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:
The prior ending statement date: 5/5/2016

Enter the following from your bank statement:

- Ending Statement Date: 7/5/2016
- Prior Balance: 10,321.95
- Ending Balance: 9,515.00

Categorize your interest and bank charges, if any:

- Service Charge: 1.00
- Interest Earned: 2.44

Category: Bank Charge
Category: Interest Earned

OK
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 7/05/15 $9,515.03

Deposits and other Credits

<table>
<thead>
<tr>
<th>Date Cleared</th>
<th>Amount</th>
<th>Transaction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/15</td>
<td>391.25</td>
<td>Direct deposit</td>
</tr>
<tr>
<td>6/30</td>
<td>391.25</td>
<td>Direct deposit</td>
</tr>
<tr>
<td>7/05</td>
<td>2.44</td>
<td>Interest earned</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date Cleared</th>
<th>Amount</th>
<th>Transaction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/05</td>
<td>1.00</td>
<td>Service Fee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date Cleared</th>
<th>Check No.</th>
<th>Amount</th>
<th>Date Cleared</th>
<th>Check No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/11</td>
<td>968</td>
<td>56.97</td>
<td>06/28</td>
<td>977</td>
<td>40.00</td>
</tr>
<tr>
<td>06/14</td>
<td>EFT</td>
<td>600.00</td>
<td>06/29</td>
<td>978</td>
<td>127.05</td>
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<tr>
<td>06/15</td>
<td>969</td>
<td>40.00</td>
<td>06/29</td>
<td>979</td>
<td>70.00</td>
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<tr>
<td>6/16</td>
<td>Print</td>
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<td>980</td>
<td>40.00</td>
</tr>
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<td>06/21</td>
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<td>06/30</td>
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<tr>
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<tr>
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<tr>
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<td>40.00</td>
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<tr>
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<td>06/27</td>
<td>976</td>
<td>28.14</td>
<td></td>
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</tr>
</tbody>
</table>
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:

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!
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 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.

OK