

## Reconciling the Bank Statement

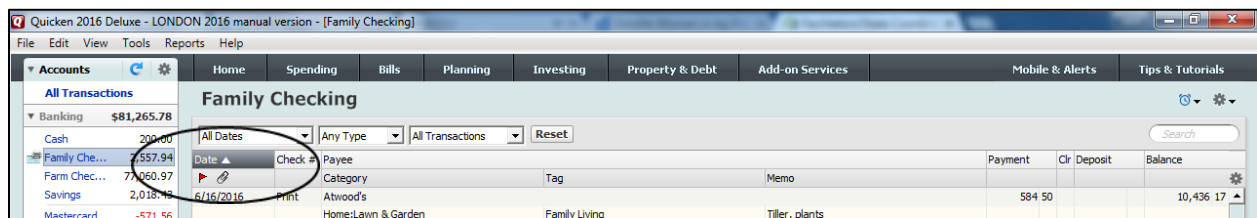
Reconciling a Quicken account with a bank statement serves as a good “check” on the completeness and accuracy of your data entries. The reconciliation process includes:

- Entering information from your bank statement.
- Marking cleared transactions in the Statement Summary window. You may add missing transactions or edit existing transactions as you go.
- Comparing the cleared balance with your bank ending balance to see whether a difference exists.

If you are not currently reconciling your bank statements in Quicken, you should be! This is why:

- Vendors can make mistakes.
- It is possible to type numbers incorrectly, duplicate transactions, or forget to record a transaction.
- Identity theft is on the rise. Reconciling your account may help you to catch irregular activity on your account, for example, transaction(s) you did not make, misuse of an ATM card, or incorrect electronic transfers.
- Transactions must be reconciled for the Year-End Copy feature in Quicken to work properly.

Using the LONDON16 file, click on **Family Checking** to open the register. If the transactions are not categorized by date, click the *Date* tab at the top of the register.



Click the **Account Actions** button, which is a small gear symbol at the top right of the check register screen. From the drop down menu, select **Reconcile** (or click *Tools, Reconcile an account*).

Using the bank statement that follows, enter the requested information on the screen:

Reconcile Details

The prior ending statement date: 6/5/2016

**Enter the following from your bank statement**

Ending Statement Date: \* 7/5/2016

Prior Balance: \* 10,321.95

Ending Balance: \* 9,515.03

**Categorize your interest and bank charges, if any**

Service Charge: 1.00 Date: 7/5/2016

Category: Bank Charge

Interest Earned: 2.44 Date: 7/5/2016

Category: Interest Inc

OK Cancel

OK



NOWATER NATIONAL BANK AND TRUST COMPANY  
Sixth and Main Streets • P.O. Box 2157 • Nowater, Oklahoma 74076 •  
(555) 397-2157

Offices in Nowater, Tulsa, and Oklahoma City • Member F.D.I.C.

Statement Date: 07/05/16

Services available. Call for details.

Jack and Julie London Account No. 1-101-816  
Rt. 1, Box 23  
Nowater, OK 74076

Checking Statement Summary

Previous Statement 6/5/16, Balance of \$10,321.95  
3 Deposits or other credits totaling 784.94  
18 Checks or other debits totaling 2,596.30  
Current Balance as of 7/05/16 \$9,515.03

Deposits and other Credits

Date Cleared	Amount	Transaction Description
6/15	391.25	Direct deposit
6/30	391.25	Direct deposit
7/05	2.44	Interest earned

Date Cleared	Amount	Transaction Description
7/05	1.00	Service Fee

Date Cleared	Check No.	Amount	Date	Check No.	Amount
06/11	968	56.97	06/28	977	40.00
06/14	EFT	600.00	06/29	978	127.05
06/15	969	40.00	06/29	979	70.00
6/16	Print	584.50	06/30	980	40.00
06/21	970	240.05	06/30	981	49.95
06/21	971	81.66	06/30	982	20.00
06/21	972	57.84	06/30	983	421.00
06/21	973	40.00	07/01	984	28.14
06/21	974	50.00			
06/24	975	20.00			
06/27	976	28.14			

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The entries you made for service charge and interest earned in the opening screen are recorded as transactions and marked as cleared in the reconciliation screen that follows. Payments and Checks are listed at left and Deposits at right:

Payments and Checks					Deposits				
Clr	Date	Chk #	Payee	Amount	Clr	Date	Chk #	Payee	Amount
	6/11/2016	968	Eastside Cleaners	-56.97		6/15/2016	DEP	Bill's Service	391.25
	6/14/2016	EFT	Healthy Times	-600.00		6/30/2016	DEP	Bill's Service	391.25
	6/15/2016	969	St. Andrew Church	-40.00	✓	7/5/2016		Interest Earned	2.44
	6/16/2016	Print	Atwood's	-584.50					
	6/21/2016	970	Hometown Homeland	-240.05					
	6/21/2016	971	ONG	-81.66					
	6/21/2016	972	Penney's	-57.84					
	6/21/2016	973	St. Andrew Church	-40.00					
	6/21/2016	974	4-H Scholarship Fund	-50.00					
	6/24/2016	975	Alan's Pharmacy	-20.00					
	6/27/2016	976	Mytown Restaurant & Coffee Shop	-28.14					
	6/28/2016	977	St. Andrew Church	-40.00					
	6/29/2016	978	Hometown Homeland	-127.05					
	6/29/2016	979	Dan Dentist	-70.00					
	6/30/2016	980	OSU Alumni Chapter	-40.00					
	6/30/2016	982	Eastside Cleaners	-20.00					
	6/30/2016	983	Rowe Financial Advisors	-421.00					
	6/30/2016	981	Cablevision	-49.95					
	7/1/2016	984	Mytown Restaurant & Coffee Shop	-28.14					
	7/2/2016	985	First Bank	-24.00					
✓	7/5/2016		Service Charge	-1.00					
				<b>1 check, debit</b>	<b>-1.00</b>				
						<b>1 deposit, credit</b>			
						<b>2.44</b>			
						Opening Bal. -1,004.44			
						Cleared Balance: 11,327.83			
						Statement Ending 9,515.03			
						<b>Difference: 1,812.80</b>			

Continue the reconciliation process by using the space bar or clicking with the mouse to add a check mark by transactions that cleared the bank. Use the bank statement on the previous page to identify and mark cleared transactions.

You may add missing transactions, delete duplicate transactions or edit entries with mistakes as you reconcile. If you find that you forgot to enter a transaction, click **New** (*bottom left of the Reconcile window*) to be taken to the Checking register. Enter the transaction and click **Save**. You can get back to reconcile by clicking the **Return to Reconcile** button in the upper right of the register window.

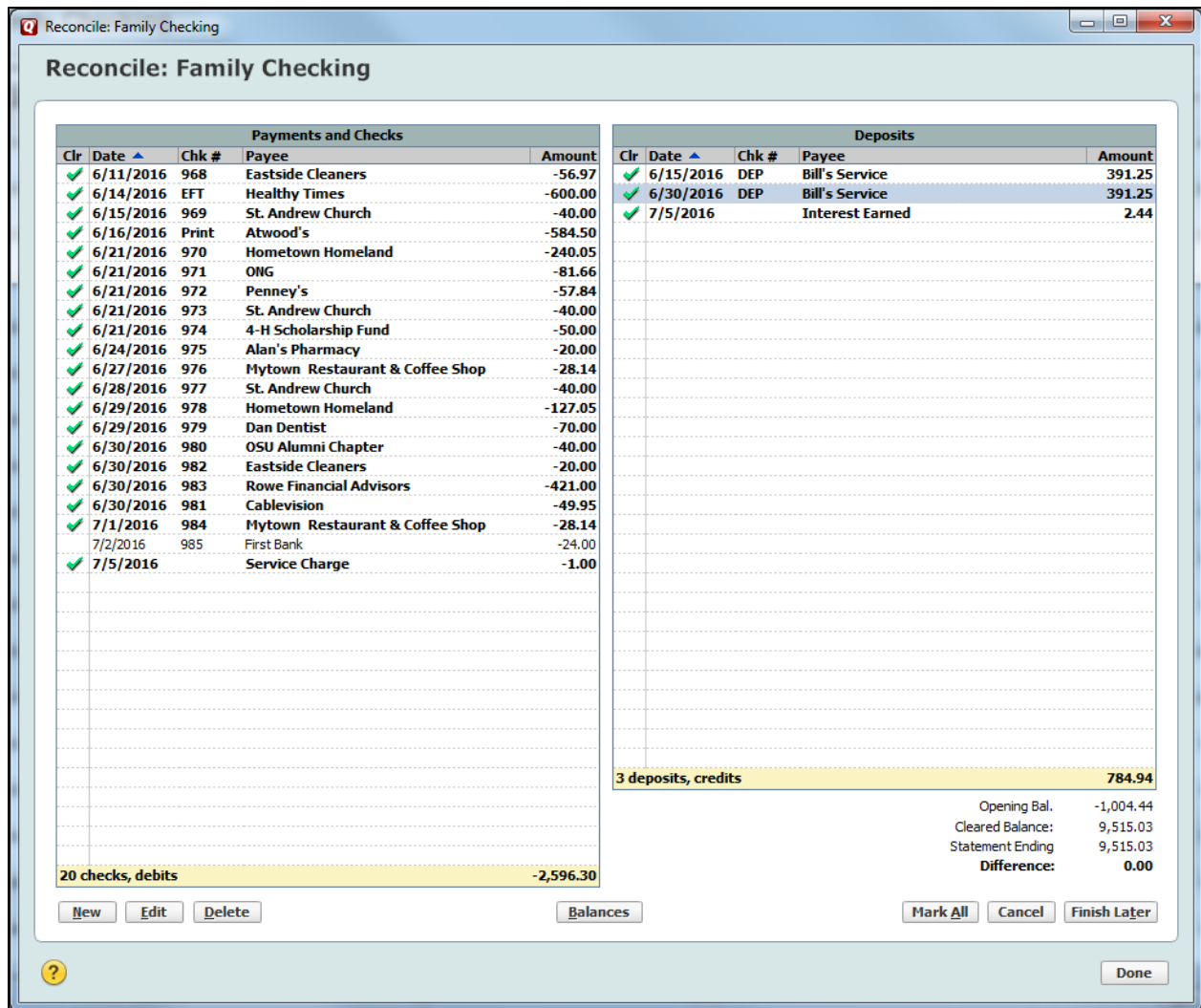
*Note: If you begin to reconcile the bank statement but are unable to complete it at the time, you can click **Finish Later**. Your work will be saved and you can finish*

*the reconciliation at your convenience. Clicking Cancel will not save the work you have done.*

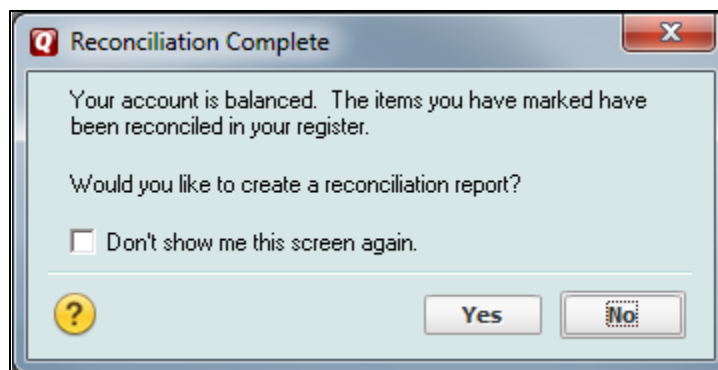
Continue verifying entries with the Nowater National Bank Statement. If you've managed to enter a transaction twice (*you may want to view the duplicate entries in the Checking register, then edit one transaction to be sure all the appropriate information is stored in one transaction to save*), highlight the duplicate entry and click the gear icon (directly after the save icon) find and click **Delete**. Confirm that you want to delete the current transaction by clicking **Yes**.

Have you ever transposed a number in your entry or recorded the wrong amount? With the transaction highlighted, click **Edit** in the reconcile window. You are taken to the original entry in the checking register and can make the necessary changes in the register and record the entry by clicking **Save**. Again, click **Return to Reconcile**, which will return you to the Reconcile window.

Once you have marked all cleared payments, checks, and deposits, the difference listed in the bottom right corner should be 0.00 (see below). If it is correct, congratulations!



Done



No

*Note: One of the unique features of Quicken is the ability to change transactions. However, be advised that changing a previously reconciled transaction (date,*

amount, or reconciled clear status) can cause problems with future reconciliations. If you attempt to modify a reconciled transaction, a popup window will ask you if you wish to change a reconciled transaction. Quicken handles an altered amount from a previously reconciled transaction by automatically adjusting the starting reconciliation balance the next time you reconcile. You may want to use the flag or note feature to note the change for future reference.

If you track an account online, you can also choose to reconcile the account online. You should choose either manual or online reconciliation and stick with one method. It will be hard to switch back and forth as the online reconciliation works each time you download while a paper statement is generally monthly.

### Reconciling Other Types of Accounts

The process for reconciling savings accounts is the same as for checking. Credit card accounts have a different opening screen:

The screenshot shows a dialog box titled "Reconcile: Mastercard". At the top, it says "The prior ending statement date: N/A". Below that, there is a section titled "Enter the following from your statement." with four input fields: "Charges, Cash Advances: \*" (value: 24.00), "Payments, Credits: \*" (value: 495.56), "Ending Balance: \*" (empty), and "New Statement Ending Date: \*" (value: 6/15/2016). Below this is another section titled "Enter and categorize your interest charges, if any." with three input fields: "Finance Charges:" (empty), "Date: 6/15/16", and "Category: Interest Exp". At the bottom, there are "OK" and "Cancel" buttons, and a help icon (question mark) on the left.

The reconciliation process is similar to the other cash flow center accounts. Highlight **Mastercard** in the Banking section, left side of screen. Then select **Account Actions** and **Reconcile** on the right side of the screen.

Cash accounts do not have a reconcile process. You should record transactions as they happen to keep the account up-to-date. However, if you forget to record transactions or get



terribly behind and can't find documents of cash expenses, the balance can be updated. From the *Cash* account click the **Account Actions** button and select **Update Balance**. Enter the amount of cash in the account, and an adjusting entry will be made and categorized as Misc.

**Update Balance**

New Balance

Adjustment Date

Category for Adjustment

OK Cancel

**OK**

