.)

6. In the Memo field, enter the alphanumeric confirmation code given to you by the financial institution to reference this transfer transaction.
7. Click **Save & Close**.

NOTES

Reconcile Bank Accounts

Your bank sends you a statement for each of your accounts each month (or you can view it online using your online banking credentials). The statement shows all the activity in your account since the previous statement:

- Opening balance
- Ending balance
- Amount of interest earned
- Service charges
- Checks and other withdrawals that have cleared the bank
- Deposits made
- Other transactions affecting the balance of the account



Step-by-Step: Reconcile a Checking or Savings Account Statement

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

Begin Reconciliation

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

Account: 10100 - Checking

Statement Date: 11/30/2024

Beginning Balance: 71,452.58

Ending Balance: 71,426.52

What if my beginning balance doesn't match my statement?

Enter any service charge or interest earned.

Service Charge	Date	Account	Class
0.00	11/30/2024	60600 - Bank Service Charges	
Interest Earned	Date	Account	Class
0.00	11/30/2024		

Buttons: Locate Discrepancies, Undo Last Reconciliation, Continue, Cancel, Help

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

NOTES

Mark Cleared Transactions



Step-by-Step: Mark Transactions as Cleared

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

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

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

For period: 11/30/2024

Hide transactions after the statements end date

Checks and Payments				Deposits and Other Credits				
DATE	CHK #	PAYEE	AMOUNT	DATE	CHK #	PAYEE	TYPE	AMOUNT
✓ 10/31/2024	433	Sergeant Insurance	712.56	✓ 11/30/2024	41077	Melton, Johnny Dent	PMT	4,135.50
✓ 10/31/2024	436	Bayshore Water	24.00					
✓ 11/14/2024	451	Larson Flooring	3,200.00					
✓ 11/19/2024	450	City of Bayshore	225.00					
11/28/2024	464	Hopkins Construction Re...	300.00					
11/28/2024	465	Keswick Insulation	500.00					
11/28/2024	466	McClain Appliances	600.00					
11/28/2024	467	Lew Plumbing	800.00					
11/28/2024	468	Timberloft Lumber	6,790.00					
11/28/2024	469	Sloan Roofing	2,000.00					
11/28/2024	470	Washuta & Son Painting	500.00					
11/30/2024	471	Bayshore Water	24.00					

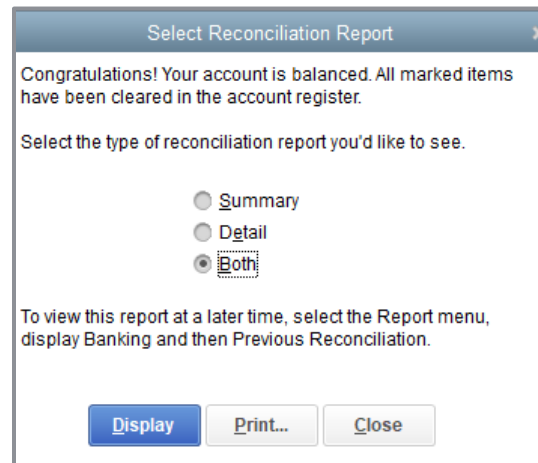
Highlight Marked

Mark All Unmark All Go To Matched Columns to Display...

Beginning Balance	71,452.58		
Items you have marked cleared			
1 Deposits and Other Credits	4,135.50		
4 Checks and Payments	4,161.56		
Service Charge		0.00	
Interest Earned		0.00	
Ending Balance		71,426.52	
Cleared Balance		71,426.52	
Difference		0.00	

Reconcile Now Leave

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



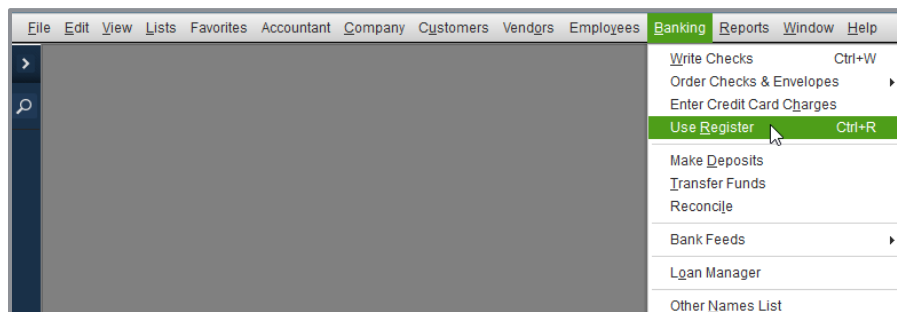
NOTES

View Cleared Checks in the Register

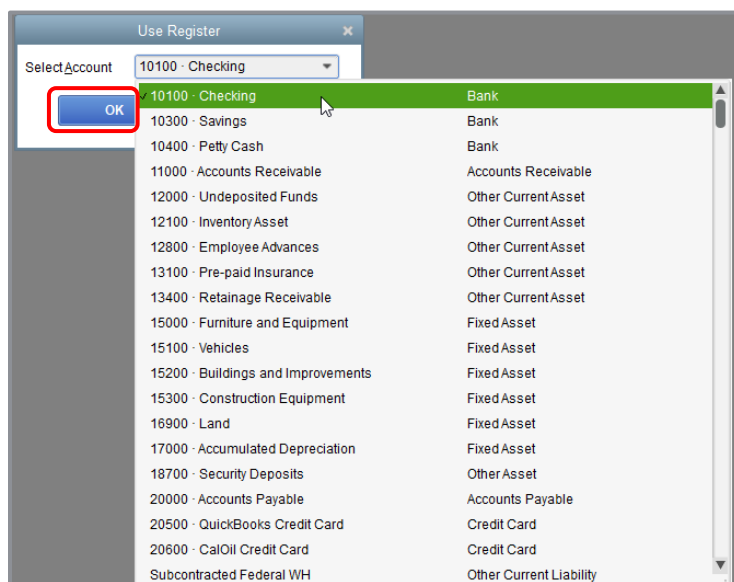


Step-by-Step: View Cleared Checks in the Register

1. From the Banking menu, choose **Use Register**.



2. Choose the account register you wish to view from the drop-down list. (An alternate way to view the register is to open the Chart of Accounts and double-click on the balance sheet account whose register you wish to see.) Then click **OK**.



3. Scroll through the register to view the cleared items:
 - **Checkmark** = cleared on a completed reconciliation
 - **Asterisk** = cleared on a pending reconciliation
 - **No mark** = not cleared



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

DATE	NUMBER	ACCOUNT	PAYEE	MEMO	PAYMENT	DEPOSIT	BALANCE
11/25/2024	DEP	-split-	Deposit			14,085.30	91,413.36
11/25/2024	DEP	12000 - Undeposited Funds	Deposit			1,200.00	92,613.36
11/25/2024	DEP	12000 - Undeposited Funds	Deposit			4,264.78	96,878.14
11/25/2024	PMT	11000 - Accounts Receivable		Cook, Brian Kitchen		4,225.41	101,103.55
11/25/2024	DEP	12000 - Undeposited Funds	Deposit			5,435.00	106,538.55
11/25/2024	CHK	65100 - Utilities:65110 - Gas and Electric	Acct #560-82645-99C	Cal Gas & Electric	97.53		106,441.02
11/25/2024	TRANSFI	10300 - Savings	Funds Transfer		42,300.00		64,141.02
11/28/2024	BILLPMT	20000 - Accounts Payable		Hopkins Construction Rentals	300.00		63,841.02
11/28/2024	BILLPMT	20000 - Accounts Payable		Keswick Insulation	500.00		63,341.02
11/28/2024	BILLPMT	20000 - Accounts Payable	85-93117	McClain Appliances	600.00		62,741.02
						ENDING BALANCE	4,794.10

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

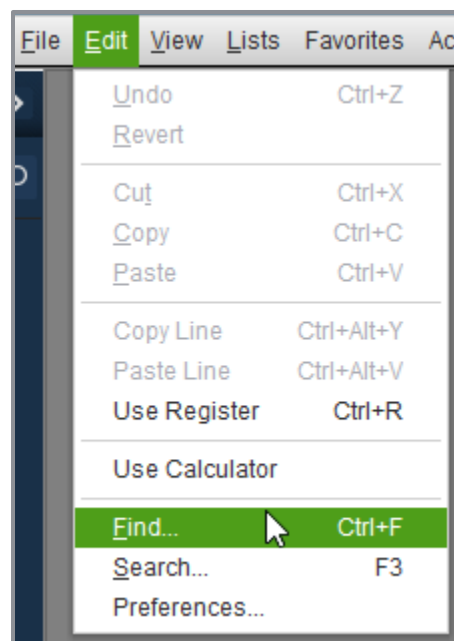
Locate Specific Transactions

You can use the QuickBooks Find command to search for specific checks you've written (and other transactions as well). For example, suppose you want to find all checks between \$500 and \$750 that you've written during the current month.

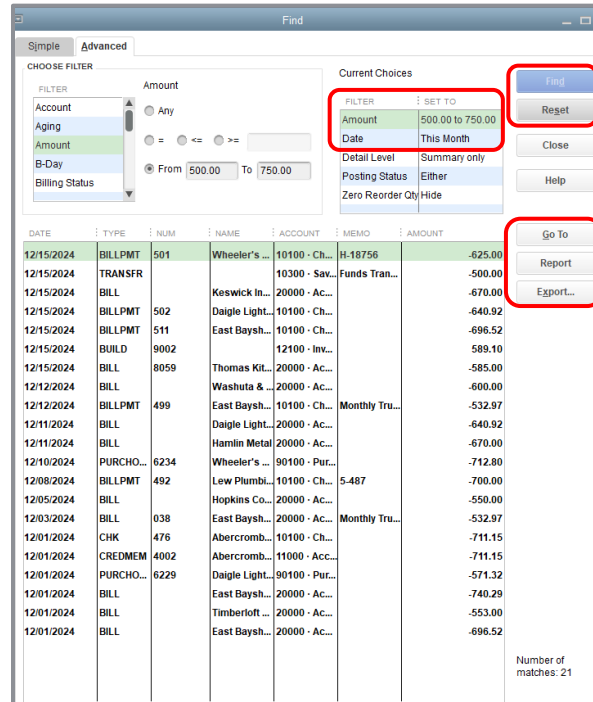


Step-by-Step: Use the Find Feature

1. From the Edit menu, choose **Find** (or press **CTRL+f**) then select the **Advanced** tab.



2. Choose the filter(s) you would like to use. You can choose multiple filters by setting one, choosing another from the list, setting that one and so on. In the example below, the Amount filter is set to include transactions with amounts between \$500 and \$750, and dates for this month (which, being a sample company, QuickBooks sets from December 1, 2024, through December 31, 2024, but we could have chosen the custom "from" and "to" dates). No filter was used for Transaction Types, so all Transaction Types have been included. However, you could have used a Transaction Type filter for one particular transaction type (e.g., Bill) or Multiple Transaction Types (e.g., Check, Bill, Bill Payment, Sales Tax Payment, and Paycheck).



- Click the blue **Find** button to search. To clear your filters and start fresh with a new Find, click the **Reset** button.
- From the results grid, double-click on the transaction you would like to view to open it or click on it once to highlight it and then choose **Go To**.

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

- Close the **Find** window.

NOTES

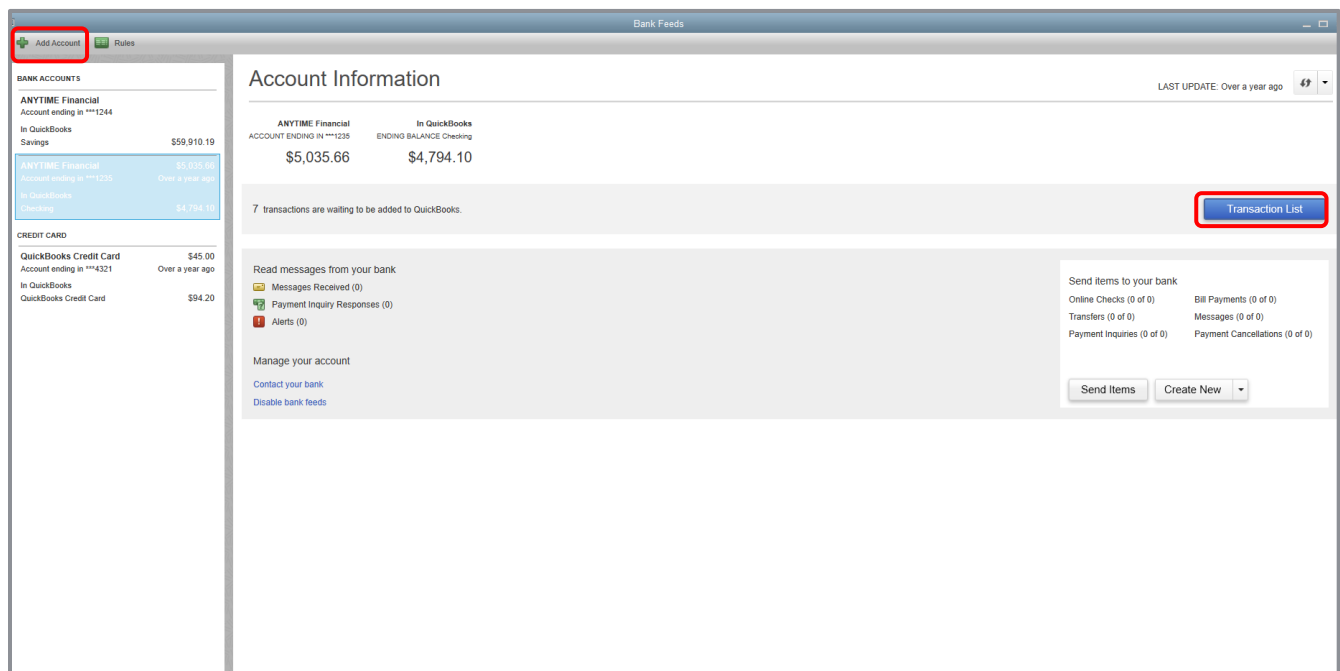
Use Bank Feeds

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



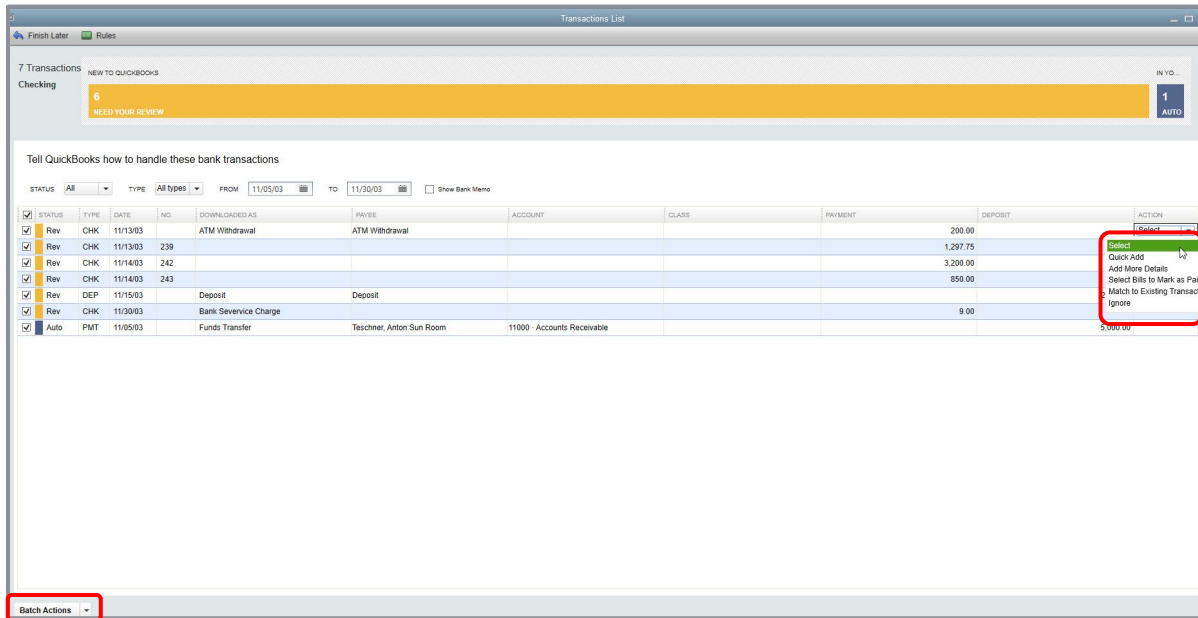
Step-by-Step: Use the Bank Feed Feature

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

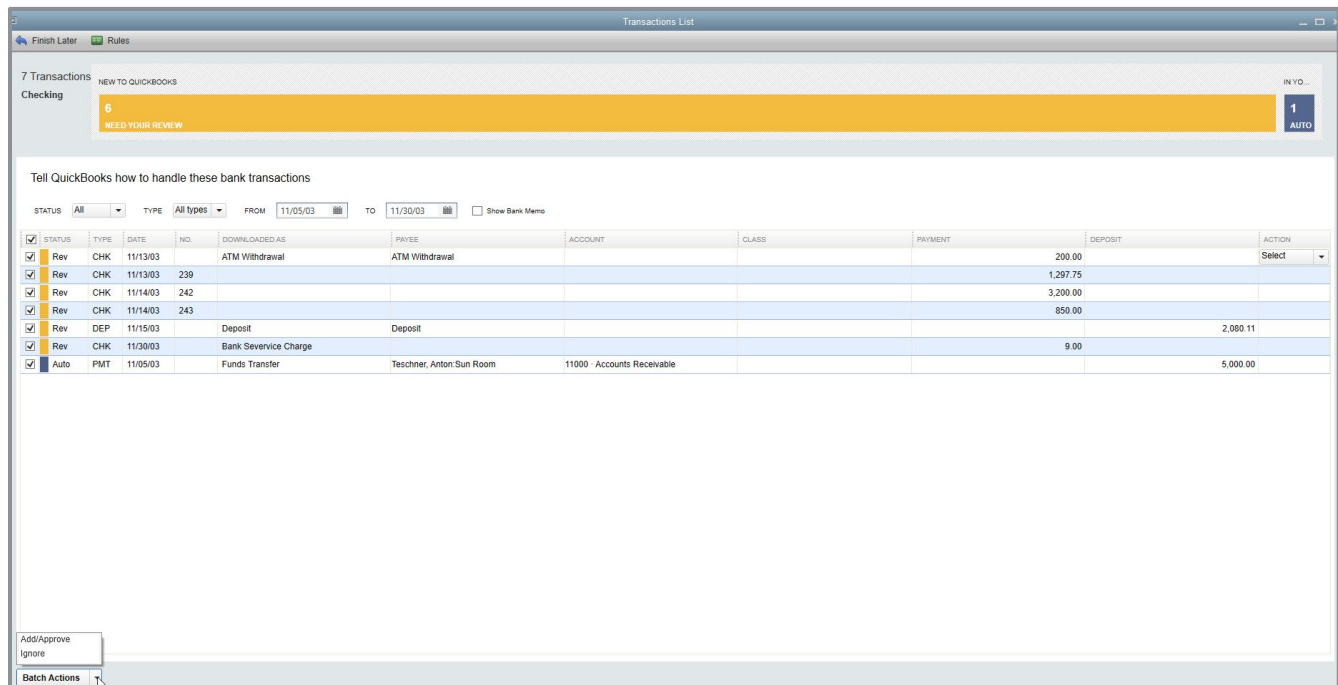


2. From the Bank Feeds window, click the **Transaction List** button to view and process transactions. If this button says Download Transactions, this means all previously downloaded transactions have already been posted to QuickBooks. Press the **Download Transactions** button to download available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

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



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



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

NOTES

Work with Bank Accounts – Review Questions

1. What does the ending balance in a QuickBooks bank account register represent?
 - a. Only transactions that have been printed
 - b. All transactions entered in the register, including checks that haven't yet been printed
2. True or false: All income and expense accounts have a register associated with them in QuickBooks.
 - a. True
 - b. False
3. _____ is the process of making sure your checking account record matches the bank's records.
4. How can you determine whether or not a check has been cleared in QuickBooks?
 - a. A checkmark displays in the bank account register
 - b. The word Cleared is stamped on the check in QuickBooks
 - c. Both of the above
 - d. Neither of the above
5. True or false: If you are tracking bills with Accounts Payable and have already entered a bill, you should pay the bill by writing a check from the Write Checks window.
 - a. True
 - b. False
6. Which of the following might affect a bank account reconciliation?
 - a. Interest
 - b. Depreciation
 - c. Service charges
 - d. Both a and c
 - e. All of the above

Review Activities

- Use the checking account register to enter a handwritten check for \$76.95. Use the next available check number and make the check payable to *Express Delivery Service* for delivery of a *new sign*. Assign the check to the **Freight & Delivery** expense account.
- Write a QuickBooks check to *Bayshore Water* for \$143.87 to pay this month's water bill. Assign the check to the **Utilities:Water** expense account.
- Find all the checks in the sample file that were written for amounts between \$3000 and \$4,000. How many checks are there?

Answers to Review Questions

1. What does the ending balance in a QuickBooks bank account register represent?
 - a. Only transactions that have been printed
 - b. ✓ *All transactions entered in the register, including checks that haven't yet been printed*
2. True or false: All income and expense accounts have a register associated with them in QuickBooks.
 - a. True
 - b. ✓ *False. Only balance sheet accounts (excluding Retained Earnings) have registers associated with them.*
3. *Reconciling* is the process of making sure your checking account record matches the bank's records.
4. How can you determine whether or not a check has been cleared in QuickBooks?
 - a. A checkmark displays in the bank account register
 - b. The word Cleared is stamped on the check in QuickBooks
 - c. ✓ *Both of the above*
 - d. Neither of the above
5. True or false: If you are tracking bills with Accounts Payable and have already entered a bill, you should pay the bill by writing a check from the Write Checks window.
 - a. True
 - b. ✓ *False. You should use the Pay Bills window to write the check.*
6. Which of the following might affect a bank account reconciliation?
 - a. Interest
 - b. Depreciation
 - c. Service charges
 - d. ✓ *Both a and c*
 - e. All of the above