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## QuickBooks® for Contractors Newsletter

### Tips for Trouble-Free Bank Statement Reconciliations

I recommend two key tips that will reduce the time and frustration of reconciling banks statements. This solution is based on the principle that we want the bank reconciliation window to match *exactly* what appears on the bank statement, and that data should be input accordingly. If you use the following method it will make the challenging task of reconciling bank statements much easier.

#### Leave the check number field blank for non-check withdrawals.

Bank statements usually list their non-check withdrawals chronologically but in QuickBooks they are listed chronologically if the check number field is blank and then alphanumerically. The order that withdrawals appear in the QuickBooks bank reconciliation window are:

- Checks with the check number field blank.
- Checks with text like "Wire" or "Transfer" in the check number field.
- Checks with a number in the check number field.

That means that a non-check withdrawal dated December 15 2003 with the check number field blank will appear in the checks and payments list of the reconciliation window *before* a non-check withdrawal dated November 30 2003 with the word ATM in the check number field. The result is that the order of the transactions to be reconciled in QuickBooks does not match the order of the bank statement's non-check withdrawals. This requires you to hunt and peck up and down the list in QuickBooks to find the correct amount instead of simply going down the list and zap, zap, zapping each transaction to be reconciled. I suggest that you enter transaction descriptions like E-pay, Tel, and Cash in the memo field of the check.

#### Make all deposits through Undeposited Funds

When all deposits are made through Undeposited Funds you will be able to consistently group the payments so the QuickBooks deposit total will match exactly what is on the bank deposit slip for that day. Therefore, the amount that appears in the deposit list of the QuickBooks reconciliation window will equal what appears on the bank statement. You will not have to play the infuriating game of mathematical acrobatics by adding up multiple deposit amounts in QuickBooks to get an amount identical to that on the bank statement. When deposit slips for several days are taken to the bank on one day, as long as the amount in the Make Deposit screen is the same as on the deposit slip for each date, it will be much easier to find.



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