QUICKBOOKS ONLINE ADVANCED CERTIFICATION COURSE

Supplemental Guide

Module 4: Advanced Banking Topics

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Table of Contents

About the Author 2

About the Team 3

Supplemental Guide Overview 6
Purpose of this Guide 6
Google Chrome 6
Learning Objectives 6
Training at a Glance 7
QuickBooks Online Accountant Test Drive 8

Topic 1: Bank Feed 9
Get Started 9
Add Bank Feed 26
Match Bank Feed 38
Suggestions 51
Batch Actions 52
Break the Connection 58

Topic 2: Bank Reconciliation 61
Reconciliation Logic 61
Troubleshoot Reconciliation 71
Open Items 88

Guide Conclusion 91

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Laura runs Redmond Accounting Inc., a boutique cloud accounting and consulting firm selected by Intuit as a Top 20 Firm of the Future. Their service delivery is centered solely on QuickBooks Online and its ecosystem of apps. Laura co-created the Aero Workflow app used by accounting firms to manage their knowledge capital and service delivery. The Aero Library includes step-by-step instructions and procedures for many of today's most popular apps in the QuickBooks Online eco-system.

About the Team

It does take a village to complete a project of this magnitude. My heartfelt thanks goes out to the following team members and fellow ProAdvisors as well as Intuit employees Linsay Ransom and Trudie Folsom for all their long hours and dedication.



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Long for Success, LLC
QB Power Hour

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Michelle is the owner of Long for Success, LLC, specializing in QuickBooks training and consulting. Plus she consults with developers regarding feedback and input on app development, understanding and reaching the market and more.

She is co-author of the *Advanced Certifications for QuickBooks* (both QuickBooks Online and Desktop) and author of numerous courses for Intuit's Accountant University.

Michelle is the author of five books: *How to Start a Home-Based Bookkeeping Business*, *QuickBooks Practice Set*, *QuickBooks Online Practice Set*, *QuickBooks 2014: on Demand, and Successful QuickBooks Consulting* – all are available on Amazon.

Michelle's recognition includes: CPA Practice Advisor Most Powerful Women, Top 10 ProAdvisor for Trainer/Writer and Social Media, Top 100 ProAdvisor, Small Business Influencer Champion, Stevie Gold Winner for Women in Business and more.



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She has been teaching QuickBooks nationally to both end users and accountants/consultants since 1999. She is a charter member of the Intuit Trainer/Writer Network.

The focus of her practice in Connecticut is mainly QuickBooks consulting and training, specializing in strategizing, researching and installing third party add-ons and conversions to QuickBooks from other accounting software.

She's part of the Intuit Premier Reseller program, getting great deals on Intuit products and services.

MB was named the Top QuickBooks Online ProAdvisor, 2015 by *Insightful Accountant* and has been in the Top 100 ProAdvisors for 2014, 2015 and 2016.



Heather D. Satterley, EA

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Heather has been helping users learn and use QuickBooks since the late 1990s. Her passion is helping others improve their business accounting processes through the use of QuickBooks and related apps, and sharing her knowledge and experience with others through blog articles, live events and webinars.

As owner and founder of Satterley Training & Consulting, LLC, Heather works with accounting professionals to create accounting systems and procedures using QuickBooks and related applications that simplify and streamline their day-to-day workflows.

She is Advanced Certified in QuickBooks Desktop and Online as well as POS Desktop and QuickBooks Enterprise. In addition to QuickBooks related services, Heather is also an Enrolled Agent licensed to practice before the IRS and works with clients to resolve tax issues.

Heather was named a Top 100 ProAdvisor by *Insightful Accountant* in 2014, 2015 and 2016. She is a member of Intuit Trainer/Writer Network.

Supplemental Guide Overview

Purpose of this Guide

An integral part of closing the books is to confirm all transactions have been entered and to reconcile the balance sheet accounts to their supporting documents and schedules. In this module we'll take a closer look at advanced topics related to bank feed and reconciliation logic and troubleshooting.

Product Update Notification!

QuickBooks Online and QuickBooks Online Accountant are constantly being improved:

- When you log in to qbo.intuit.com, it may look different from the screenshots originally taken for this supplemental guide
- Where to go to learn about the latest product updates:
  - https://www.firmofthefuture.com/product-industry-news/product-updates//
  - http://quickbooks.intuit.com/blog

Google Chrome

NOTE: *Screenshots and instructions included in this guide use Google Chrome as the browser.*

Learning Objectives

- Indicate advanced techniques to get started with bank feed
- Recognize complex concepts to work with bank rules, matching and suggested categories
- Reinforce best practices for using batch actions to work the bank feed
- Recognize complex concepts to reconcile accounts
- Identify the steps to troubleshoot bank reconciliations

TRAINING AT A GLANCE

Use this as a guide to select specific workflows you want to cover.

TOPIC	STEP-BY-STEP WORKFLOWS	LEARNING OBJECTIVES
1. BANK FEED	• Get started • Add bank feed • Match bank feed • Suggestions • Batch actions • Break the connection	• Indicate advanced techniques to get started with bank feed • Recognize complex concepts to work with bank rules, matching and suggested categories • Reinforce best practices for using batch actions to work the bank feed
2. BANK RECONCILIATION	• Reconciliation logic • Reconciliation troubleshooting • Open items	• Recognize complex concepts to reconcile accounts • Identify the steps to troubleshoot bank reconciliations

QUICKBOOKS ONLINE ACCOUNTANT TEST DRIVE

GUIDES

Exercises contained inside this guide can be completed using the QuickBooks Online Sample Company, Craig's Design and Landscaping Services.

- Open the Sample Company by logging into your QBOA → gear icon → Your Company section → Sample Company
- While you are working in the Sample Company, your work will be saved
- Upon closing the sample company file, QuickBooks Online automatically restores its settings and data. If you log out and log in again, the Sample Company will reset (your work is *not* saved).
- By default, the Sample Company will sign out if inactive for one hour. You will lose any data and settings, since this sample company resets each time you log in. Give yourself enough time to complete the assignment.
- To increase the maximum hours of inactivity allowed before timing out, in the Sample Company → gear icon → Your Company section → Account and Settings → Advanced Settings → Other preferences → Sign me out if inactive for and select two hours or three hours.

NOTE: *The QuickBooks Online Accountant test drive company contains some features that are not available in QuickBooks Online Simple Start, Essentials or Plus. (You may wish to share the QuickBooks Online test drive file with your clients for them to practice without seeing Accountant-only features: https://QuickBooks Online.intuit.com/redir/testdrive.) In addition, some features (such as in-product Help) are not enabled in this test drive file. This is subject to change.*

Topic 1: Bank Feed

Cash flow is important to a business. The banking feature in QuickBooks Online is one of the most effective forms of managing cash flow by linking to your bank balance and bank activity to automate your workflow. This feature significantly reduces data entry and increases accuracy by downloading activity from your bank and credit card accounts, allowing you to more efficiently enter new transactions or use as a safeguard to match and verify that all transactions have been recorded.

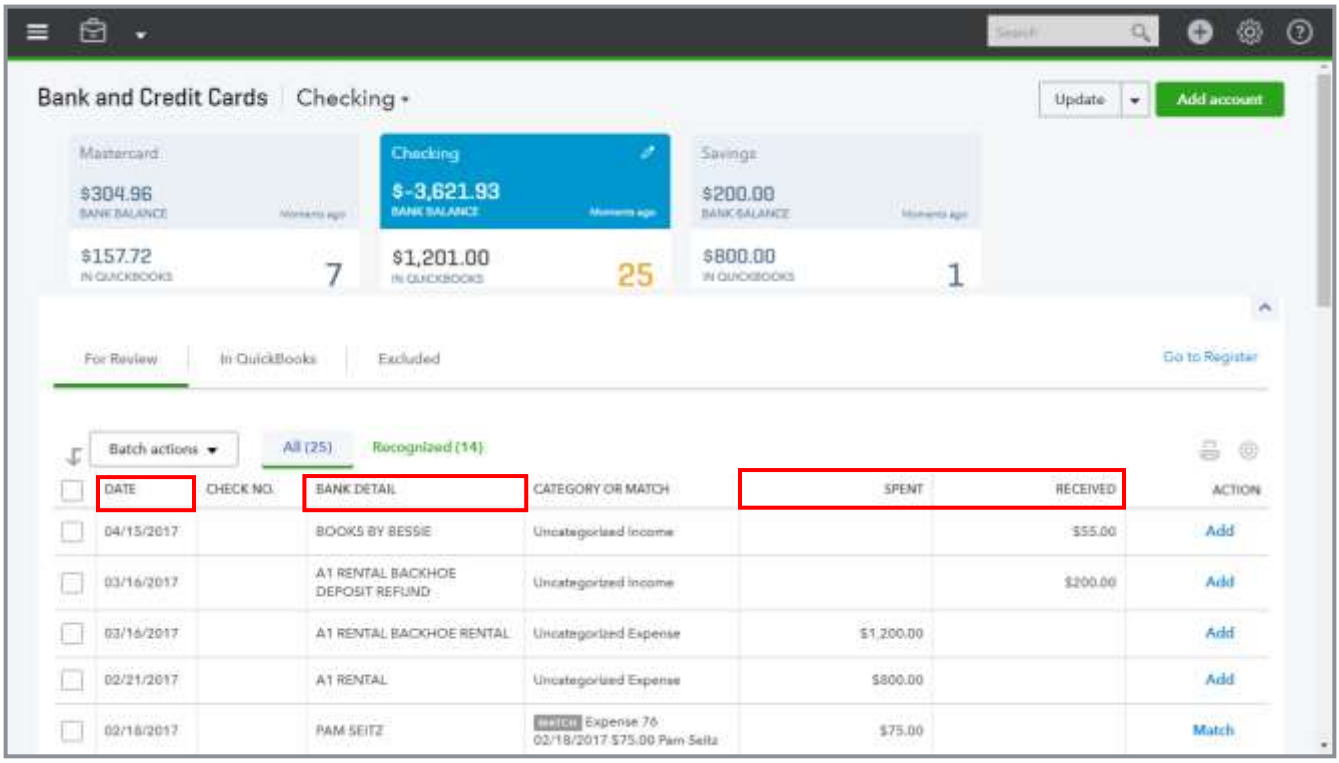
GET STARTED

Data is pulled into QuickBooks Online by either directly connecting it to the financial institution's online banking site, or downloading it from the bank and uploading it to QuickBooks Online. Some businesses have corporate credit card accounts with multiple cardholders which can be set up as sub-accounts in QuickBooks Online. Once all the accounts are set up you will use the Banking screen to automate your workload. QuickBooks Online helps you do that by recognizing bank activity.

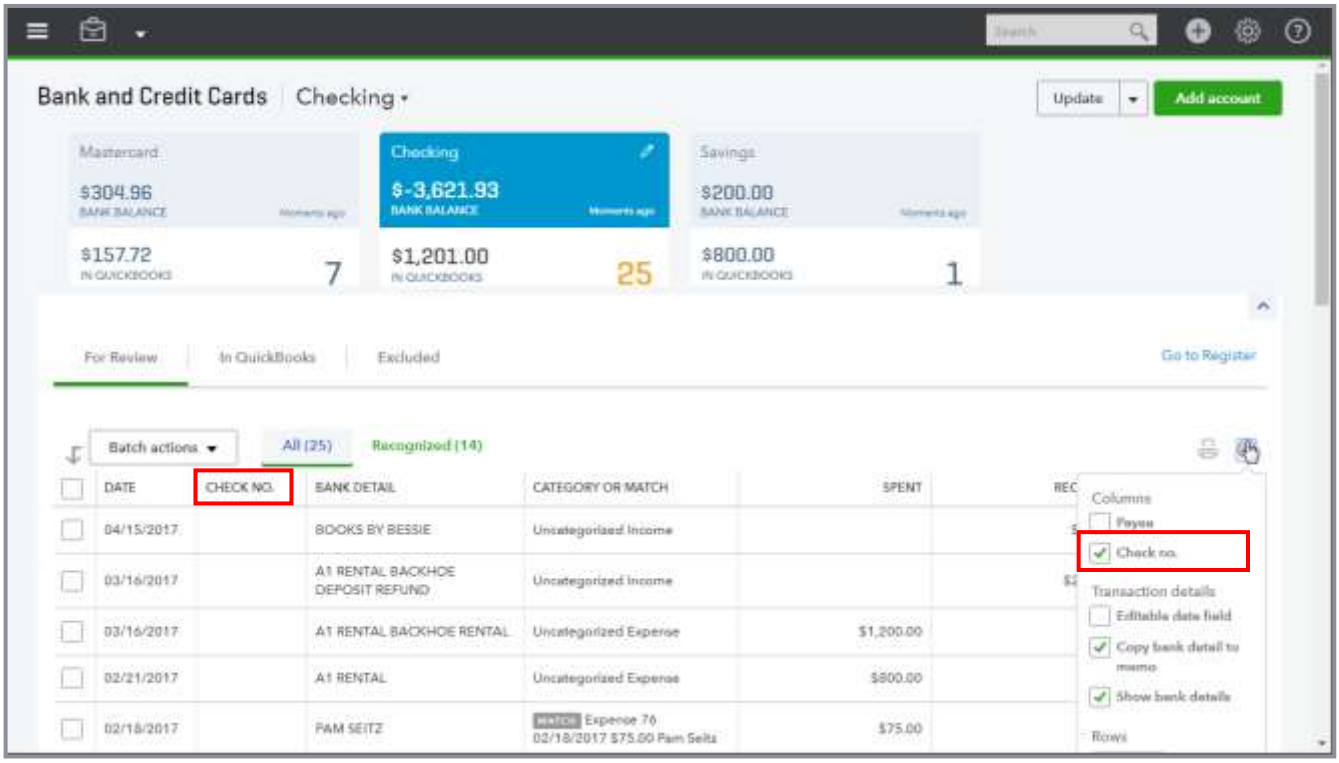
- Connect
- Upload Data
- Sub-accounts
- Recognized

Connect

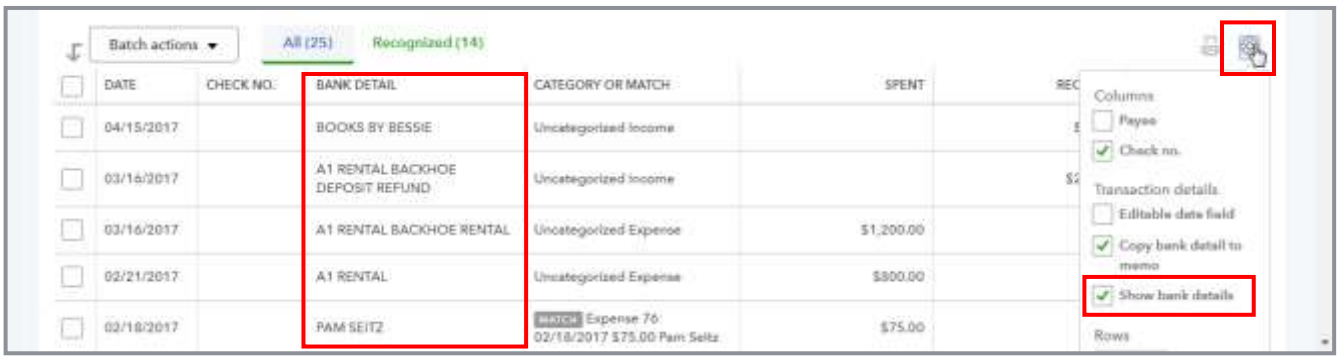
As you learned in QuickBooks Online Core Certification, you set up the banking function by connecting QuickBooks Online to your online bank and credit card accounts. This automatically pulls posting date, bank detail (text describing activity such as wire, branch deposit, merchant name, check number, etc.) and amount on all activity posted to that online account into QuickBooks.



QuickBooks Online pulls the check number from the bank detail field into its own column on QuickBooks Online's Banking screen; use the grid gear icon to show this column in the grid.



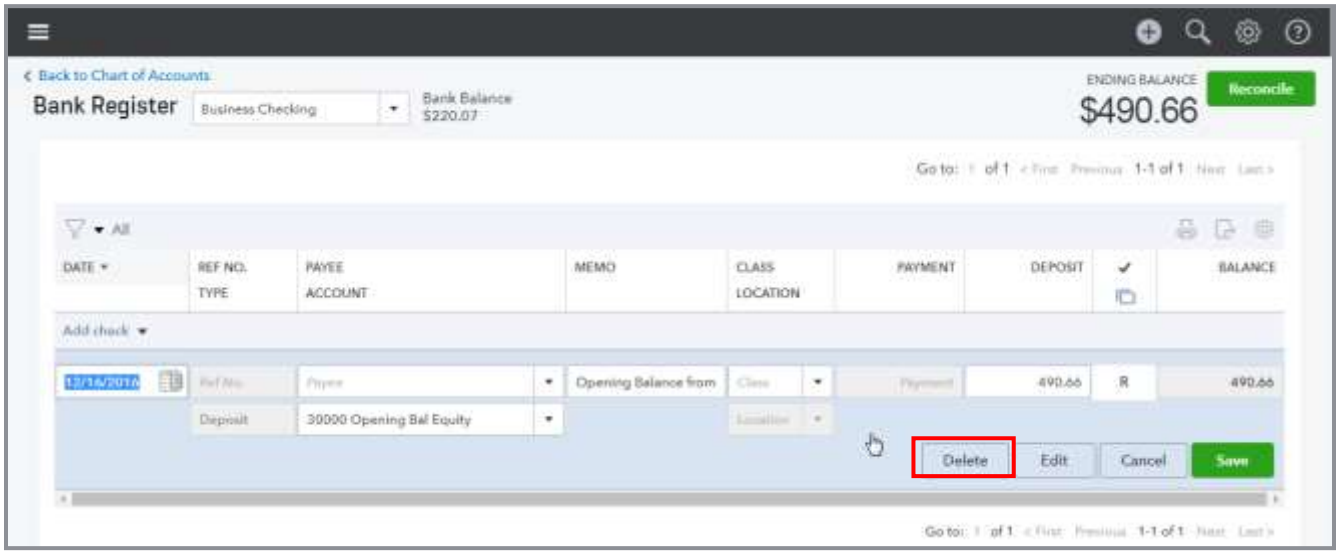
QuickBooks Online also cleans up the bank detail and offers a cleaner description; use the grid gear icon to toggle between the complete bank detail and abridged description in the grid.



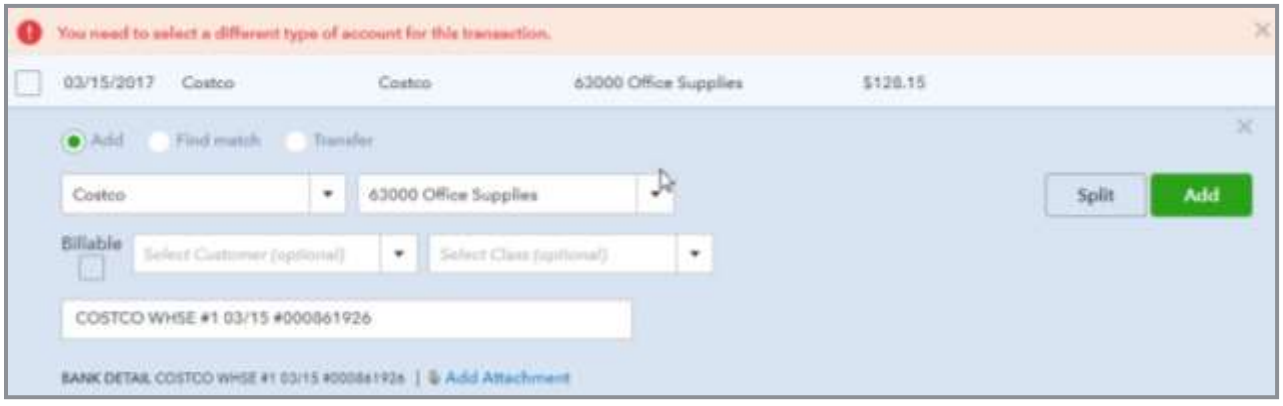


Let's explore some mistakes that can occur during setup that ProAdvisors can help small businesses straighten out.

Once connected, if the QuickBooks Online account had no transactions posted to it prior to the connection, then QuickBooks Online will record the opening balance per the bank's balance on the oldest date imported. View the register to find the transaction with an offset to the Opening Balance Equity account. Best practice is to delete this transaction, since it is preferable to use historical activity or journal the beginning balances at the proper start date to arrive at the bank balance.



Part of the initial bank connection has you map each online account to the corresponding account in your Chart of Accounts. The drop-down list from which you select only shows type Bank and type Credit Card. Although not likely or easy to do, it is possible the Chart of Account type could be changed, which would cause an error when you try to add financial activity from the Banking screen. The error message reads, "You need to select a different type of account for this transaction." You or your client may assume this message means the target account category you selected is causing the error, when in fact it is the source account that is causing the error. To fix this, simply go to the Chart of Accounts and change the type of account to Bank or Credit Card.

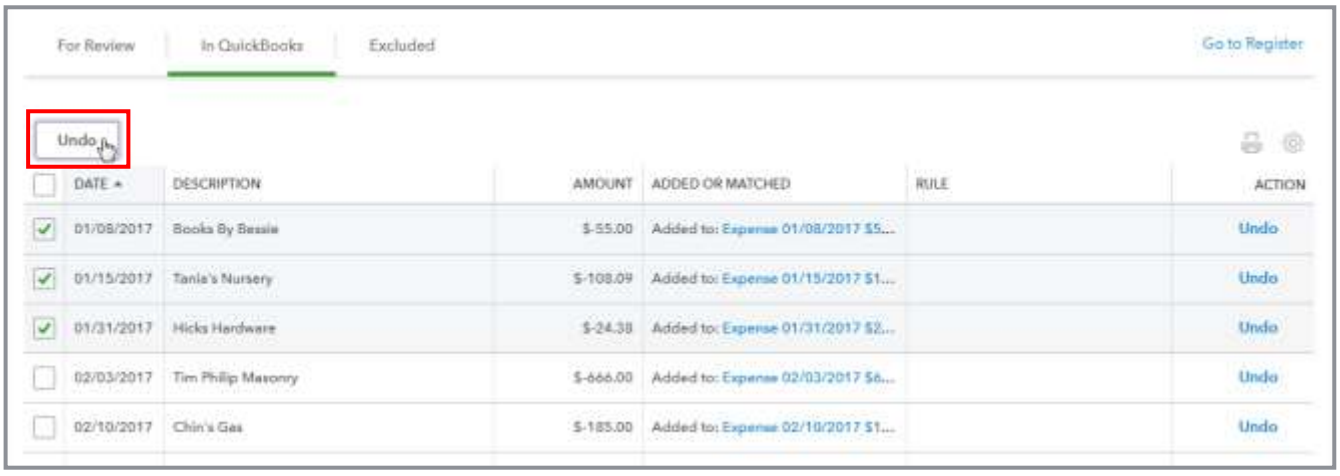


When the connection is made to the online bank, the initial bank feed pulled into QuickBooks Online, whether 7, 30 or 90 days, could potentially represent activity that has already been posted to the general ledger and reconciled. Downloaded bank activity cannot match to reconciled transactions, so QuickBooks Online will not suggest a match. A novice may not understand this. They may assume this downloaded information must not be entered yet. It is a common mistake for businesses to enter this activity into QuickBooks Online again, thereby creating duplicate transactions.

If the business records duplicate transactions via the Banking screen, you will need to delete the duplicates. First, perform a careful bank reconciliation for the periods in question to identify which transactions should remain and which are duplicate. Then delete each one individually, or use the batch tools to delete groups of duplicate transactions.

Step-by-Step: **Delete Duplicate Transactions**

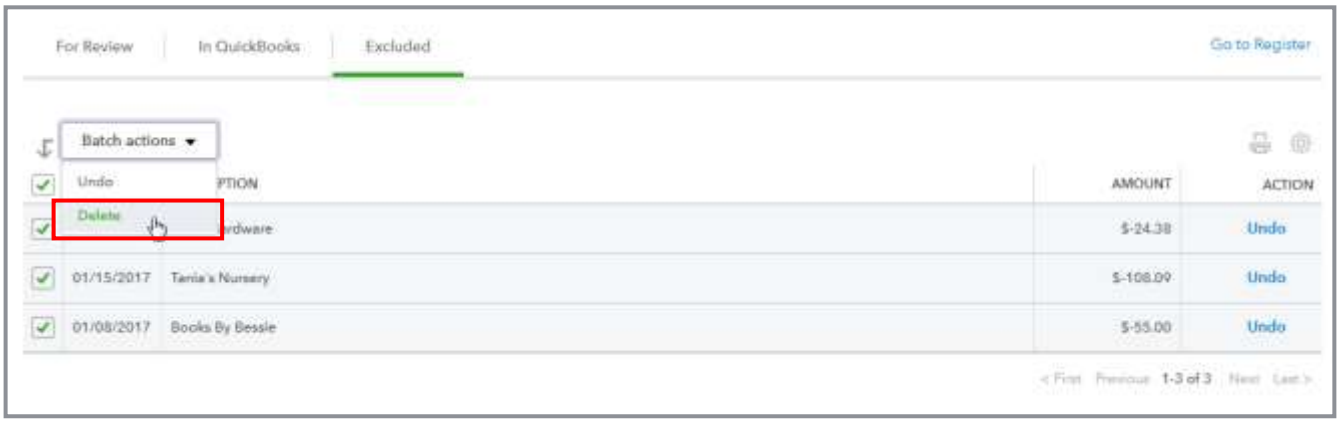
1. From the Banking screen's In QuickBooks tab, select all the duplicate transactions and click Undo. This deletes all of the selected posting transactions from the general ledger and puts the downloaded banking activity back on the For Review tab.



2. From the For Review tab, select the duplicates you just undid and click Batch Actions → Exclude Selected.



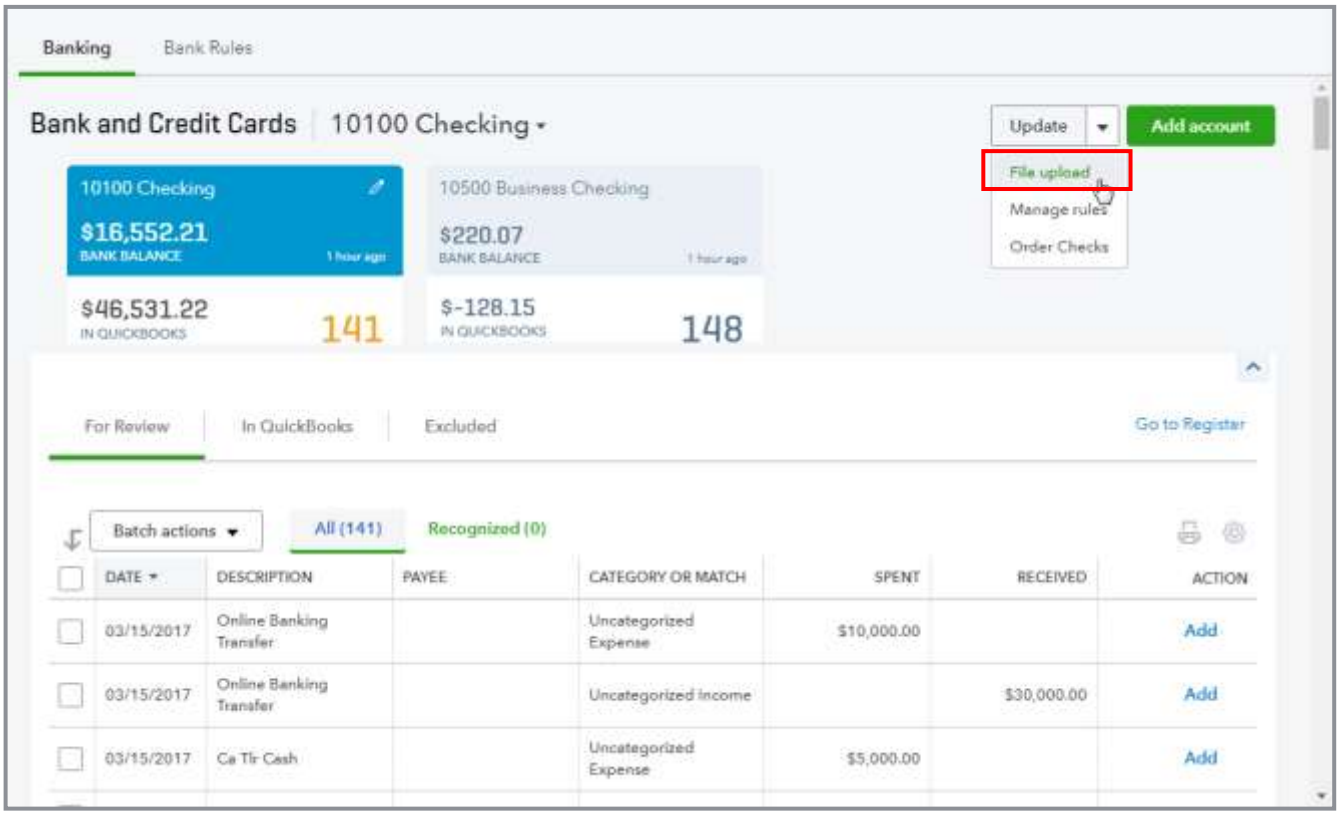
3. From the Excluded tab, select the duplicates and click Batch Actions → Delete.



Another option is to select 0 days at initial connection, then download the exact data you want from the bank and upload it to QuickBooks Online Banking.

Upload Data

If you are unable to connect QuickBooks Online to a particular financial institution or if you need to import bank activity farther back than 90 days, use the File Upload option found on the Banking screen's Update button. This tool allows you to import a data file containing bank activity posting date, bank detail and amount into the Banking Center. Process it the same way you would bank activity that is directly connected: add, match, exclude.



The web-connect formats (.QBO and .QFX) are the preferred file type for upload as the data fields are already mapped. Let's explore the type of information contained in a web-connect data file.

1. Open a text editor, like TextEdit (Mac) or NotePad (pc), click Open.
2. In the browse window, change the file type to All Files.
3. Browse for and select the QuickBooks Online file and open it.

The text editor allows you to see the data carried in the file. The first lines of data carry summary information about the dataset; the remaining lines carry data for each individual line of bank activity. Here's some of the info you will find:

- <ORG> = name of financial institution that shows on screen in QuickBooks Online during upload process when you map to QuickBooks Online Chart of Accounts
- <FID> = financial institution's ID number
- <INTU.BID> Intuit's internal bank ID number for that financial institution
- <ACCTID> = bank/credit card account ID number
- <DTSTART> and <DTEND> = date ranges of the bank activity in the data file
- <STMTTRN> = starting line of each individual activity
- <TRNTYPE> = debit (money out), credit (money in)
- <DTPOSTED> = date posted YYYYMMDDHHMMSS
- <TRNAMT> = amount (negative sign denotes money out)
- <NAME> = description
- </STMTTRN> = ending line of each individual activity

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ENCODING:USASCII
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COMPRESSION:NONE
OLDFILEUID:NONE
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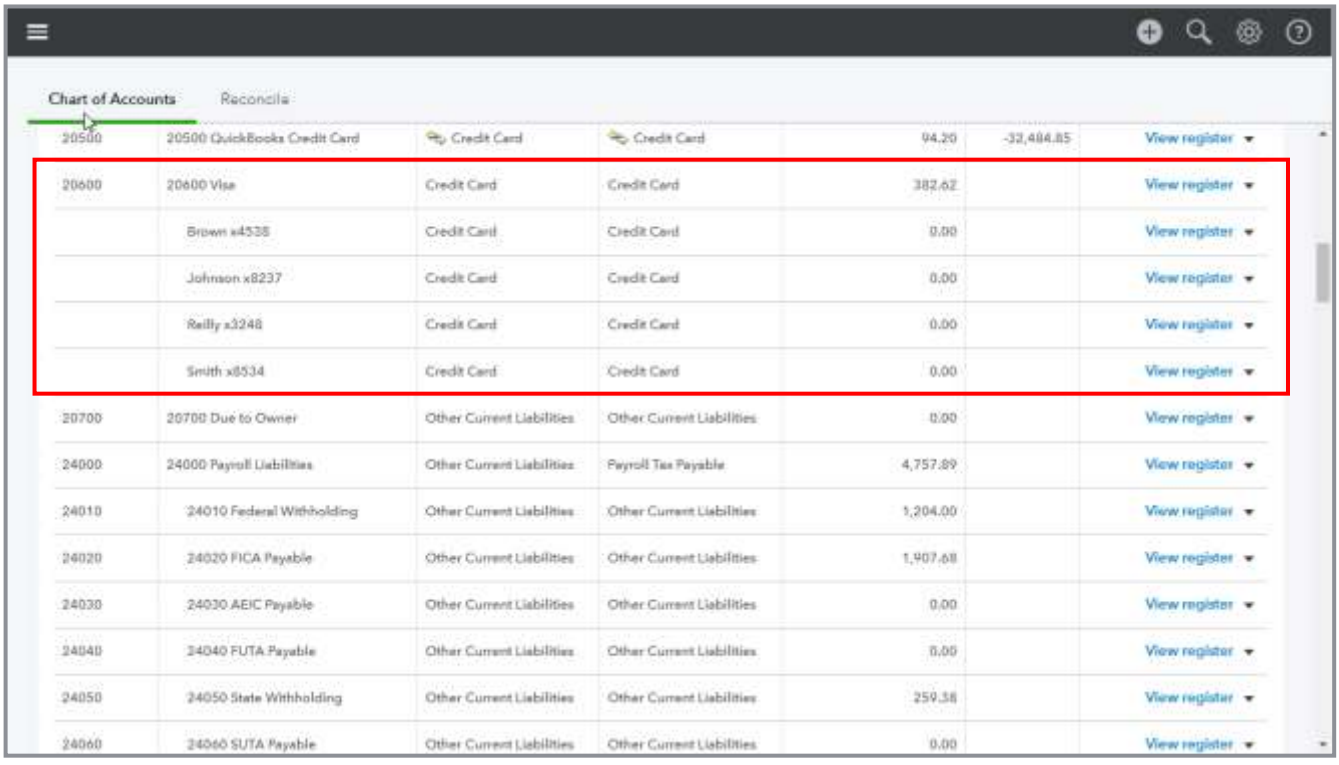
As you learned in core certification, if web-connect is not available, you may upload file types .CSV or .OFX. If the financial institution can offer no data file at all, there exist apps (like Q by ProperSoft and MoneyThumb), that scrape data off scanned/PDF bank statements into data files (like .CSV) which can then be uploaded to QuickBooks Online, and apps (like Transaction Pro Importer) that can import categorized activity directly into the general ledger bypassing the Banking screen.

Sub-accounts

Many businesses issue corporate credit cards to staff. These individual cardholder accounts can be connected to QuickBooks Online for bank feed and reconciliation. Financial institutions can differ, but here is a common setup for corporate credit card management in QuickBooks Online:

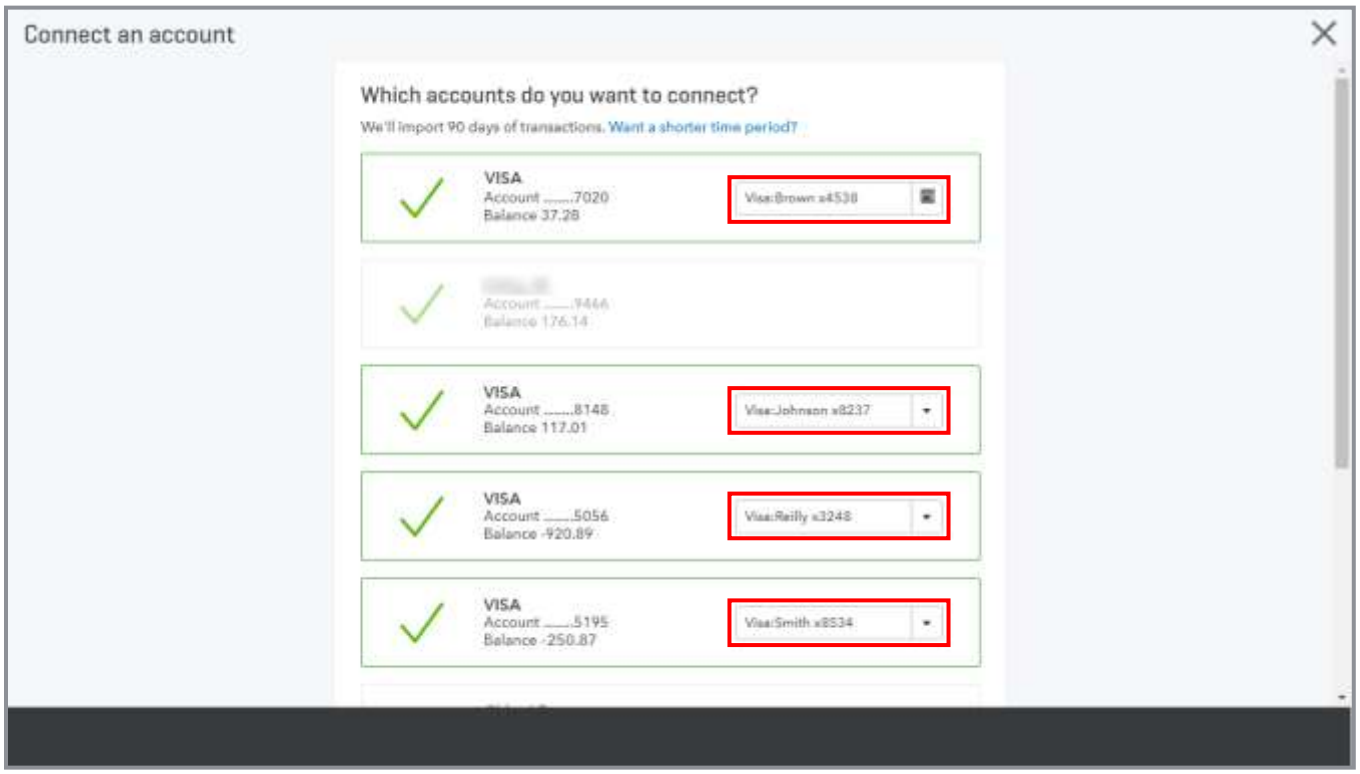
Step-by-Step: **Setup for Corporate Credit Card Management**

1. Create a general ledger parent account for the company.
2. Create general ledger sub-accounts for each cardholder.

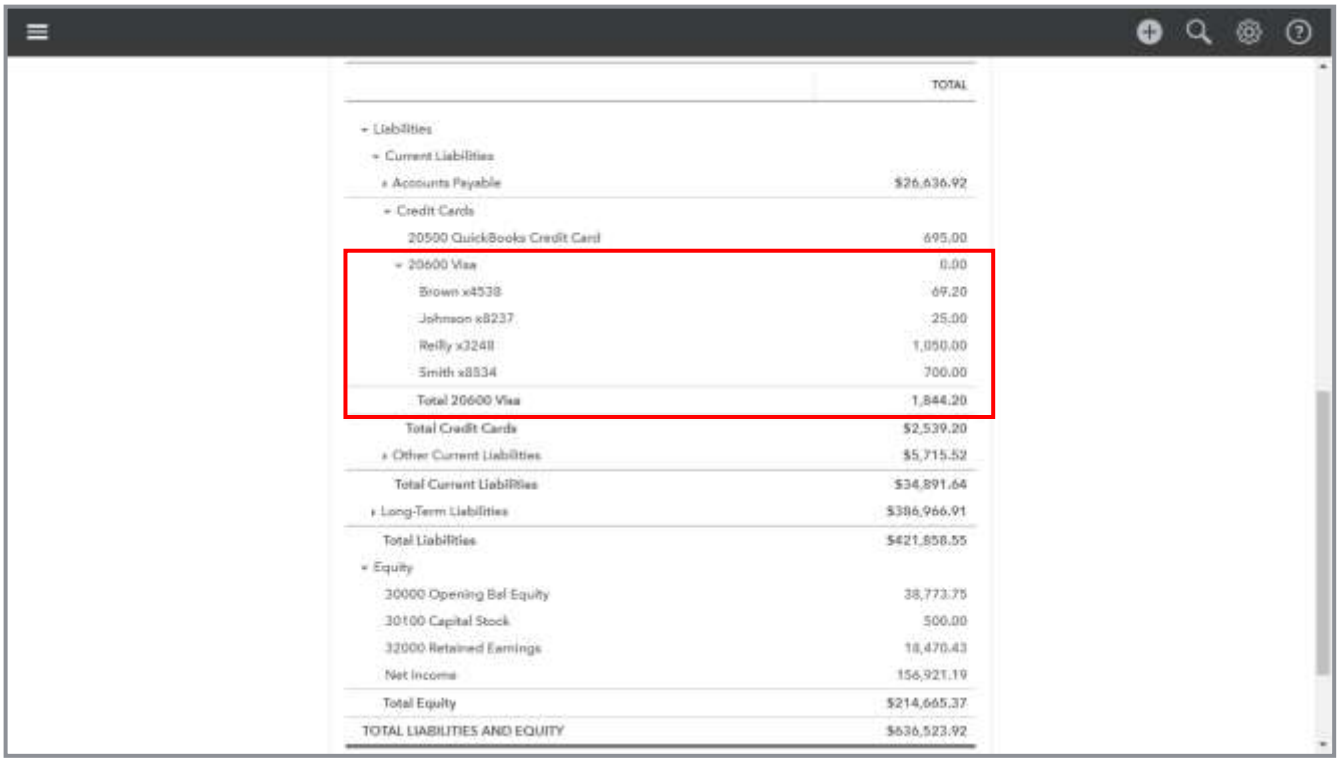


3. Banking → Add account.
4. Map each online cardholder account to the GL sub-accounts created in QuickBooks Online.

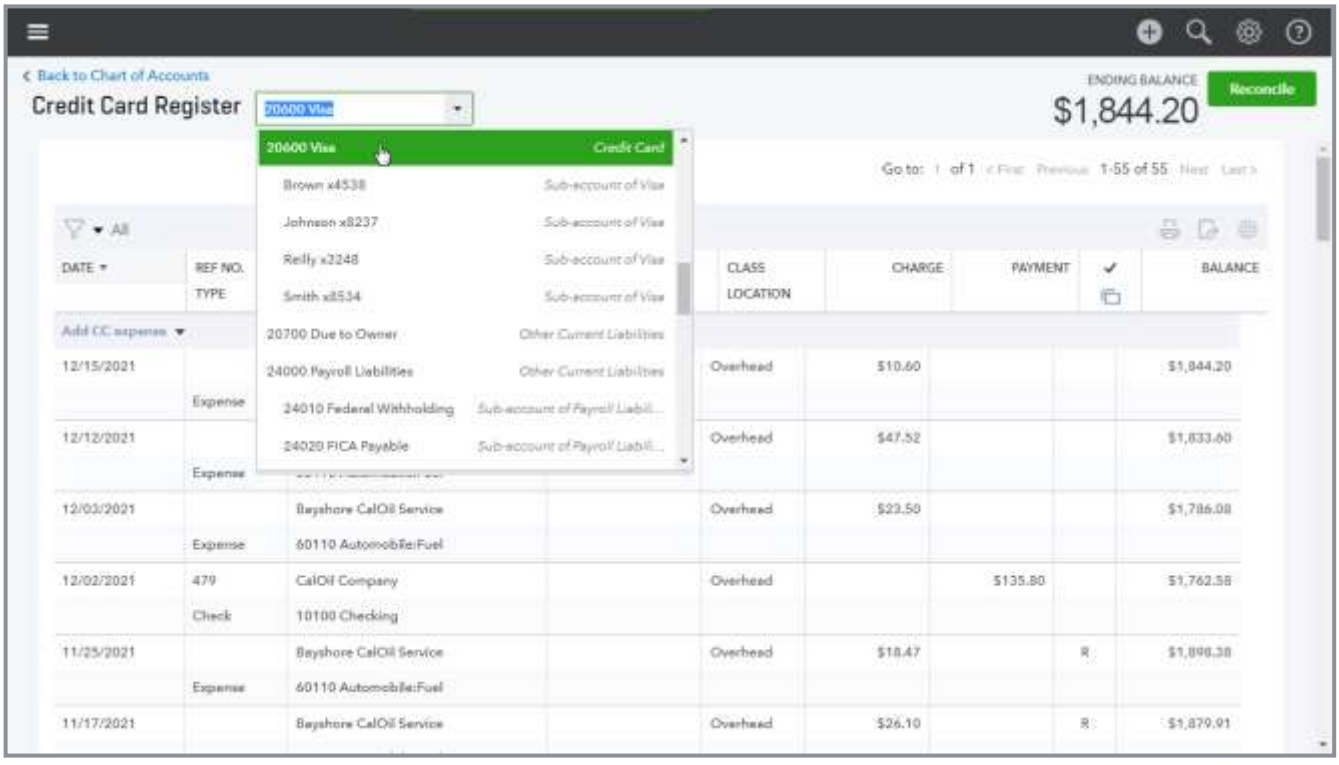
5. Do not map the parent account.



6. Sub-accounts show balances on the balance sheet for activity recorded to each card.

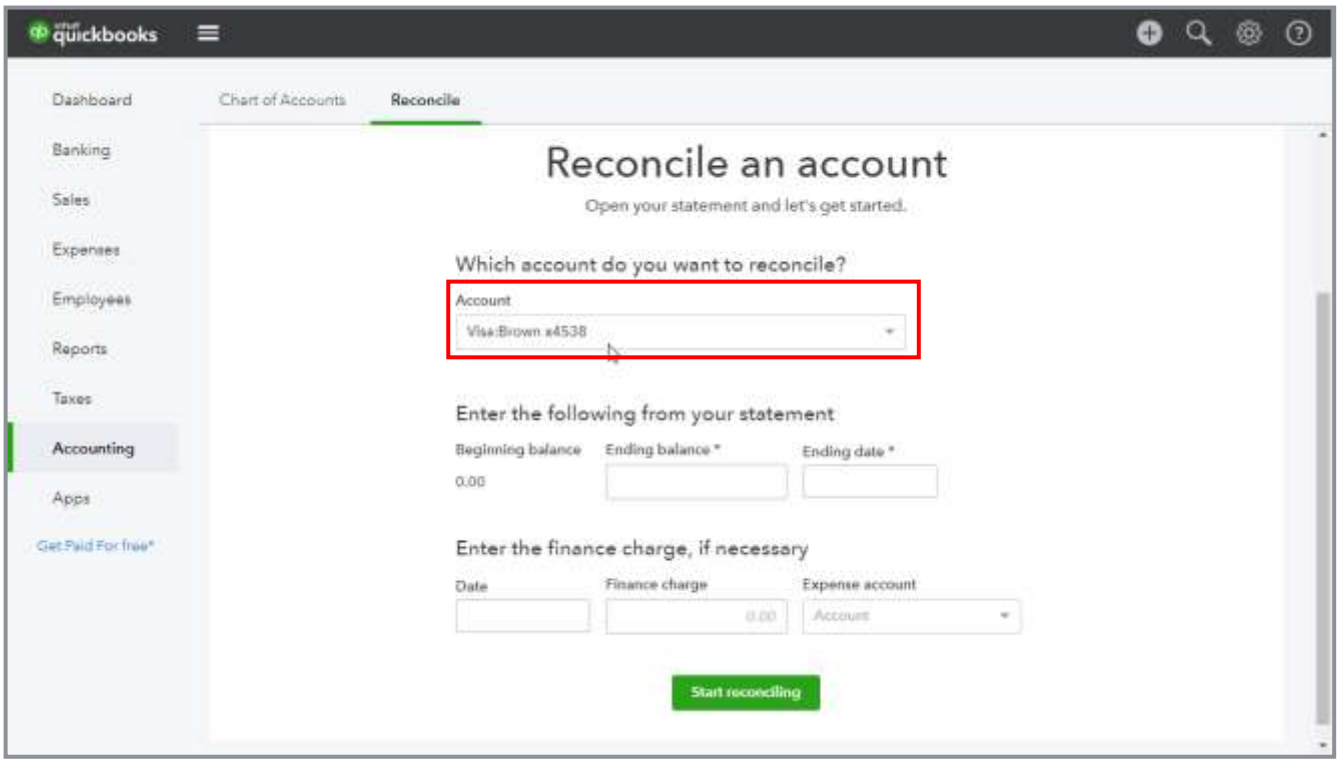


7. All activity recorded to each credit card sub-account shows in the register for the parent account.



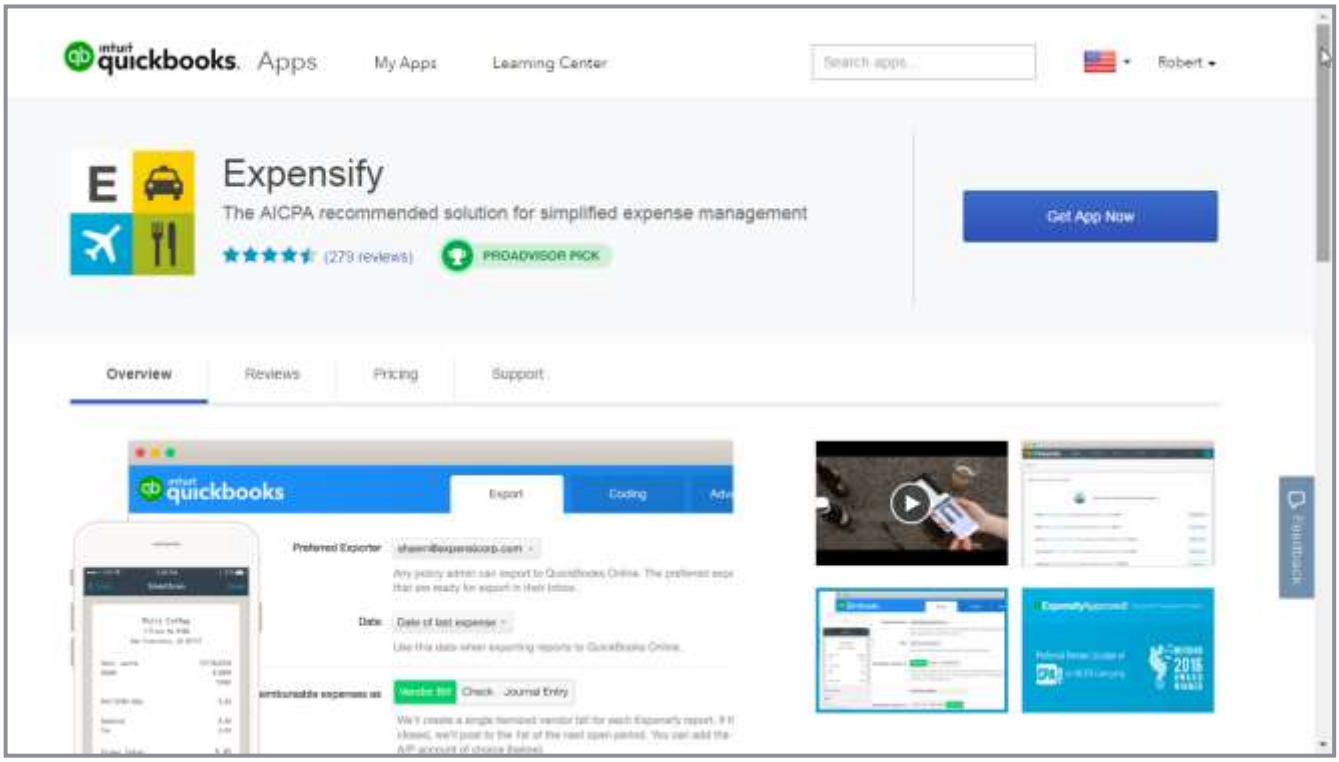
8. Assign payments as debits to the parent account or split to sub-accounts to zero out their growing credit balances.

9. Depending on the organization of the statements received from the financial institution, or the quantity of charges, you can reconcile the parent account only; all activity from sub-accounts will be included. Or you can reconcile each sub-account.



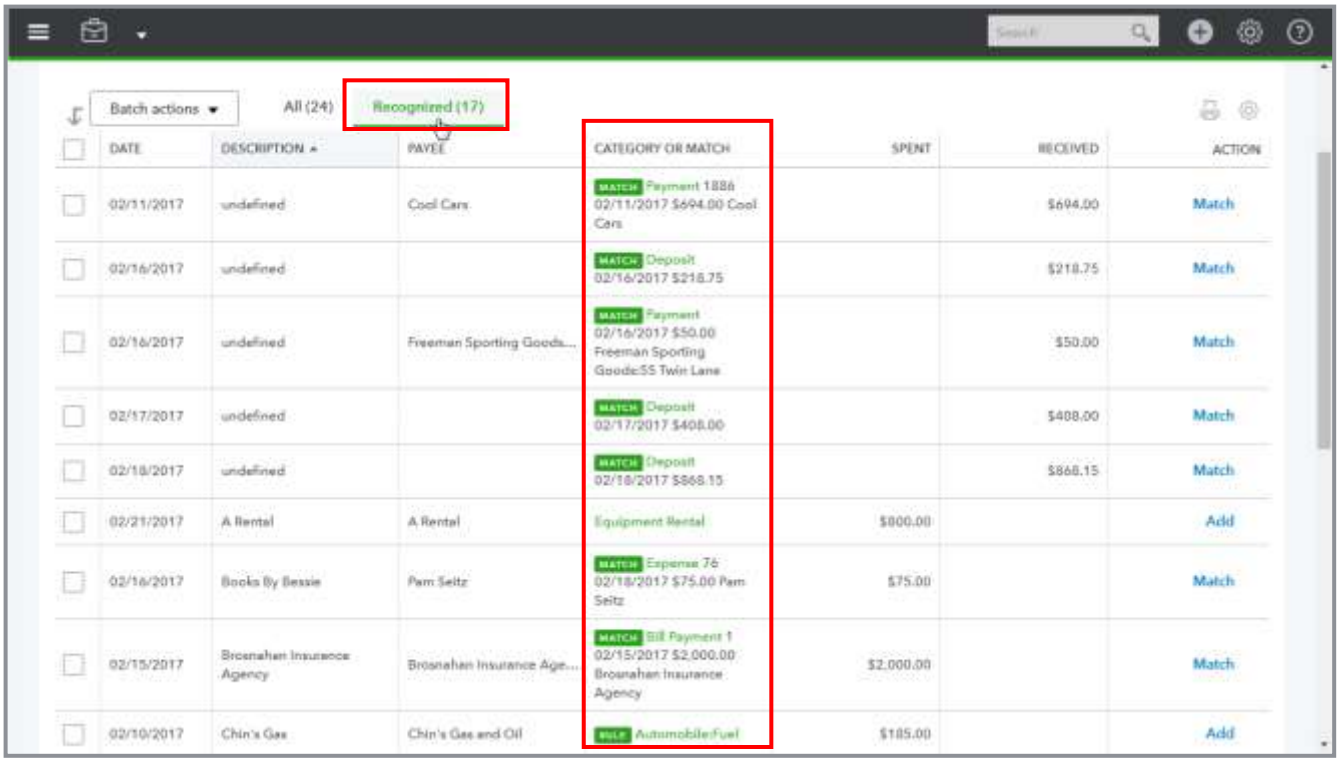
Manage Credit Card Use with Apps

A powerful solution for managing company credit card usage by employees is to use an app like Expensify to automate much of the data entry and receipt attachment work. Bank feeds connect to Expensify and each cardholder categorizes and attaches receipts and memos. They click a button to electronically submit their report to the manager for approval. The manager clicks to approve expenditures, then the accounting department pushes all the data to QuickBooks Online. Each individual credit card purchase or credit can be synced to QuickBooks Online as individual expense transactions posted to the credit card liability account. Then QuickBooks Online bank feed matches easily to each line item and the credit card account is reconciled. This collaboration puts responsibility for the purchase and description on the cardholder, gives managers great oversight into expenditures and automates most of the work for the accounting team.



Recognized Bank Feed

Once online accounts are connected to QuickBooks Online or data is uploaded to QuickBooks Online, that data is displayed in a grid on the For Review tab waiting to be processed. Use the All and Recognized tabs to toggle to an often smaller sub-set of bank feed that QuickBooks Online recognizes as it may be faster to process this activity first.

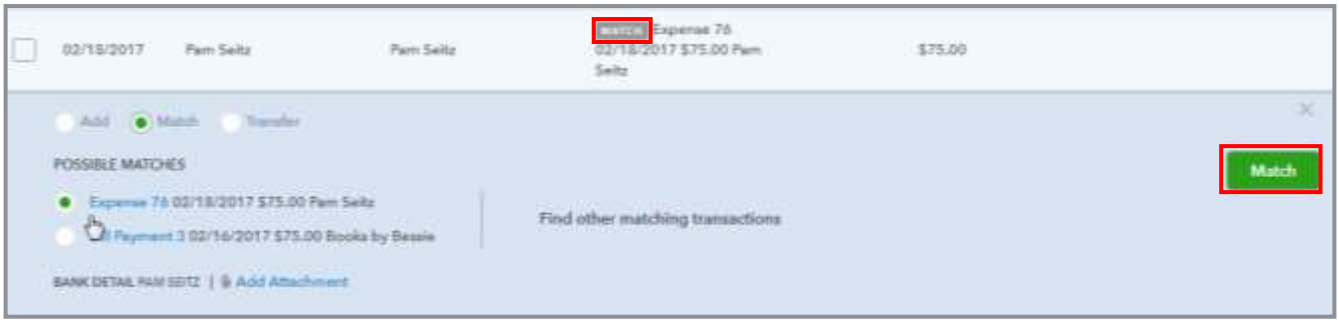


Recognized activity (in green) is one of three things:

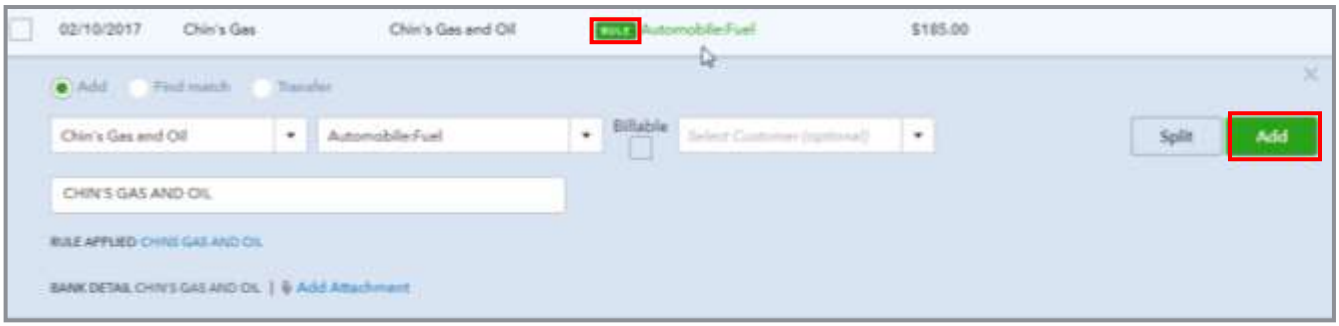
- MATCH – Bank activity that QuickBooks Online determines is a match to a transaction already posted to the GL. QuickBooks Online will suggest you match this activity to the transaction. A green match is a direct match to one transaction.



- A gray match – There are multiple matching options; they are found using the All tab, not the Recognized tab



- RULE – Bank activity that QuickBooks Online determines fits the parameters of a rule you have set up. QuickBooks Online will suggest you add this transaction as defined by the rule.



- SUGGESTION – Description in bank activity which QuickBooks Online recognizes and determines is similar to activity you have categorized in a specific manner previously. QuickBooks Online will suggest you assign the vendor and account you used last time.

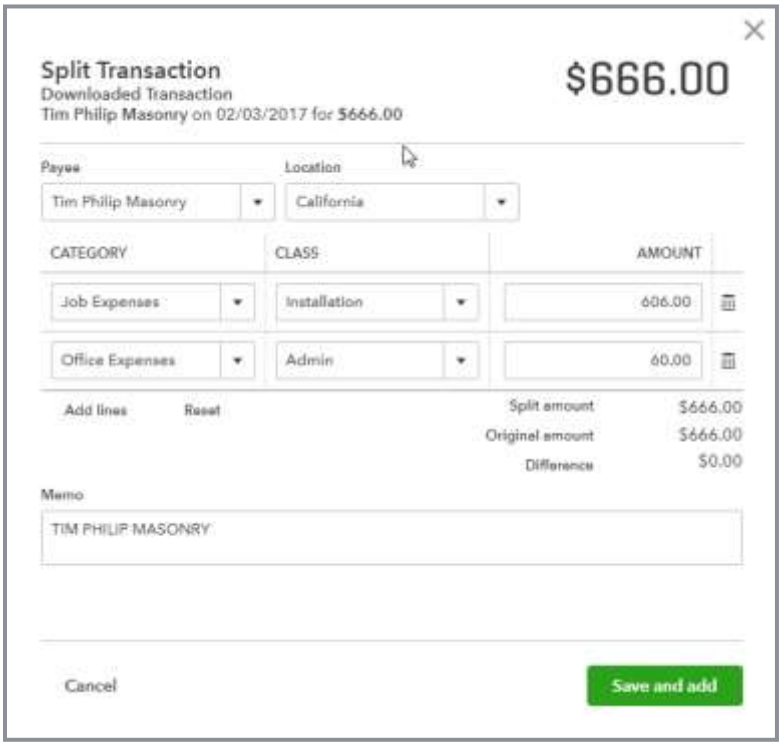


The goal is to clear the bank feed activity from the For Review tab. As you learned in QuickBooks Online core certification, you will determine whether to add, match or exclude each row.

ADD BANK FEED

If the activity has not been recorded in QuickBooks Online, then add the transaction. Adding bank activity creates a new transaction, and debits and credits the general ledger.

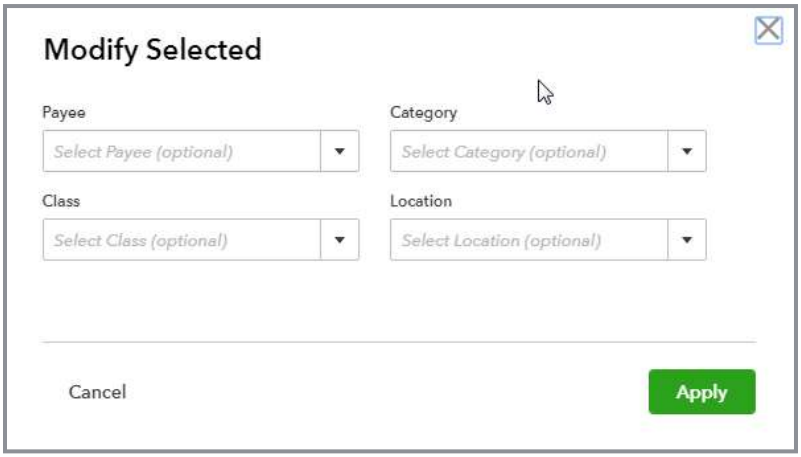
- The posting date, bank detail and amount will be populated already from the bank feed
- Assign the vendor, account, class, location, customer:job, billable status, attachment, and custom memo and click the button to Add the transaction
- Click the Split button to allocate the bank activity among multiple accounts and classes and assign location



- If a rule has been applied, review allocation and click the button to Add the transaction
- Switch from Add to Transfer to record a transfer transaction between two Balance Sheet accounts. Click the button to Add the transfer transaction.
- Use the Copy bank detail to memo setting from the banking grid's gear icon to pull the downloaded bank activity description automatically onto the transaction's memo field

In some cases, you will not add the activity from the Banking screen; rather you will need to add activity using the proper sales and purchase forms since the following limitations exist when adding transactions via the Banking screen:

- No products and services items, must use sales and purchase forms
- No sales tax accrual or payment, must use sales forms to accrue sales tax and Sales Tax Center to record payment
- No batch allocation for customer:job, billable status or attachments; those are only available on individual lines in bank feed

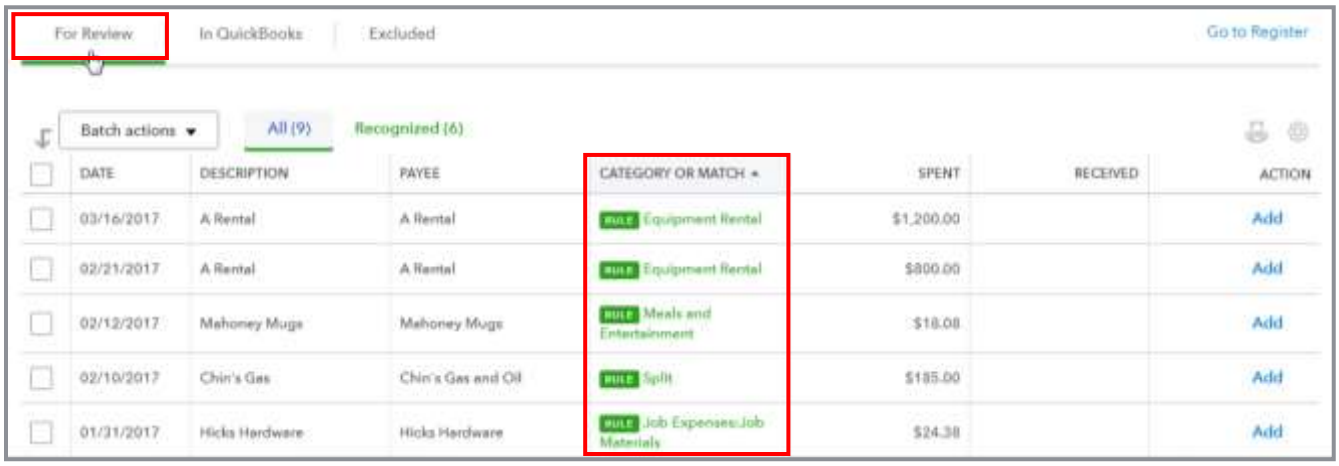


- No split capability for customer:job, billable status or attachments. If you need to split a transaction and allocate it to a customer or mark it billable, use the individual transaction forms. You can't do it from the Banking screen's split tool. If you want to add an attachment to a transaction with split categories, then attach the document first, click the Split button, allocate between categories, then Save & add.

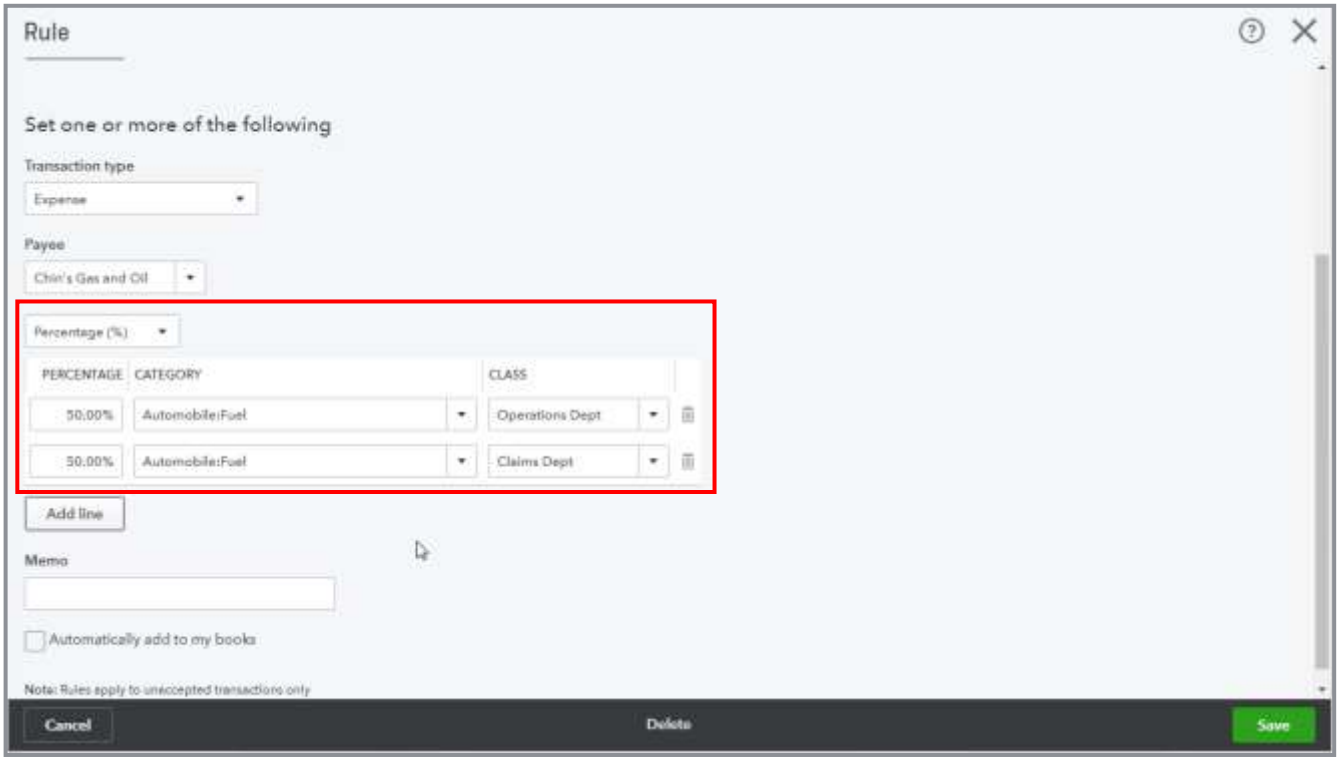
TIP: *The use of multiple browser tabs will help with this process.*

Add by Rule

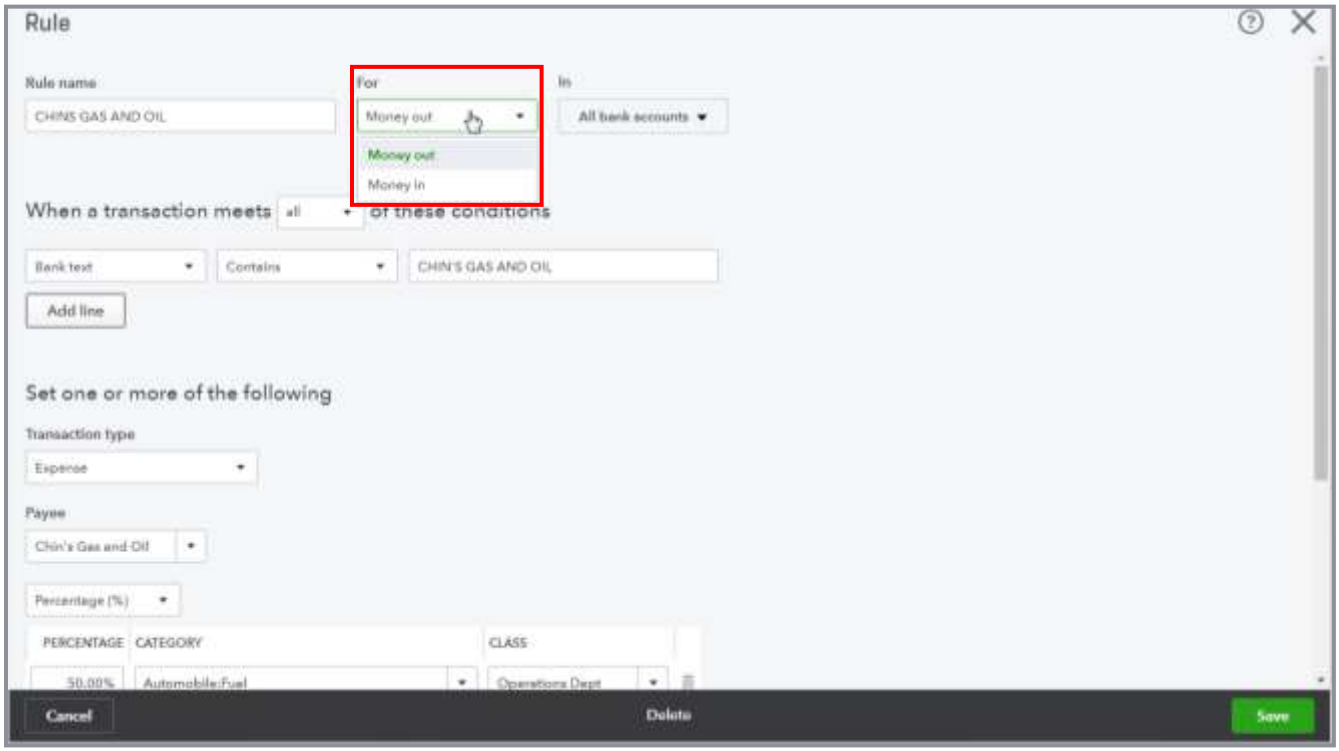
Automate the process of adding new transactions by using Bank Rules. Rules only apply to bank feed that is in the For Review column; they do not apply retroactively to already posted or already linked transactions on the In QuickBooks tab or to bank feed on the Excluded tab.



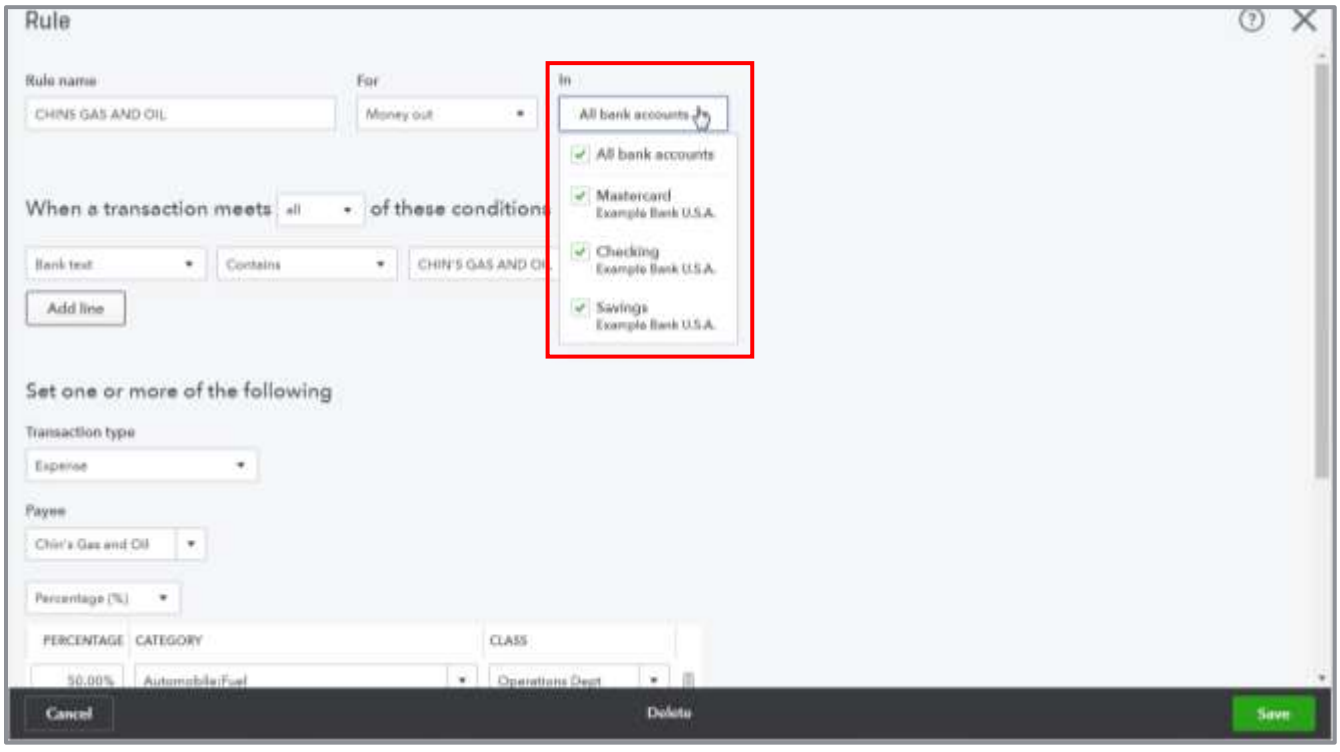
Rules help you customize and automate bank feed to give you a finer level of control. You can set up rules to tell QuickBooks what to do with downloaded bank activity that meets particular conditions you define, then assign pre-specified data such as payee, category, class and location. Rules can be configured to split amounts between categories by percentage or dollar amount.



Rules are defined as money-in or money-out transactions only, not both.



Rules can apply to all bank and credit card accounts, or you can select individual or multiple bank or credit card accounts.



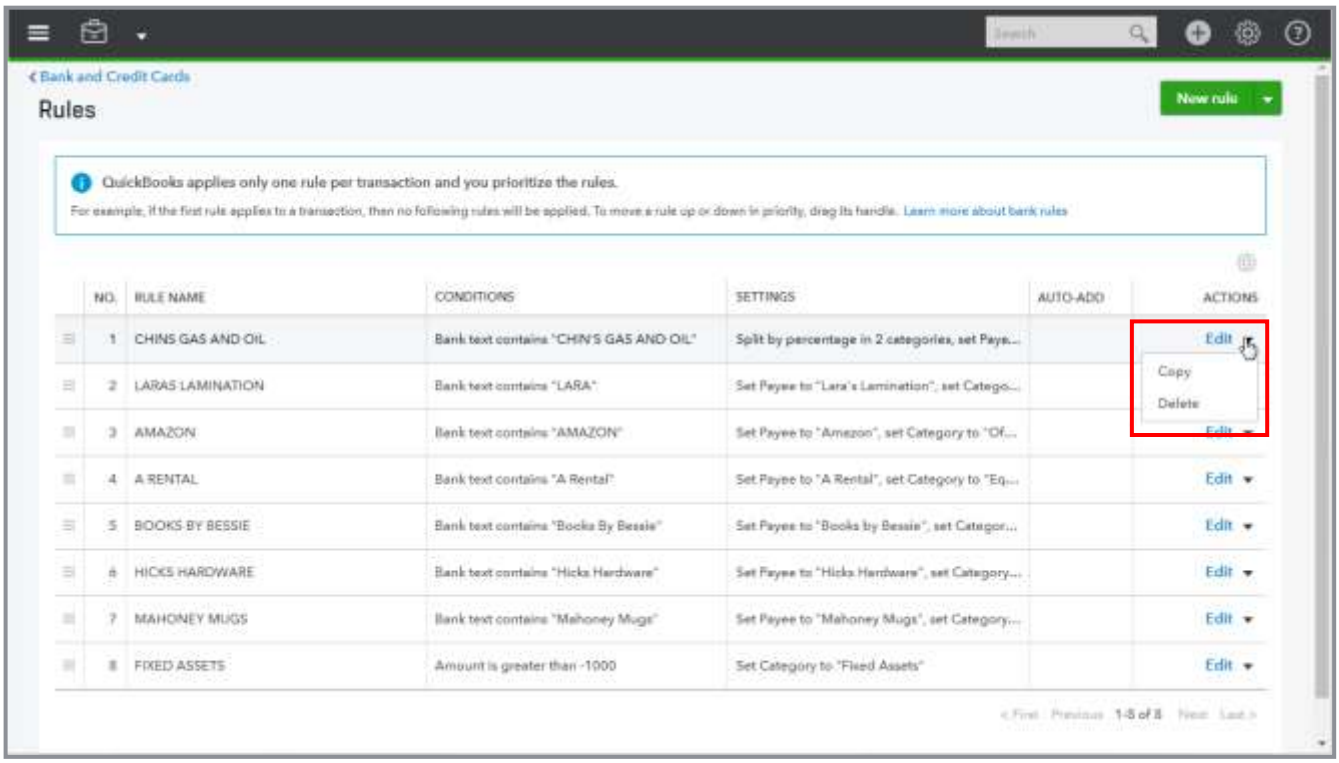
They are not case sensitive. You don't have to create multiple rules to accommodate uppercase and lowercase variations in the description conditions.

Rules are a powerful way to script how QuickBooks should handle downloaded transactions.

NOTE: *Sometimes the effect of editing and moving rules takes a while to appear, both in the For Review list and on the Rules list.*

Manage Rules

To manage your rules, navigate to the Banking Center, click the down arrow on the Update button then click Manage Rules. From the Manage Rules screen you can add, edit, copy or delete rules. In the grid of rules, find the rule you want to work with and use the options on the drop-down menu. Edit will open the rule so you can make changes then Save. Copy will open a copy of the rule, which you can rename and make the desired changes. Delete any rules no longer needed.



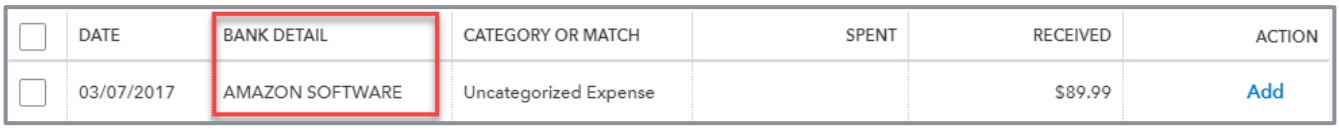
The grid gear icon lets you specify how many rows of rules you want to appear on the page: 50, 150 or 300, and make the rows compact if you want to shorten the row height so more rules appear onscreen.

Rule Conditions

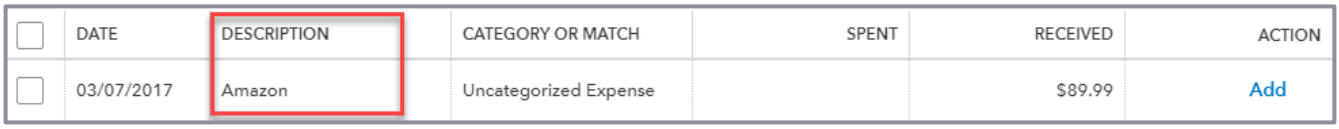
You learned to add new rules in core certification. When adding new rules, you configure conditions for QuickBooks to consider when it downloads banking data. QuickBooks will run each bank activity through your list of rules to determine if any are applicable. Here is a matrix of the conditions settings available.

SELECT FIELD	SELECT OPERATION	ENTER CONDITION
BANK TEXT	Contains Doesn't contain Is exactly	Text
DESCRIPTION	Contains Doesn't contain Is exactly	Text
AMOUNT	Equals Is greater than Is less than Doesn't equal	Numbers only

Notice that there are two quite similar fields you can create conditions on. Bank Text field is the complete bank detail text. Description is the QuickBooks Online abridged version of the bank text. To see the difference, on the Banking screen use the gear icon to toggle between showing the column as Bank Details (i.e., Bank Text) or Description (abridged version of bank detail).



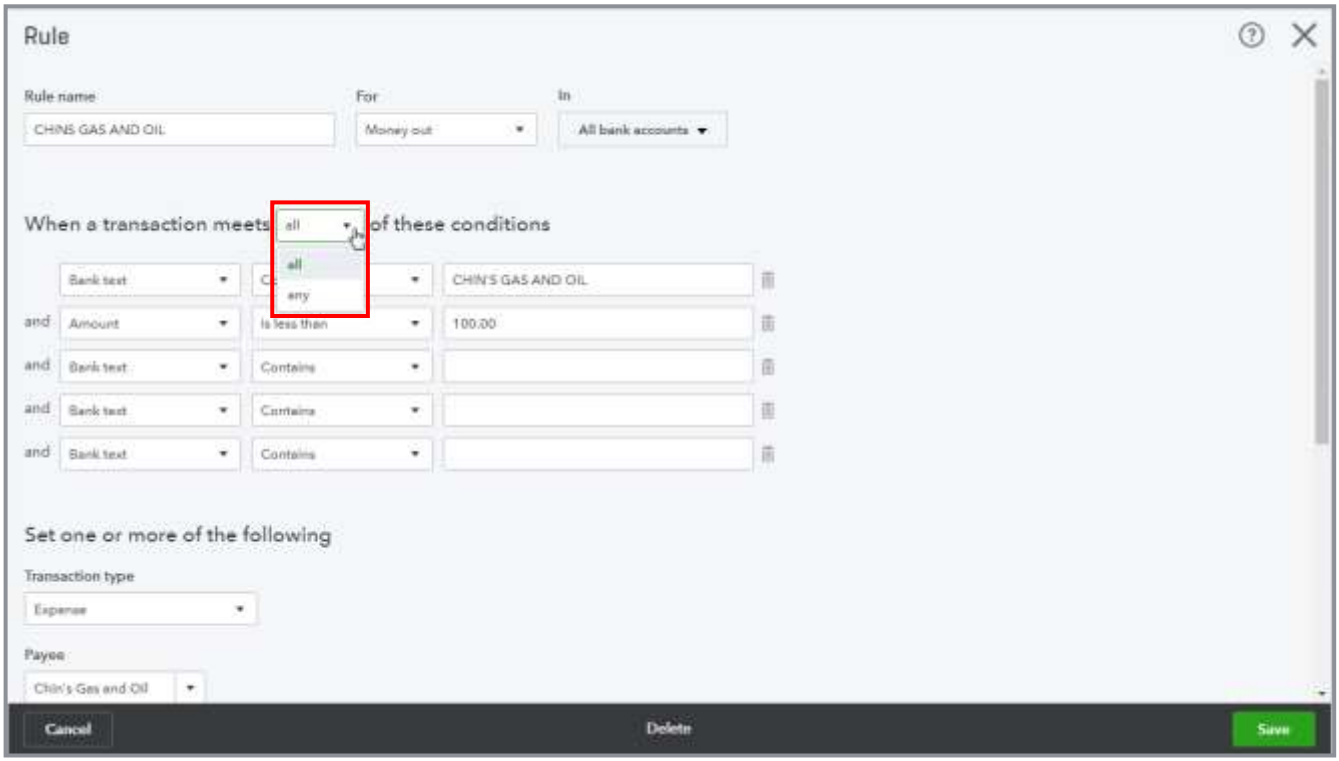
	DATE	BANK DETAIL	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
☐	03/07/2017	AMAZON SOFTWARE	Uncategorized Expense		$89.99	Add



	DATE	DESCRIPTION	CATEGORY OR MATCH	SPENT	RECEIVED	ACTION
☐	03/07/2017	Amazon	Uncategorized Expense		$89.99	Add

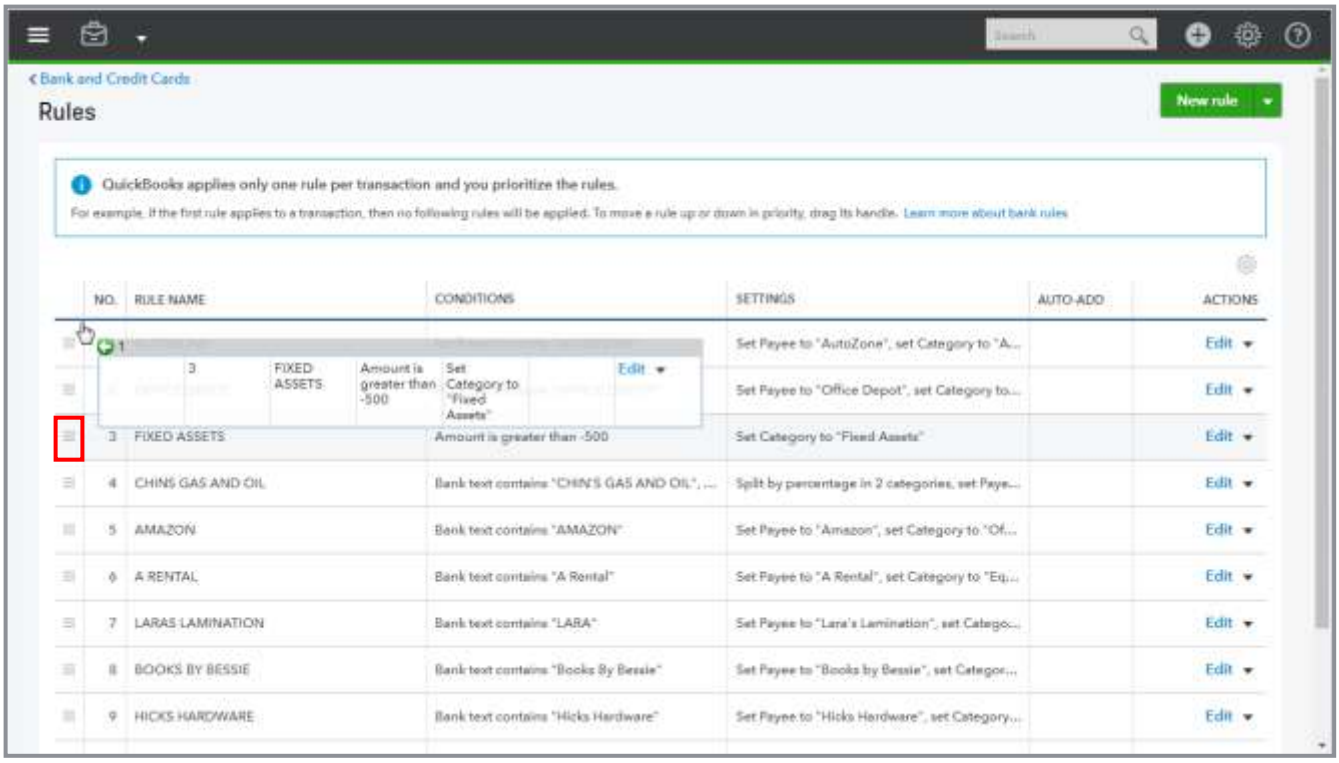
When configuring conditions, note that "contains" is a key operator since it allows all kinds of transactions to be assigned to one set of actions. For example, transactions at a national gas station chain or at a nationwide store can come across with many different descriptions all containing the name of the store along with other information like store number or city name. You may want to create a condition using the "is exactly" operator for an exact match to that one location. Or, more commonly, you can use the "contains" operator to create one rule for the one store name that appears in all the bank text for all locations, to treat all purchases at all these stores with the same classification.

You can build up to five layers of conditions into a rule. You specify whether the bank activity has to meet *all* of the conditions before the rule is applied, or *any* of the conditions. You cannot create a rule that does both.



Order of Rules

Rules are applied in numerical order as listed on the Manage Rules list. Only one rule is applied per bank activity. The first rule that fits a bank activity is the one applied. You can change the order of your rules by dragging them up or down in the Manage Rules list grid. Reordering the rules list lets you control which rule to apply first.



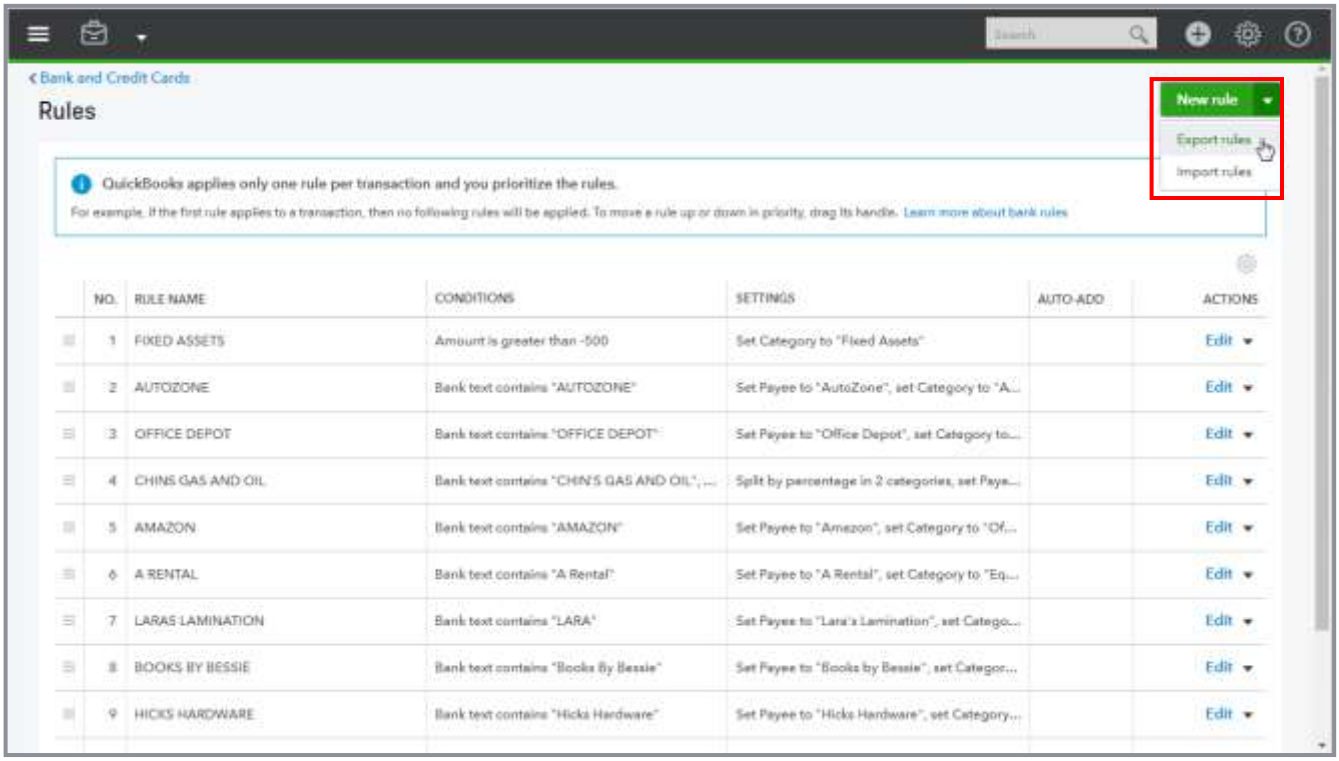
For example, a company creates three rules. Rule 1 is configured to code all purchases at AutoZone to Auto Supplies expense. Rule 2 is configured to code all purchases at Office Depot to Office Supplies expense. Rule 3 is configured to code all purchases over $500 to Fixed Assets. When the company spends $750 at AutoZone, it will be coded to Auto Supplies expense because it fits Rule 1's conditions and stops there. They would need to drag Rule 3 up to the first position to have that purchase (and any other over $500) coded to Fixed Assets.

Export/Import Rules

You can also export rules from one QuickBooks Online company subscription and import them into another. Perhaps you have customers with similar transactions you want to import to each customer's QuickBooks Online company instead of re-typing all of them. Perhaps your firm has created a template of standard rules to use on clients.

Step-by-Step: **Import Rules**

1. On the Rules screen, click the down arrow on the New rule button and select Export rules.



2. QuickBooks exports these as an .xls file.

3. Widen columns to show the fields exported – the same fields as on the Edit Rules screen.

	A	B	C
1	Rule Name	Rule Conditions	Rule Outputs
2	FIXED ASSETS	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":3,"value":"-500"}],"isAndRule":true}	{"ruleActions":[{"actionType":0,"value":"Fixed Assets"}]}
3	AUTOZONE	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"AUTOZONE"}],"isAndRul	{"ruleActions":[{"actionType":5,"value":"AutoZone"},{"actionType":0,"value"
4	OFFICE DEPOT	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"OFFICE DEPOT"}],"isAn	{"ruleActions":[{"actionType":5,"value":"Office Depot"},{"actionType":0,"val
5	CHINS GAS AND OIL	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"CHIN'S GAS AND OIL"},{	{"ruleActions":[{"actionType":6,"value":{"actionInfoList":[{"categoryId":"Fue
6	AMAZON	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"AMAZON"}],"isAndRule":t	{"ruleActions":[{"actionType":5,"value":"Amazon"},{"actionType":0,"value"
7	A RENTAL	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"A Rental"}],"isAndRule":tr	{"ruleActions":[{"actionType":5,"value":"A Rental"},{"actionType":0,"value":
8	LARAS LAMINATION	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"LARA"}],"isAndRule":true	{"ruleActions":[{"actionType":5,"value":"Lara's Lamination"},{"actionType"
9	BOOKS BY BESSIE	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"Books By Bessie"}],"isAr	{"ruleActions":[{"actionType":5,"value":"Books by Bessie"},{"actionType":0
10	HICKS HARDWARE	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"Hicks Hardware"}],"isAnd	{"ruleActions":[{"actionType":5,"value":"Hicks Hardware"},{"actionType":0,"
11	MAHONEY MUGS	{"ruleConditions":[{"ruleType":10,"value":"-1"},{"ruleType":6,"value":"Mahoney Mugs"}],"isAndR	{"ruleActions":[{"actionType":5,"value":"Mahoney Mugs"},{"actionType":0,"v
12			
13			

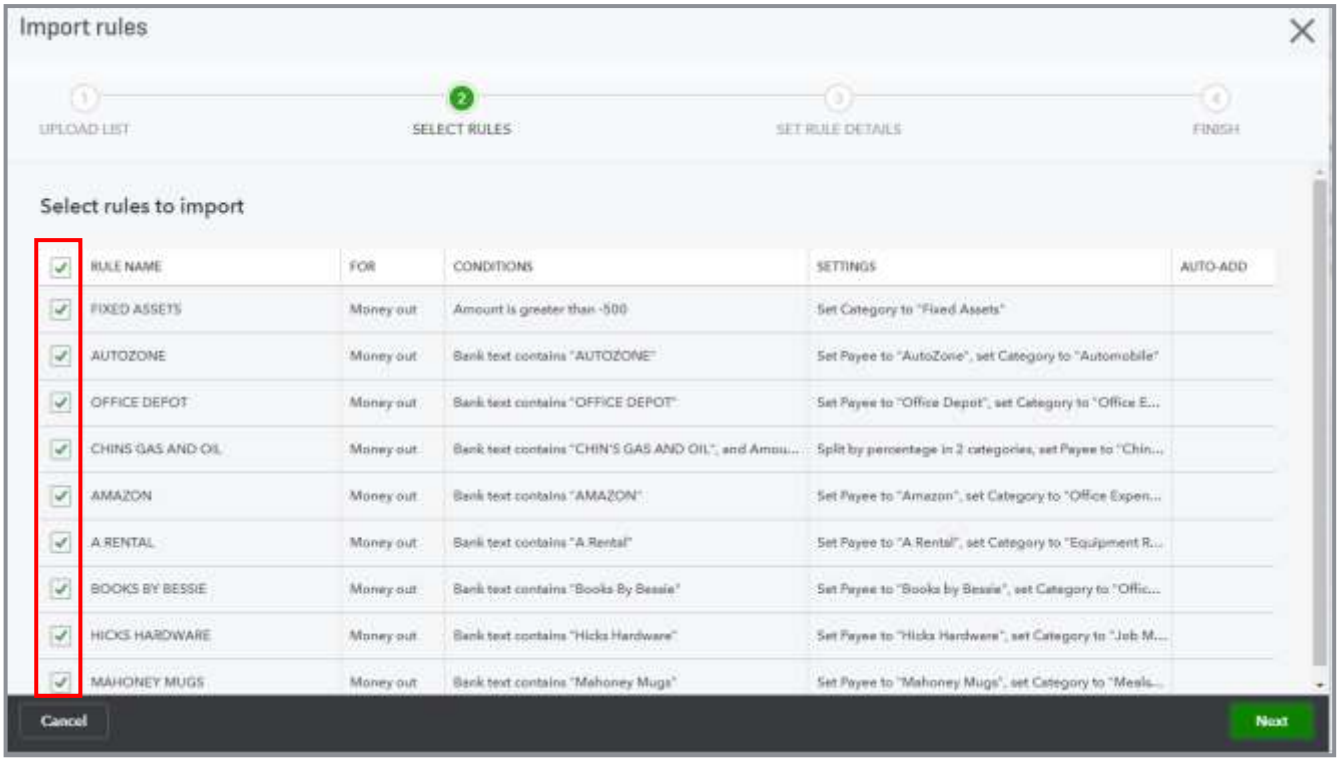
4. If any rules don't pertain to the business you are importing to, delete those rows.

5. Save as a new .xls file.

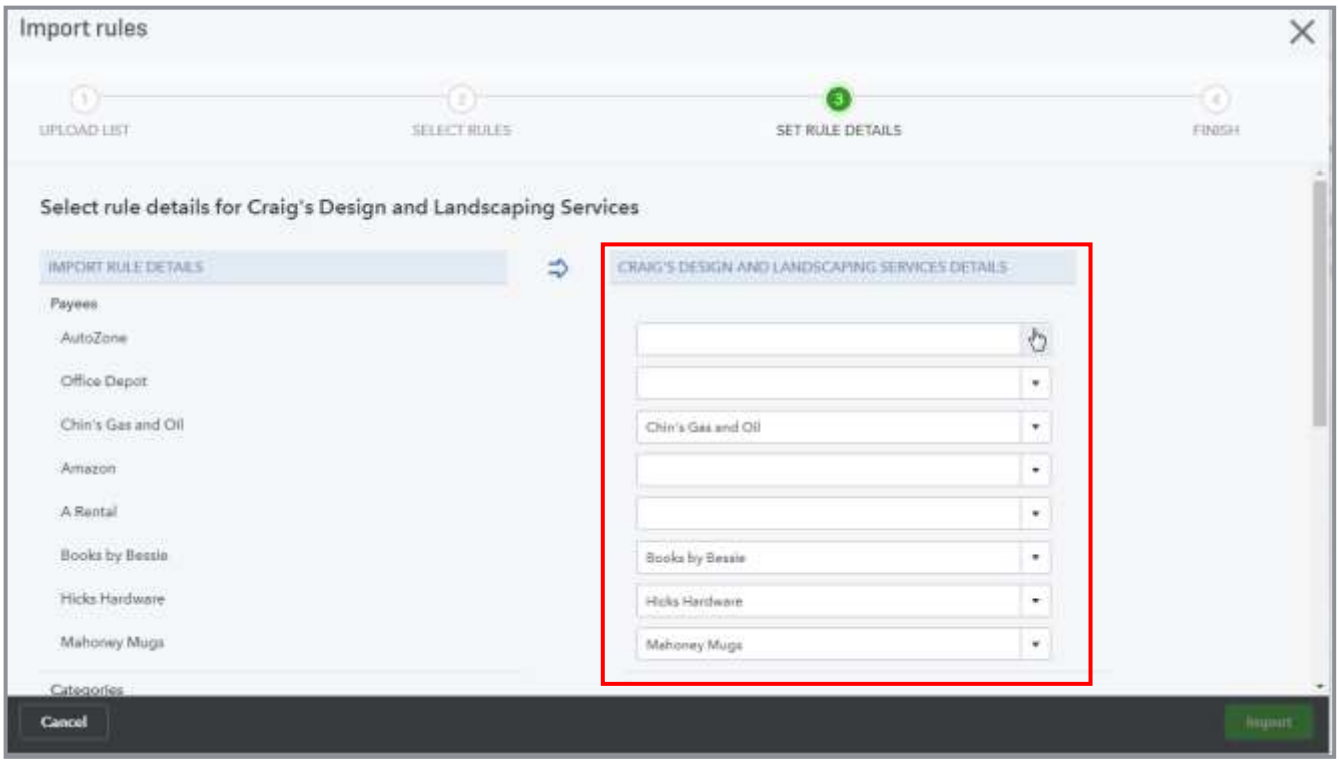
6. Navigate to new QuickBooks Online company, navigate to the Rules screen and click the down arrow on the New rule button to choose Import rules.

7. Browse to select the new .xls file and click Next.

8. QuickBooks will give you a list of all of the rules from that .xls file; select those you want to import. Note any rules that are auto-add.



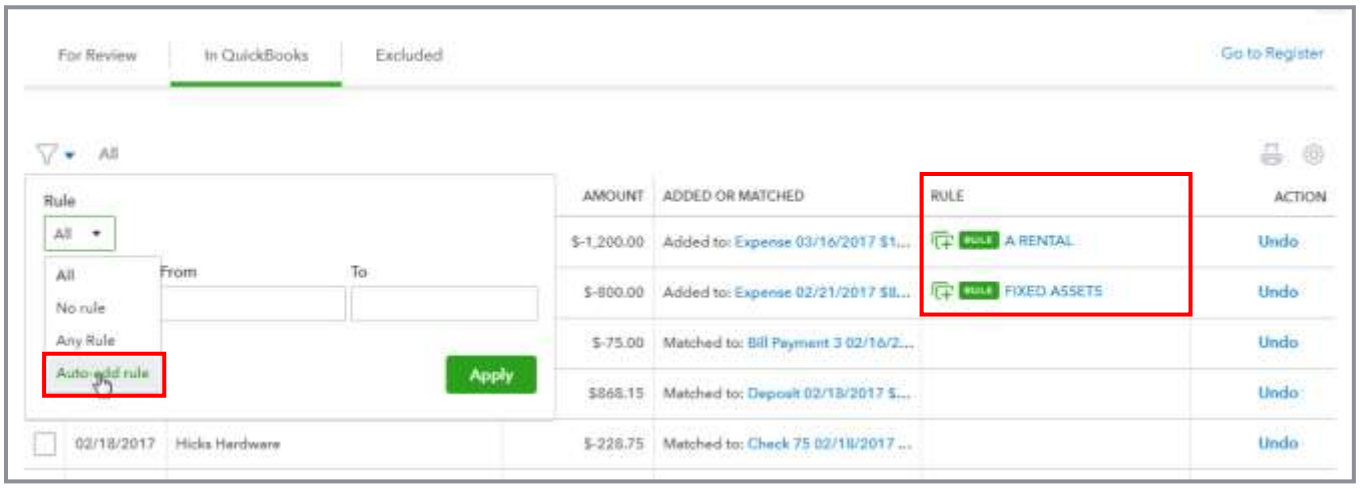
9. Map vendors and accounts, classes, etc.



10. Click Import.

Auto-added Rules

Transactions added automatically by a rule can be found on the Banking screen's In QuickBooks tab. There is a filter above the grid to view those by Auto-add rule. Notice the Auto-add button, Rule stamp and name of rule.

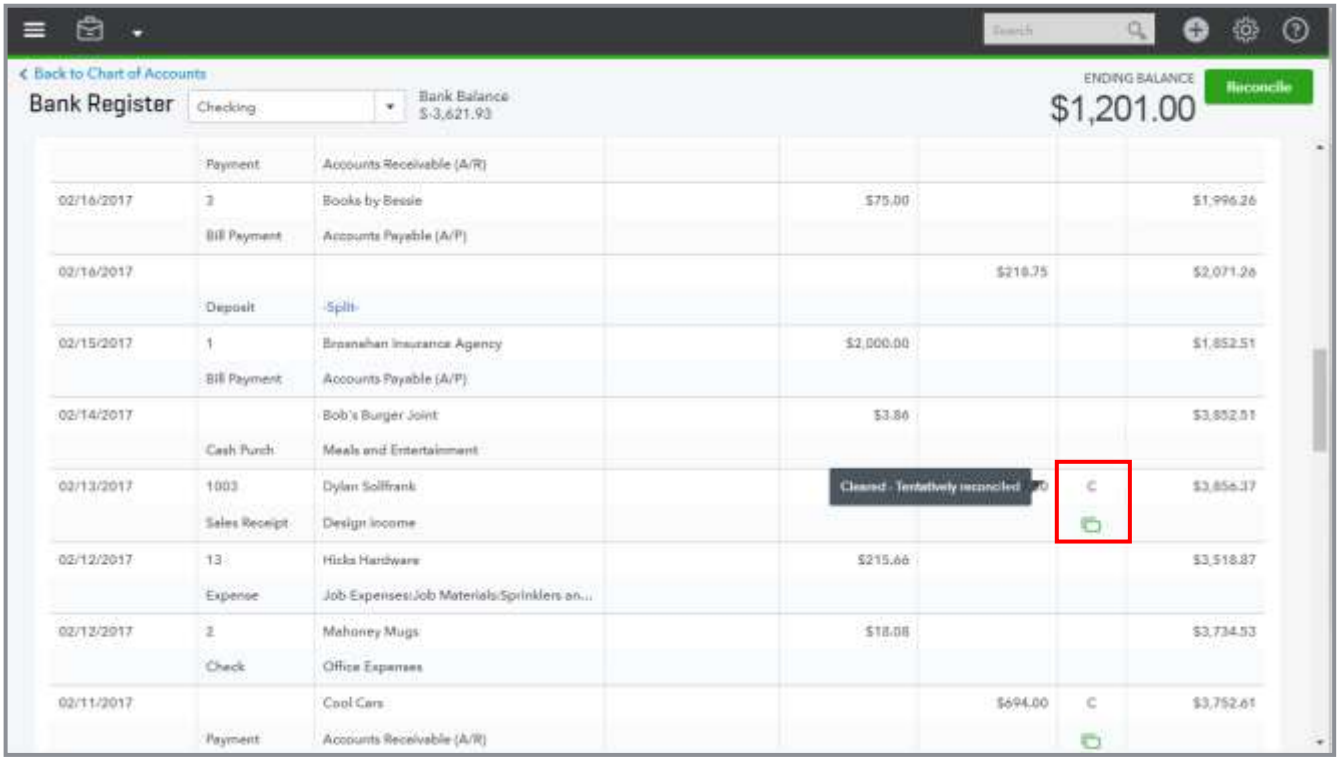


If you don't want a transaction auto-added, click Select & undo. This sends the activity back to the For Review tab without running it through the rules again; therefore it will not be auto-added again in an infinite loop. However, once back in For Review, if you edit the rule and save it, the auto-add will now kick in again on all activities in For Review, including the one you just sent back there.

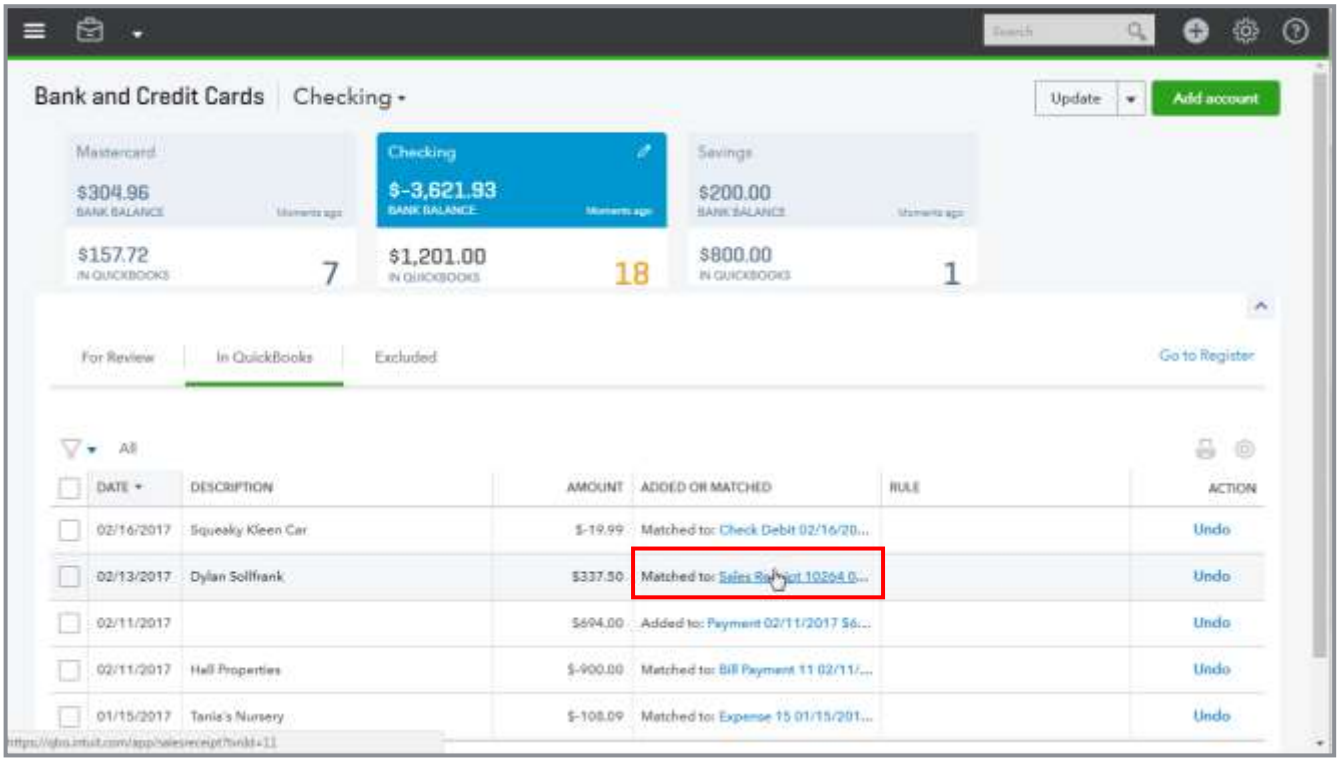
MATCH BANK FEED

If the activity has already been recorded in QuickBooks Online but has *not* been marked reconciled, then match the bank activity to the transaction. If the activity has already been recorded in QuickBooks Online and *is* marked reconciled, then QuickBooks Online will not suggest a match and you should exclude the bank activity. You learned in core certification how to process green (single) matches and grey (multiple) matches.

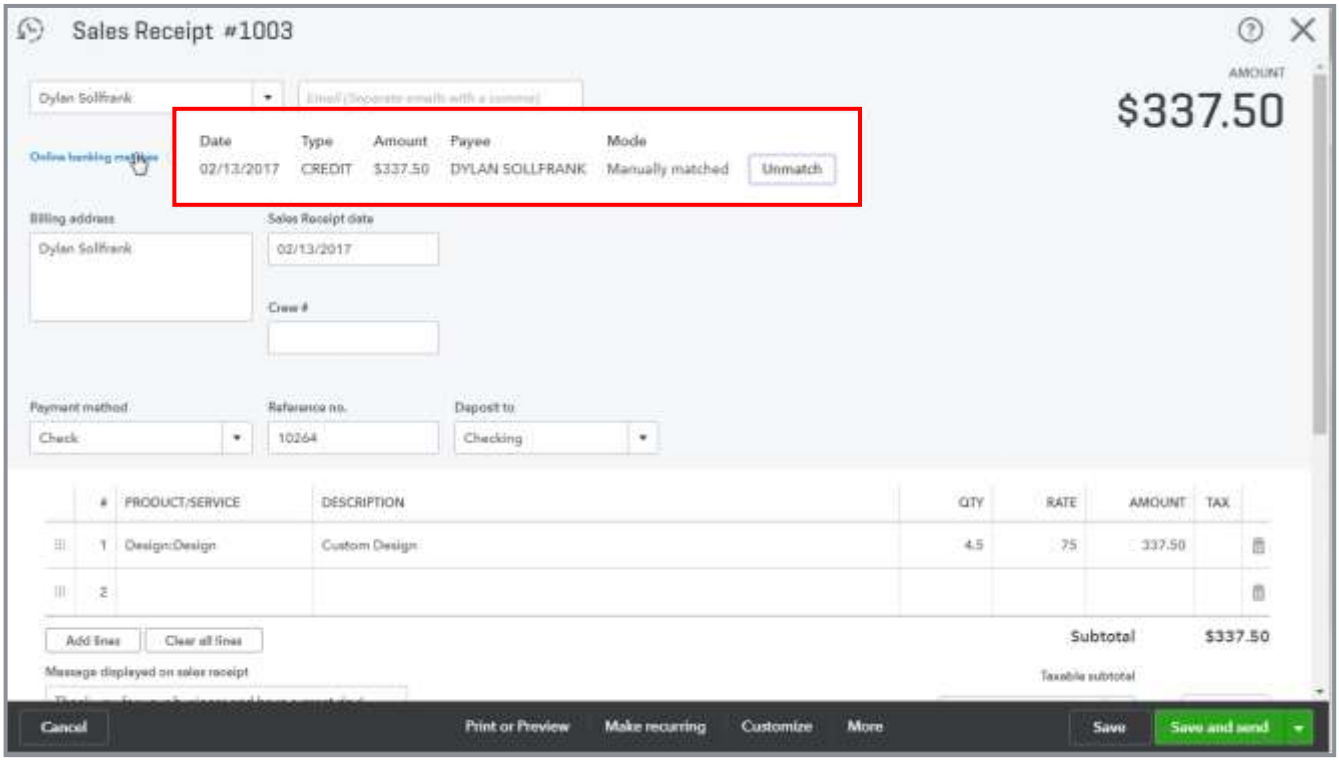
Matching links the bank activity to an existing financial transaction already posted to the general ledger, or records the payment on an open invoice or bill transaction to close it. Matching also changes the reconciliation status of the transaction from Unreconciled (blank) to Cleared (C).



The link between the transaction and the bank activity is an important concept to explain to the clients you work with. When troubleshooting particular bank activity, search for the bank activity from the Banking screen's In QuickBooks tab and follow the link to the transaction.



When you troubleshoot a particular transaction, follow the link in the upper left of the transaction screen to the bank activity.



This linking further confirms the likelihood the transaction did occur at the bank and was recorded on the books.

Find Match

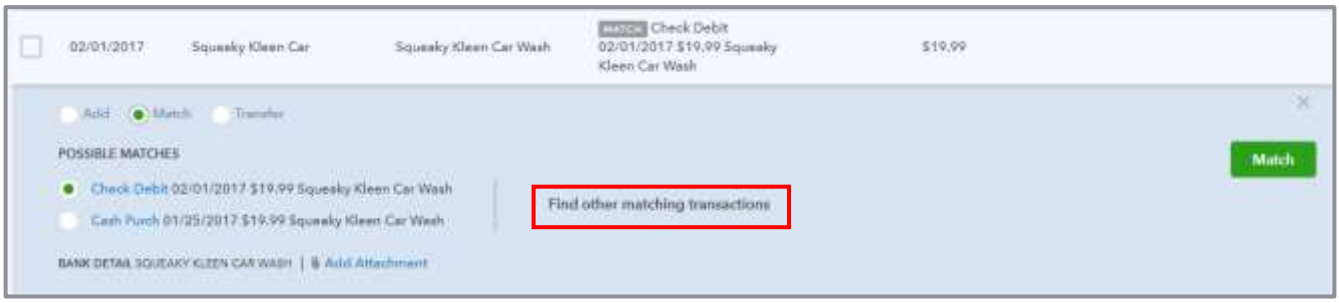
Sometimes QuickBooks Online does not suggest a match or suggests an incorrect match.

- The transaction is posted to the wrong account
- The date range for searching is not correct
- The amount of the transaction posted in QuickBooks Online is greater than the amount that cleared the bank

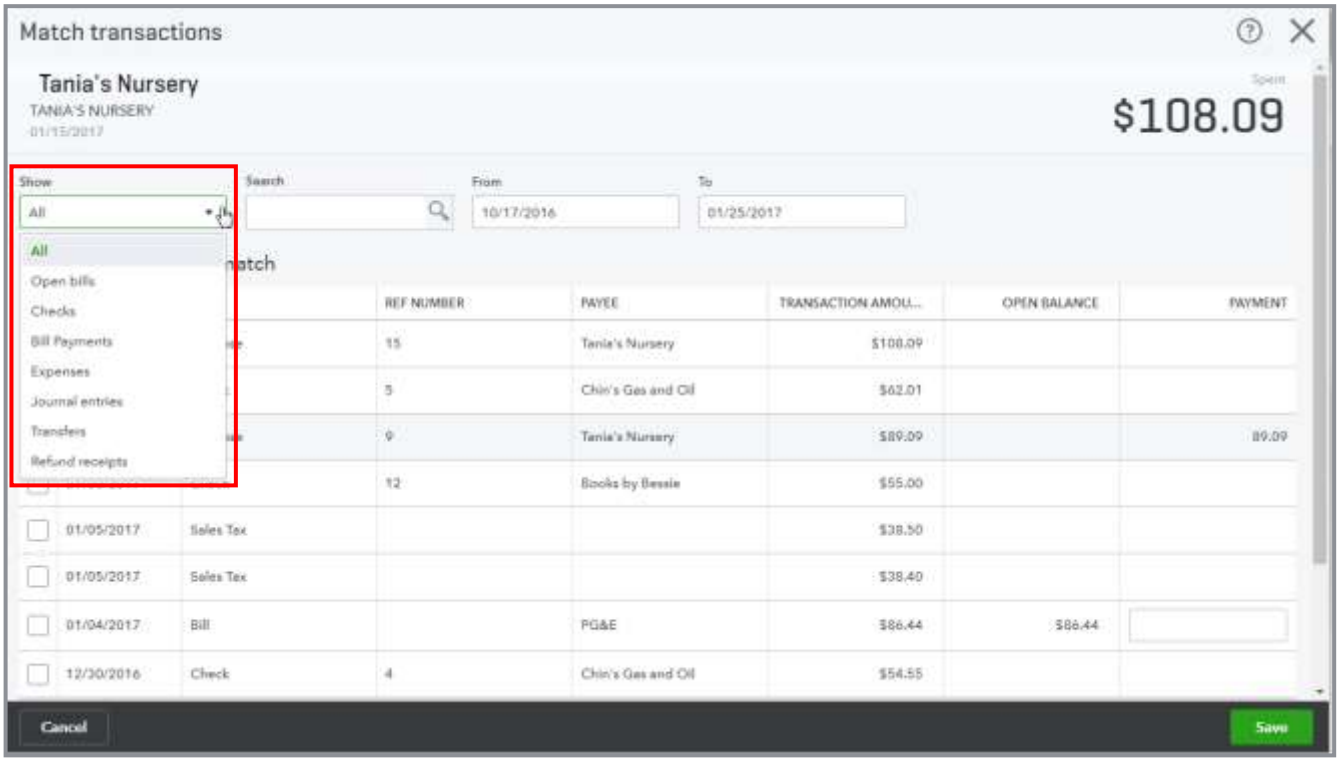
When QuickBooks Online does not find a match, click the row to expand it and click the radio button to Find match.



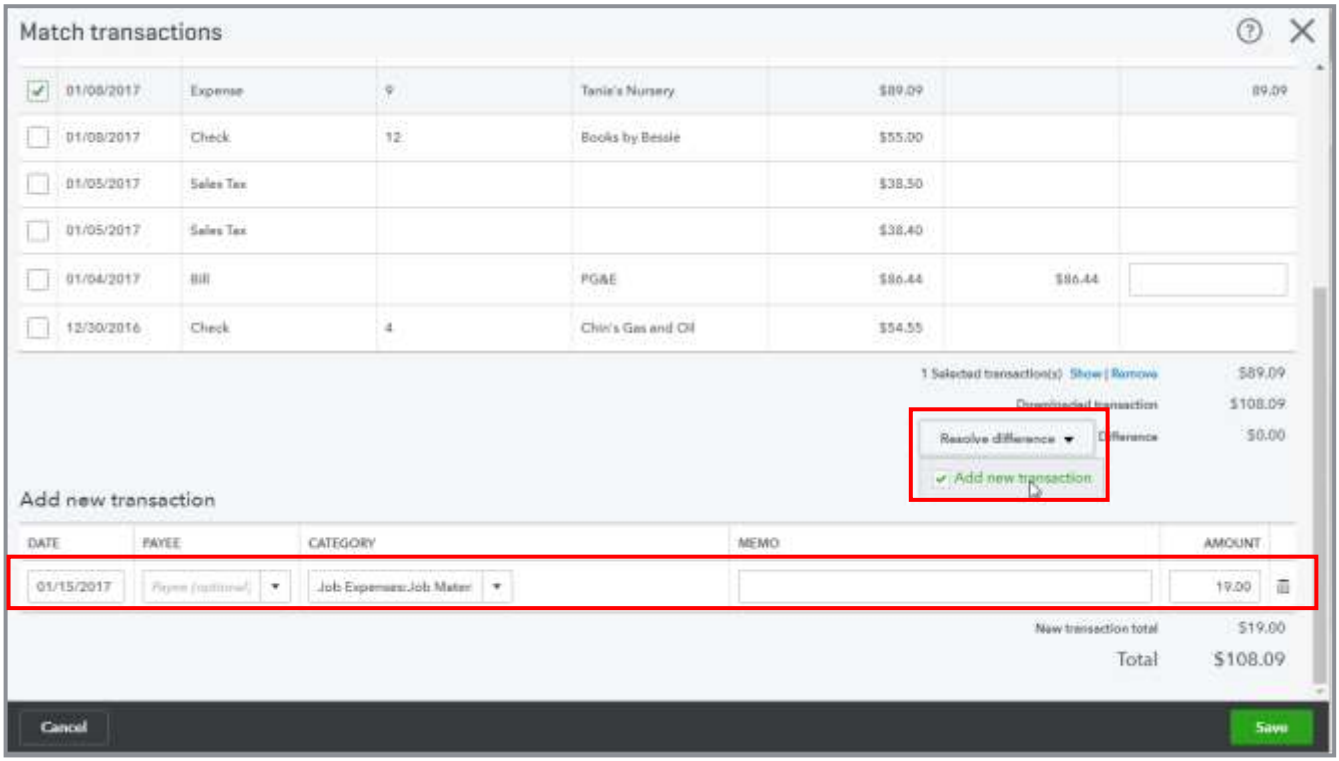
When QuickBooks Online suggests an incorrect match, click the row to expand it and select one of the other possible matches, if shown. If none of those are correct, click Find other matching transactions.



The Match transactions screen will drop down and allow you to search for the appropriate transaction(s) from a list of open transactions that have not been reconciled or linked to another bank activity. Select from the Show drop-down list to filter by specific transaction types, or search by keyword or a particular date range.



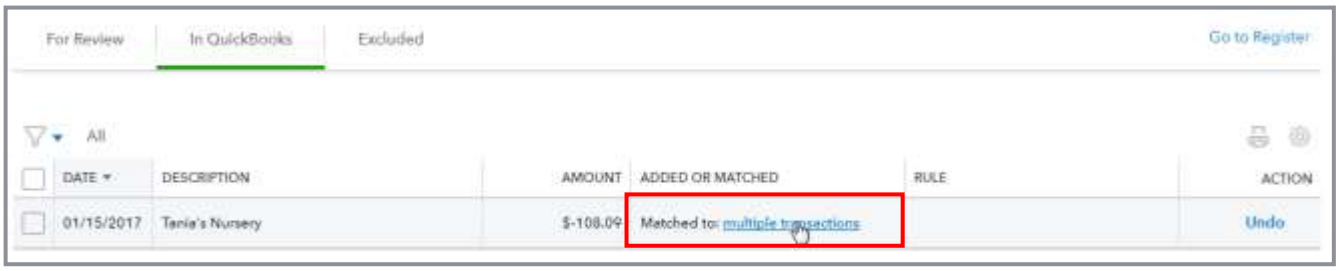
If you make multiple selections and they do not equal the amount of the bank activity, you have the opportunity in the bottom right corner of the Match transactions screen to resolve the difference by adding a new transaction.

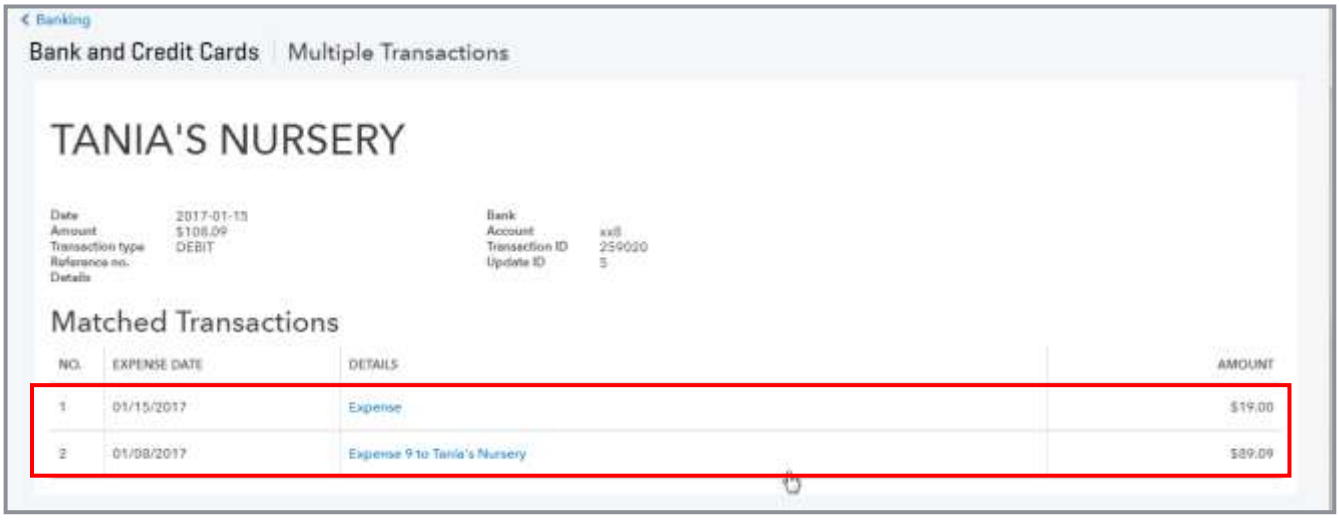


When you save the selected matches, QuickBooks Online links the bank activity to each selected transaction, including the new transaction that resolved the difference.

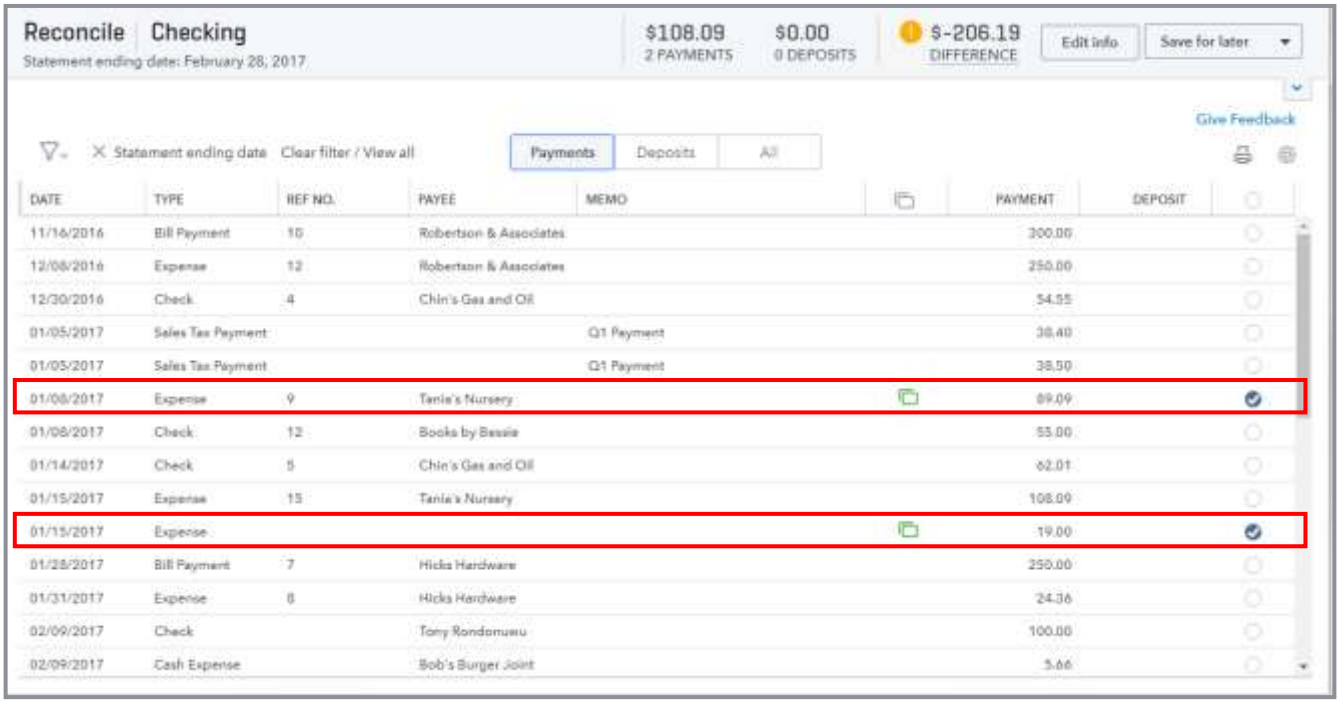
Matched to Multiple Transactions

When individual bank activity is matched to multiple GL transactions, QuickBooks Online will show that detail from the In QuickBooks tab when you click the multiple transactions link.

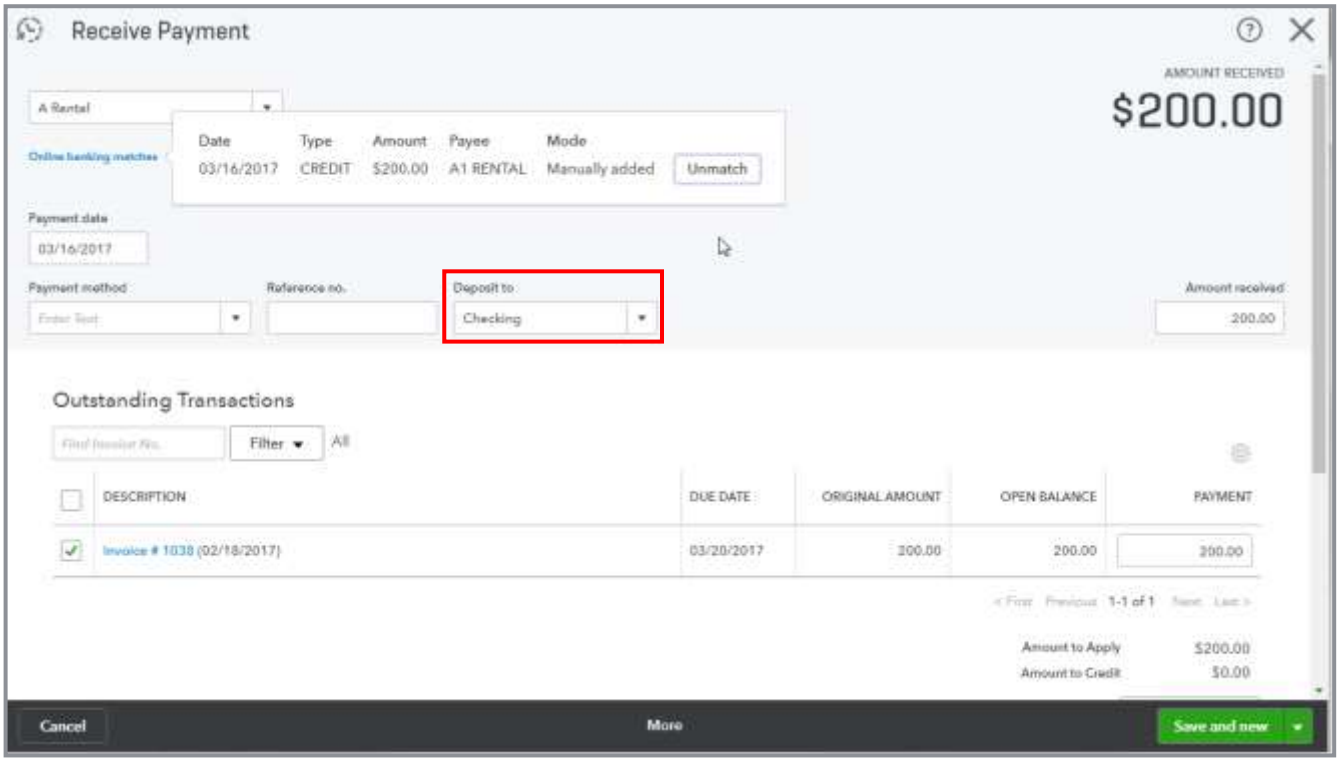




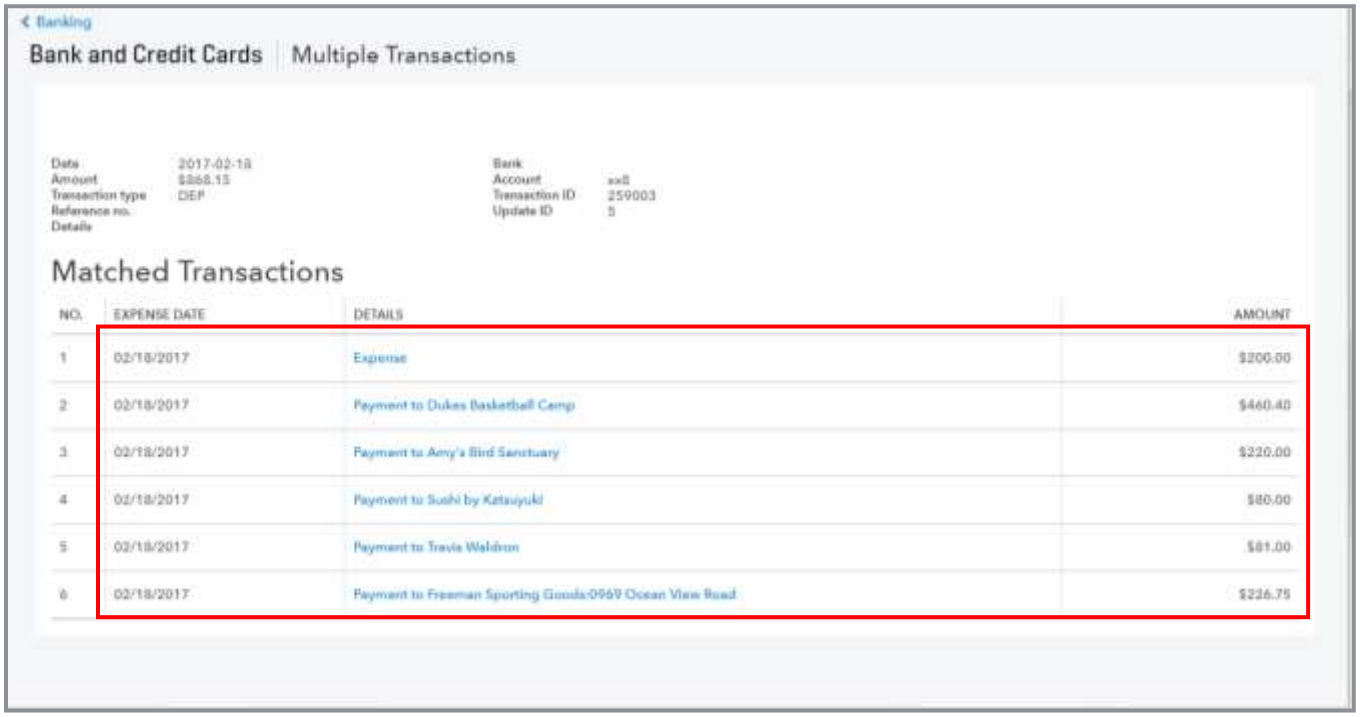
When reconciling the account, the individual transactions must be manually added together to determine which make up the single corresponding amount on the bank statement.



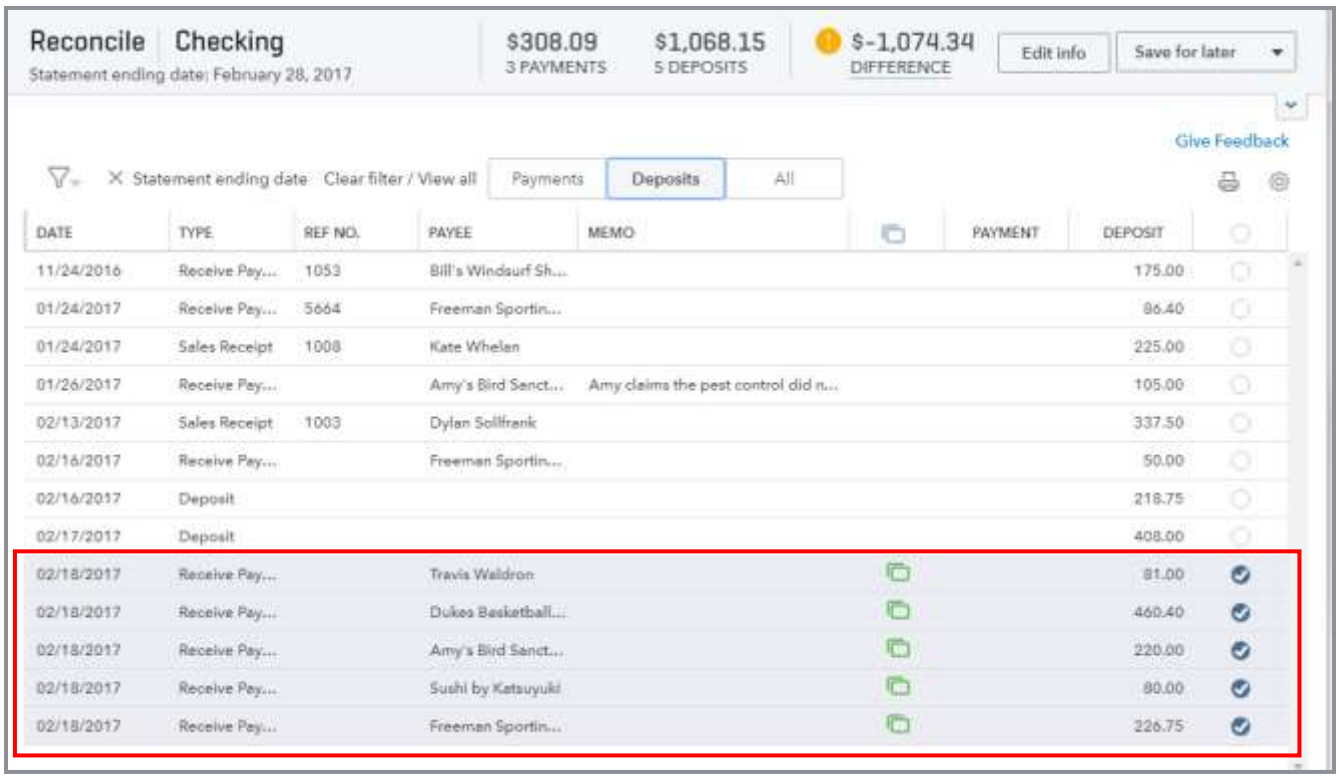
When you match bank activity to an open invoice, QuickBooks Online will record the payment received transaction directly to the bank account and link the bank activity to it. It does not record the payment to Undeposited Funds.



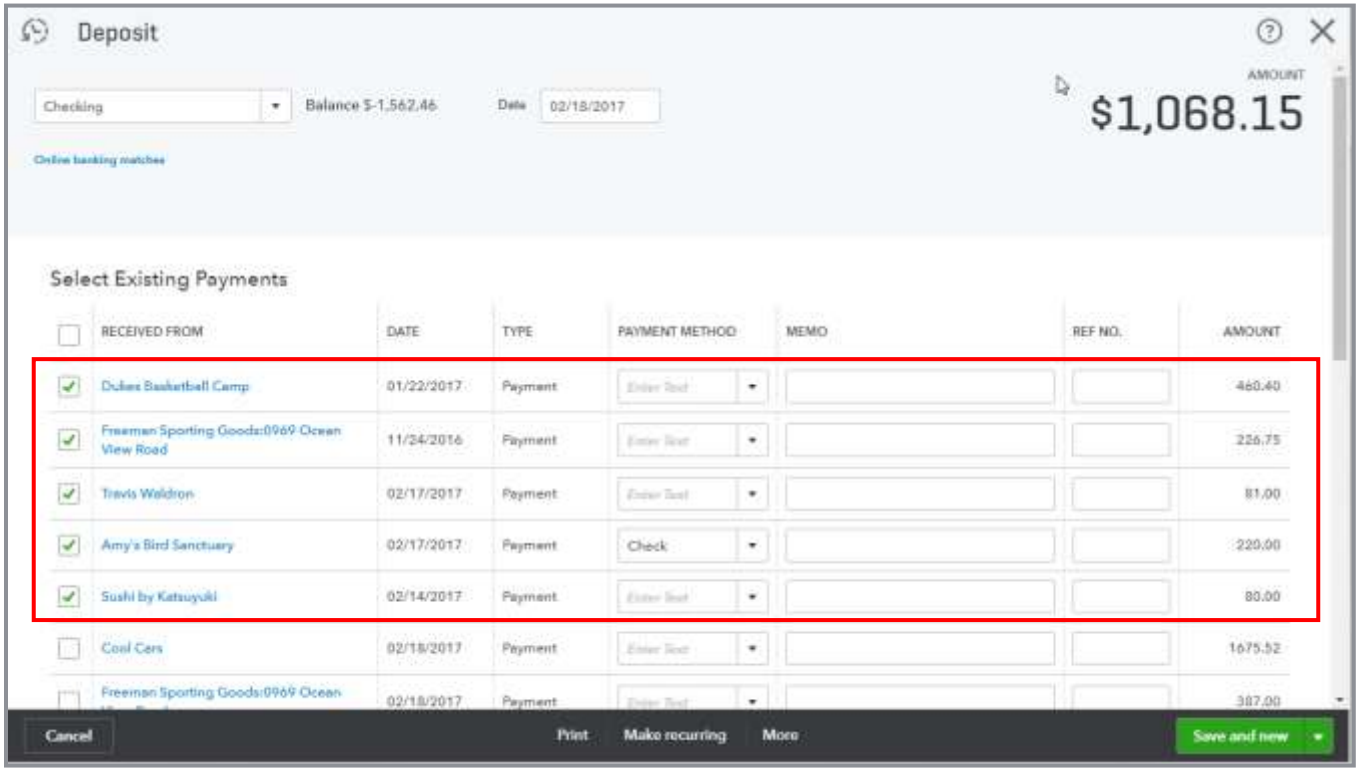
When you match bank activity to multiple open invoices, QuickBooks Online will record each individual payment received transaction directly to the bank account and will not be grouped together on a deposit transaction.



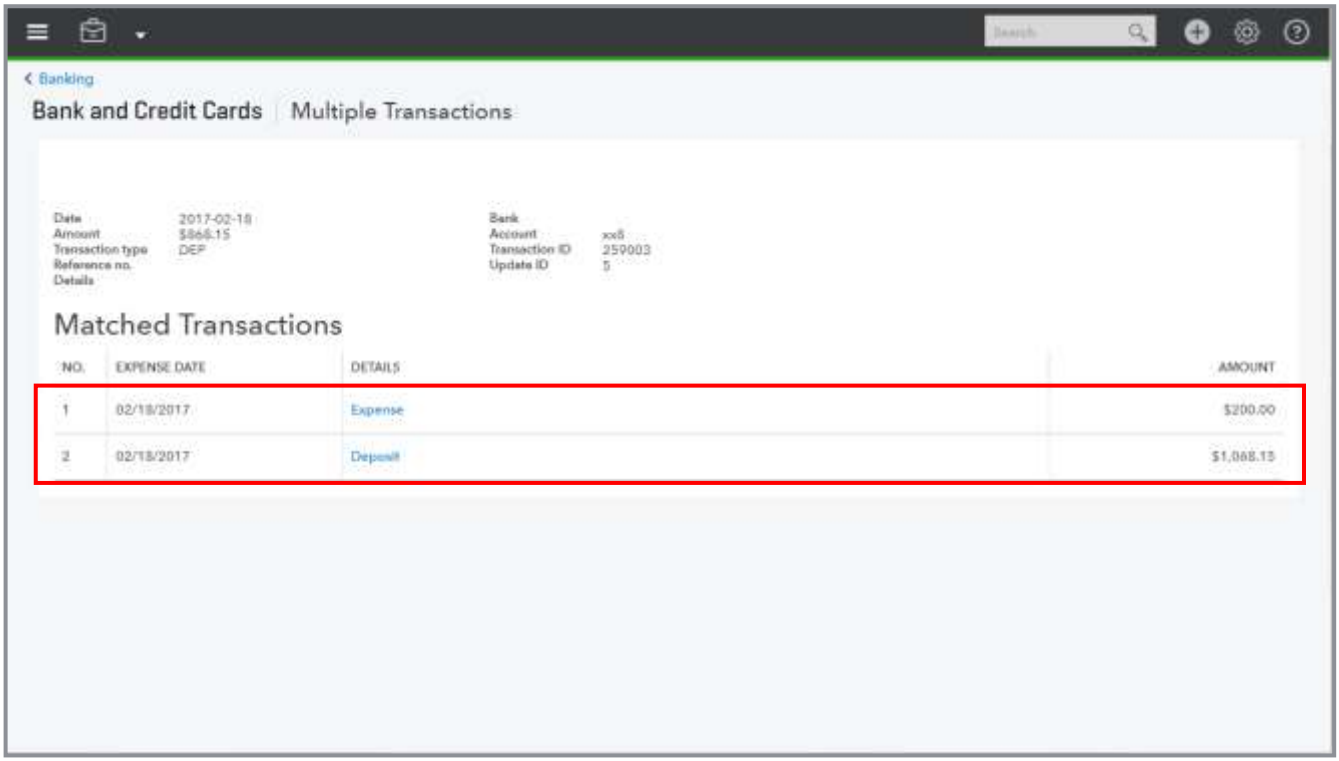
When reconciling the bank account, these individual payments will not agree to the total deposit amount found on the bank statement.



It is a best practice to close invoices by using the Receive Payment screen to record the payments to Undeposited Funds. Then use the Banking screen's Find match mechanism to match the one bank activity to multiple payments. QuickBooks Online will then group the payments together on one deposit transaction matched to the bank feed.



Similarly, when you resolve a difference on a deposit on the Match transactions screen, QuickBooks Online records a new deposit or expense transaction, separate from the other deposit that grouped the selected payments together.

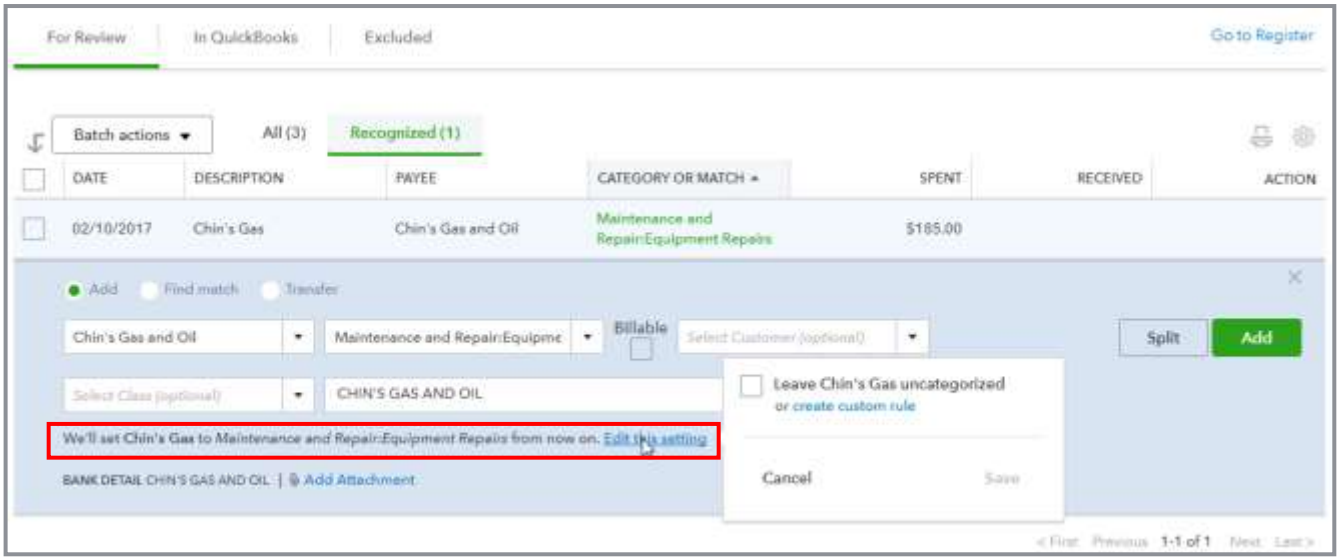


When you reconcile the account, this resolve difference deposit or expense transaction will not agree to the total deposit found on the bank statement. You'll need to check off the grouped payments deposit and the resolve difference deposit or expense to agree to the amount on the bank statement.

SUGGESTIONS

In the recognized bank activity on the For Review tab, if not a match or a rule, QuickBooks may make a suggestion. When QuickBooks Online recognizes the bank description it may automatically recall the same vendor and category assignments you used on previous bank feeds. QuickBooks is trying to be helpful and automate work, assuming you may want to be consistent and code the activity the same as you did previously. Consider these suggestions that help automate your workflow, but be sure to change the vendor and/or category assigned if either is not correct.

When you change the category on one of the suggestions, a message appears, "We'll set [merchant] to [new account selected] from now on." Next to this message is a hyperlink to Edit this setting. *Note that the action to display this option is when the suggested account category is changed.*



1. Check the box Leave [merchant] uncategorized, such as bank activity like wire out that would change vendor and categorization with each instance.
2. Click the hyperlink to create custom rule to further define and manage the conditions and allocation of this merchant's financial activity.

QuickBooks Online is programmed to not automatically recall the previous category assignments for certain generic terms like check and deposit since these are invariably not coded the same.

Batch Actions

Let's walk through a common scenario for working the bank feed.

1. Click the For Review tab in the Banking Center.
2. Click Recognized to view activity related to matches, rules and other suggestions.
3. Sort the banking grid by the Category or Match column.
4. Find the group of green Match activity. Click each row to review details.
    a. Check the box in the first row in the range, hold the Shift key and check the last row in the range. All boxes between the rows checked will be selected.
    b. Deselect any you do not want to match.
    c. Click Batch actions → Accept Selected.

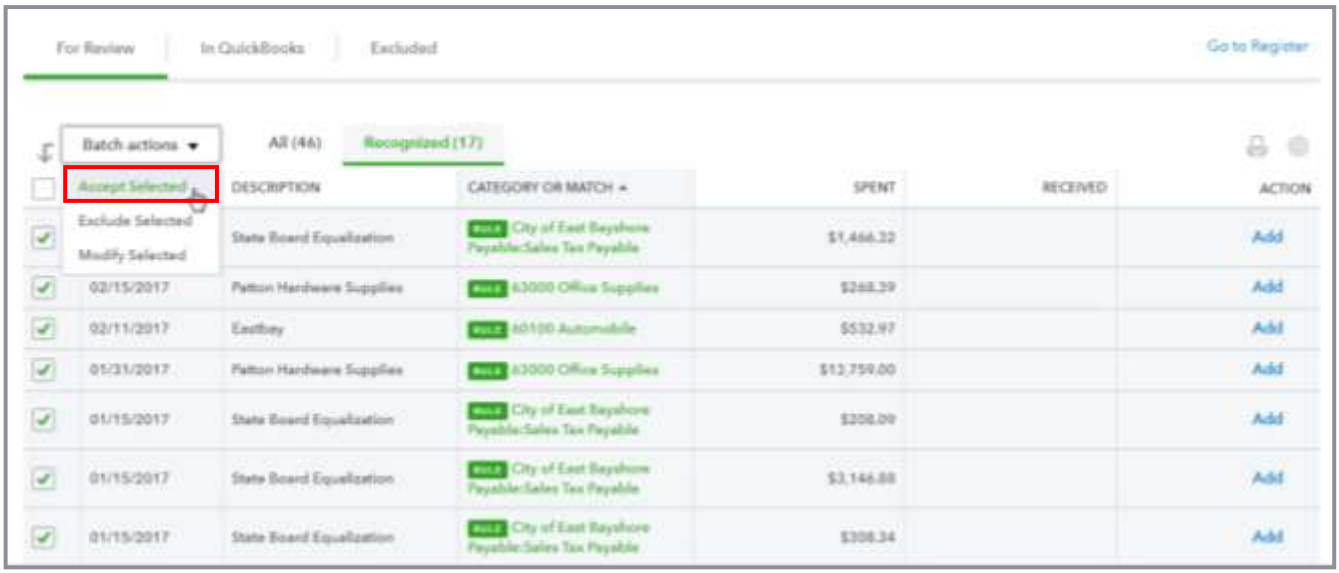


5. Find the group of green Rule activity. Click each row to review details.

   a. Check the box in the first row in the range, hold the Shift key and check the last row in the range. All boxes between the rows checked will be selected.

   b. Deselect any you do not want to match.

   c. Click Batch actions → Accept Selected.

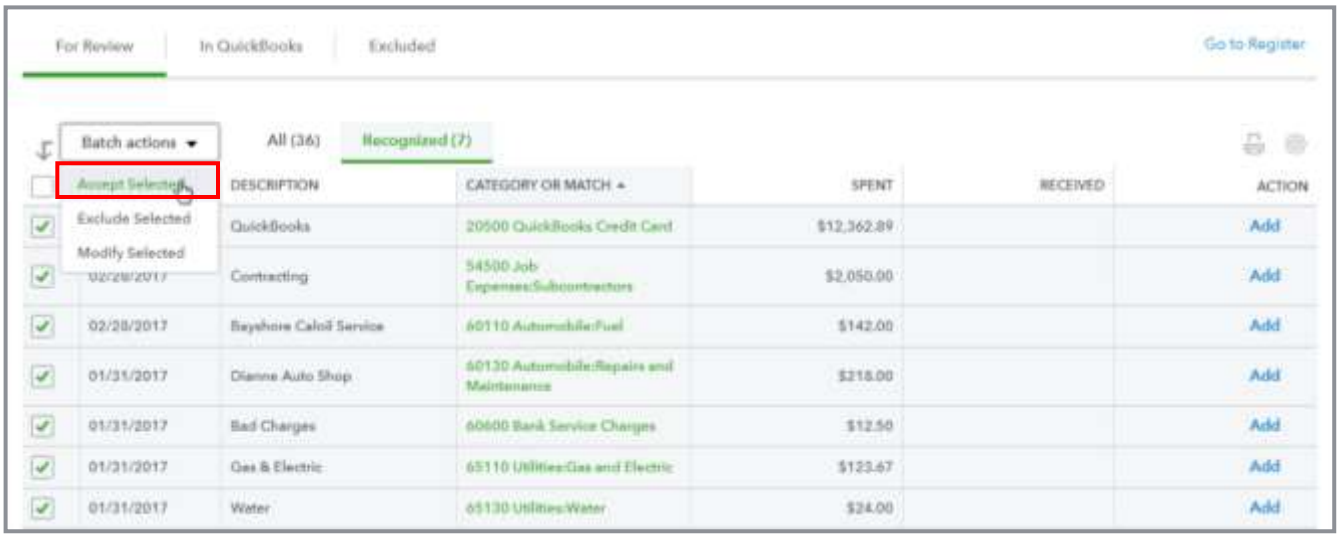


6. Find the remaining bank activity with green suggested account categories assigned. Click each row to review details and modify as needed.

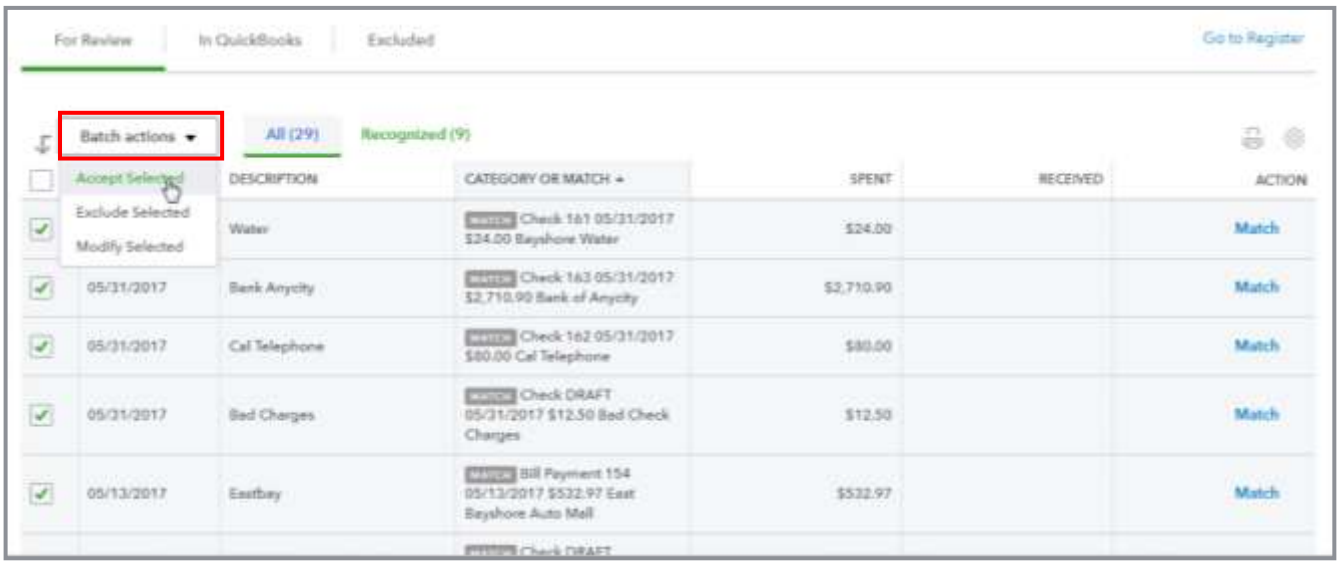
   a. Check the box in the first row in the range, hold the Shift key and check the last row in the range. All boxes between the rows checked will be selected.

   b. Deselect any you do not want to match.

   c. Click Batch actions → Accept Selected.



7. Click the All button to view the remaining banking activity that was not recognized.
8. Sort the banking grid by the Category or Match column.
9. Find any group of gray Match activity. Gray matches mean QuickBooks Online has found more than one transaction. Click each row to view the options and select the proper transaction to match the bank activity. You can match these one at a time or select several.
    a. Check the box in the first row in the range, hold the Shift key and check the last row in the range. All boxes between the rows checked will be selected.
    b. Deselect any you do not want to match.
    c. Click Batch actions → Accept Selected.



10. Sort the banking grid by the Description column to sort the bank activity by merchant description.

11. Find any group of merchants that would potentially be coded the same.

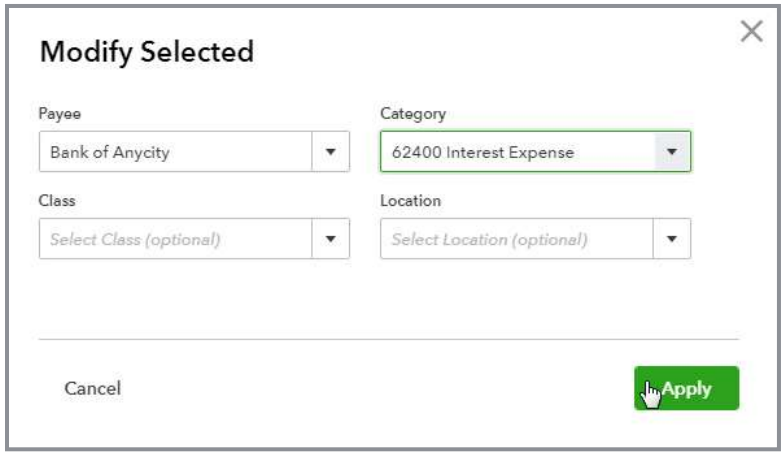
    a. Check the box in the first row in the range, hold the Shift key and check the last row in the range. All boxes between the rows checked will be selected.

    b. Deselect any you do not want to add.

    c. Click Batch actions → Modify Selected.



    d. Specify the payee (vendor), category class and/or location. (Customer and billable are not available in this batch action – only on individual rows.)



    e. Click Batch actions → Accept Selected.

12. Select any banking activity that is a duplicate or for some other reason needs to be excluded. Click Batch actions → Exclude Selected.



13. Click the Excluded tab.

    a. Select any transactions that were uploaded into QuickBooks Online as duplicates.

    b. Click Batch actions → Delete.

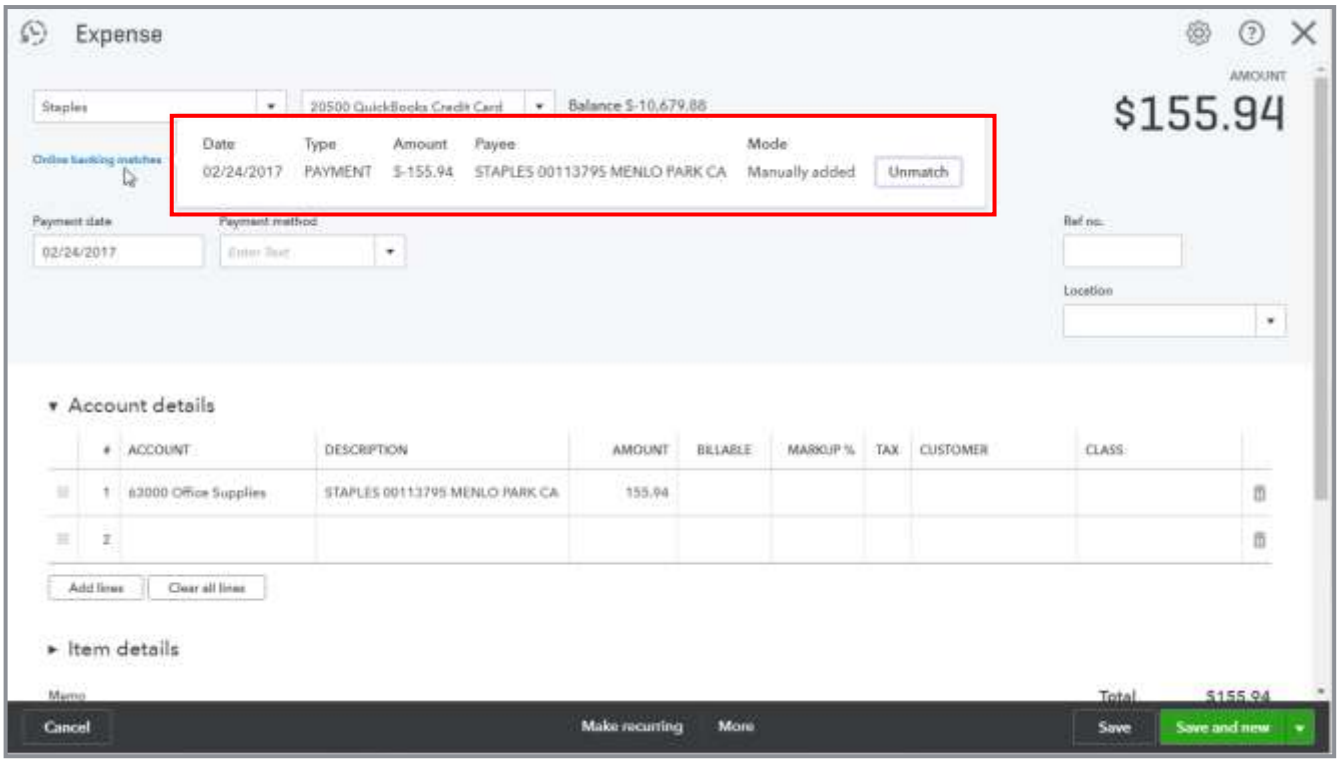


14. Return to the For Review tab and work individually on the remaining bank activity to add, find match or exclude as needed.

BREAK THE CONNECTION

When an account is disconnected from the bank, the bank's card or tile in the upper section of the Banking Center will disappear. With it, all bank activity in the For Review tab that has not been added or matched and all bank activity in the Excluded tab will be hidden from the Banking grid.

Any bank activity that was matched to transactions will remain matched. There won't be a card on the Banking screen with an In QuickBooks tab to find these, but you can navigate to the transaction and click the link to view the linked bank activity.

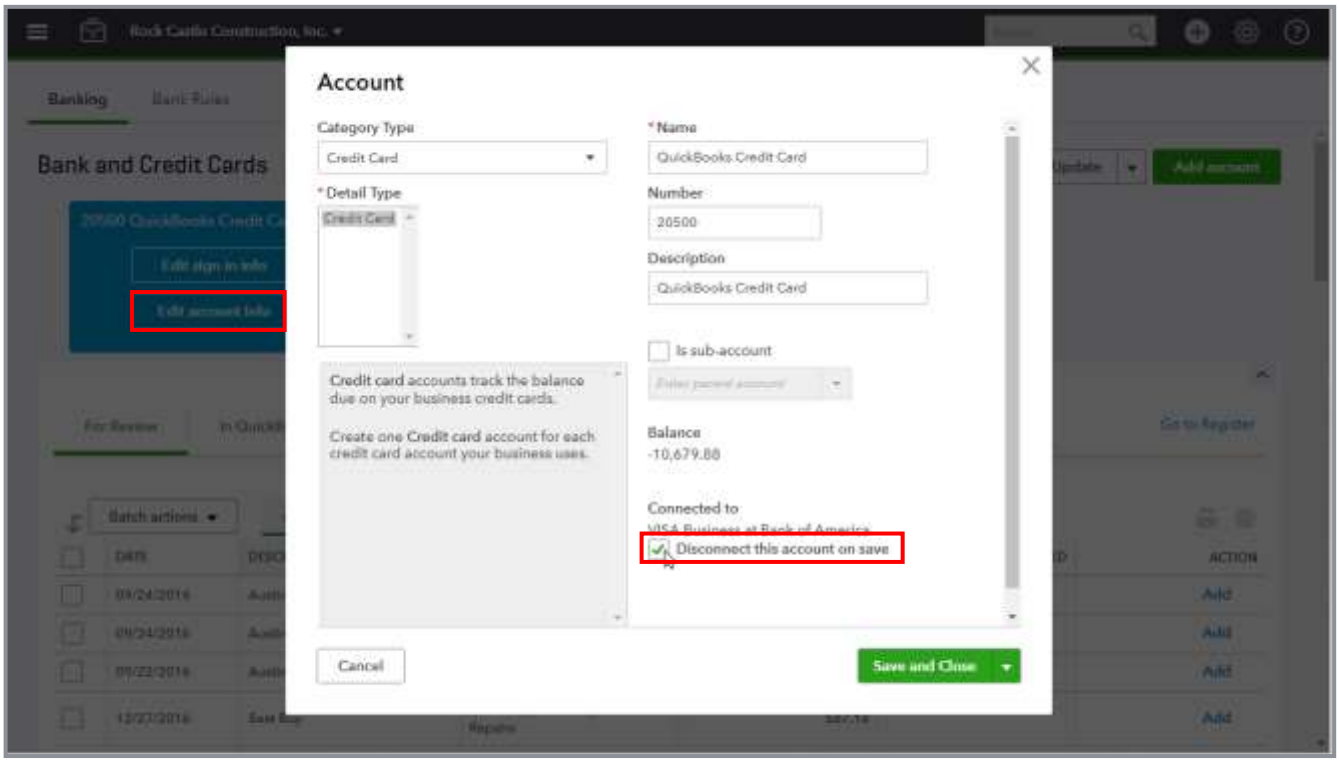


If you reconnect the online bank account to the same GL account, all the bank activity in the For Review, In QuickBooks and Excluded tabs will be restored as they were when you disconnected. If you had a year's worth of downloaded bank activity on the For Review tab when you disconnected, and when you reconnected you could only choose to pull in a max of 90 days of activity, all the prior bank activity plus any new activity up to 90 days ago will be shown in the bank grid. QuickBooks Online is not pulling in this older-than-90-days data again, it is showing it again.

If you reconnect the online bank account to a new or different GL account, it acts like a first-time connection and pulls in up to 90 days to the For Review tab. None of the historical bank activity on the For Review or Excluded tabs will be shown.

Anytime you connect to an online account, QuickBooks Online will attempt to block any duplicates of bank activity by comparing the bank activity to the activity already on the For Review, In QuickBooks and Excluded tabs. If you hard-deleted activity from the Excluded tab, this activity could be pulled in again during a re-connect. If you connected a new online account, or re-connected an online account to a different GL account, then there is no activity in any of the banking grid's tabs for QuickBooks Online to block duplicates against, so all activity in the date range will be downloaded. In all cases, upon initial connection and reconnecting, be diligent and look for whether there are any duplicates downloaded from the online banking site.

As you learned in core certification, sometimes you have to troubleshoot the bank connection. First click the Update button on the Banking screen. If that doesn't work, then click the pencil icon on a bank or credit card tile. Click the Edit sign-in info button to update username and password criteria. If that doesn't work, click the pencil icon again then click the Edit account info button. There you can check the box to disconnect and reconnect the account, as we just discussed.



If none of these steps work, your final option would be to call ProAdvisor support, they have a special department that can work with banks.

If you're merging bank or credit card accounts connected to online banking, first disconnect the account that will no longer be used. Re-name the account that will no longer be used; give it the exact same name and account type as the account you want to merge into. All transactions posted to the unused account will be moved to the active account and the unused account will be made inactive. The bank will stay connected on the active, unchanged account and show activity in For Review, In QuickBooks and Excluded.

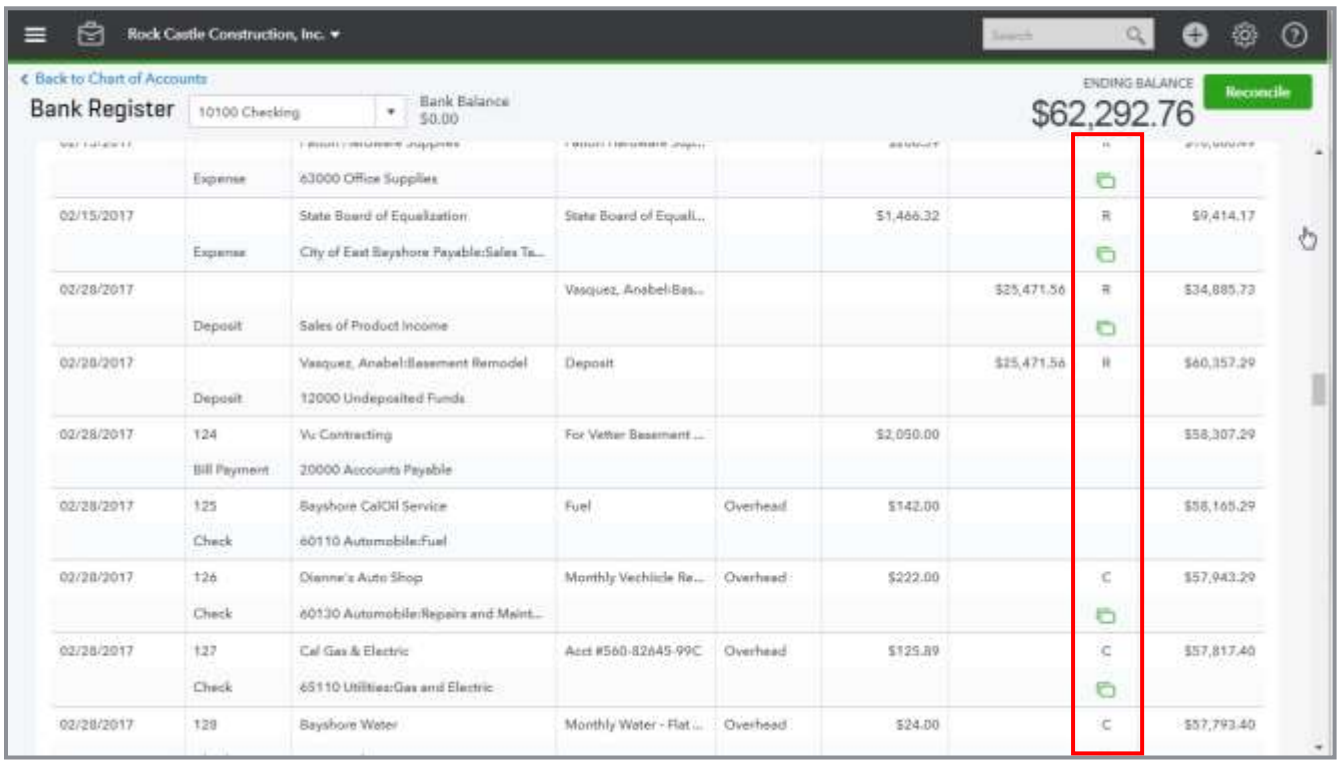
Topic 2: Bank Reconciliation

Reconciling bank and credit card accounts to statements received from financial institutions is a central component of closing the books. It can help identify incorrect, missing and duplicate transactions that cause the bank and QuickBooks to differ. The QuickBooks Online Core Certification course covers how to use QuickBooks Online's reconciliation tool to easily manage this important task. Here we'll explore more advanced usage and troubleshooting of this tool.

Reconciliation Logic

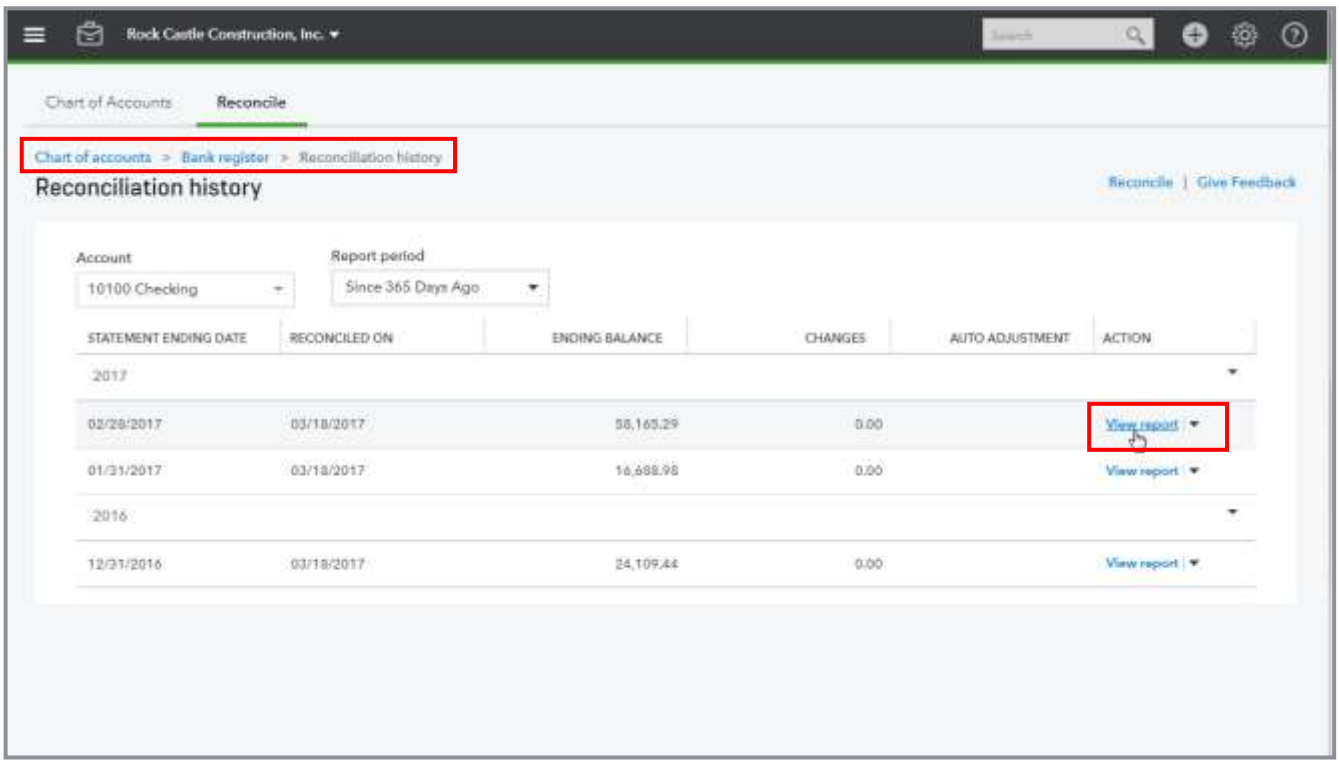
The Reconcile tool allows you to reconcile most balance sheet accounts. Balance sheet accounts have registers where you can view all transactions posted to the account and their reconciliation status. In an account register, you'll see a narrow column with a checkmark at the top. This column indicates the reconciliation status of each transaction.

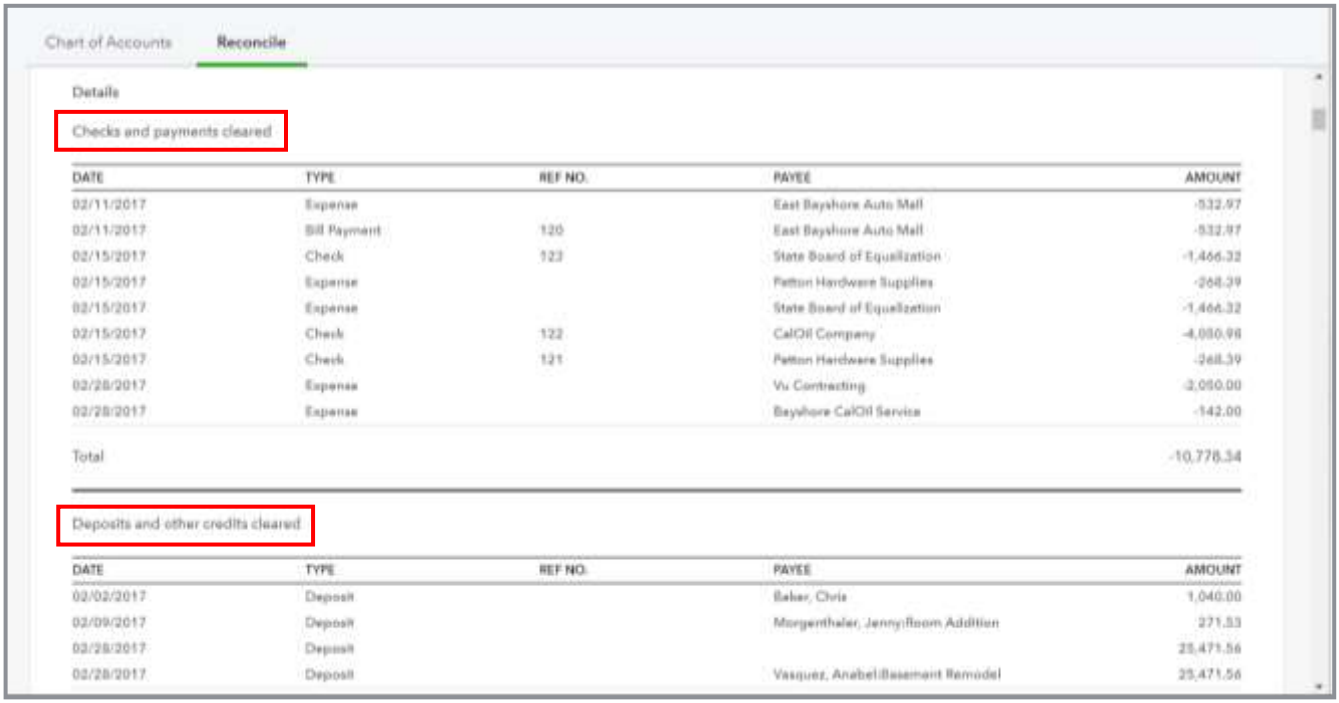
- Transactions with a blank status are Uncleared
- When bank feed is linked to a transaction or when a transaction is checked in a not-yet-completed reconciliation, the status is changed from Uncleared to Cleared [C].
- When a transaction is selected during a reconciliation, the status is changed to Reconciled [R] when the reconciliation is finished



In the account register, you can use the filter to show, for example, all transactions that are No Status to view open transactions that have not been matched to bank feed nor reconciled, to tie the bank balance to the register balance.

When transactions are checked off as reconciling items during a reconciliation, the Reconcile tool keeps track of which reconciliation a transaction was grouped with. These reconciling items for a particular period can be found in the list of cleared transactions on the Reconciliation report for a particular period.

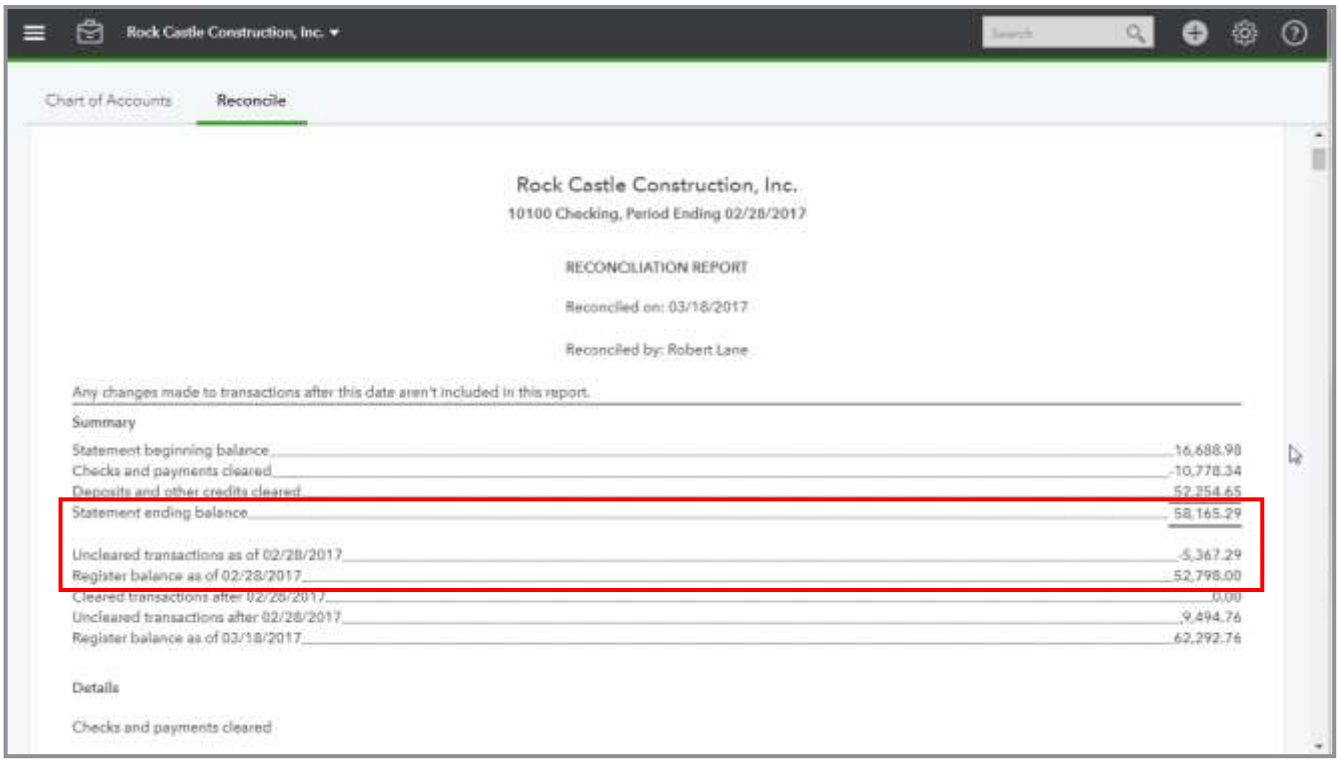

Rock Castle Construction, Inc.
Chart of Accounts
Reconcile
Chart of accounts > Bank register > Reconciliation history
Reconciliation history
Reconcile | Give Feedback
Account
10100 Checking
Report period
Since 365 Days Ago
STATEMENT ENDING DATE
RECONCILED ON
ENDING BALANCE
CHANGES
AUTO ADJUSTMENT
ACTION
2017
02/28/2017
03/18/2017
58,165.29
0.00
View report
01/31/2017
03/18/2017
16,688.98
0.00
View report
2016
12/31/2016
03/18/2017
24,109.44
0.00
View report


Chart of Accounts
Reconcile
Details
Checks and payments cleared
DATE
TYPE
REF NO.
PAYEE
AMOUNT
02/11/2017 Expense East Bayshore Auto Mall -532.97
02/11/2017 Bill Payment 120 East Bayshore Auto Mall -532.97
02/15/2017 Check 123 State Board of Equalization -1,466.32
02/15/2017 Expense Patton Hardware Supplies -268.39
02/15/2017 Expense State Board of Equalization -1,466.32
02/15/2017 Check 122 CalOil Company -4,050.98
02/15/2017 Check 121 Patton Hardware Supplies -268.39
02/28/2017 Expense Vu Contracting -2,050.00
02/28/2017 Expense Bayshore CalOil Service -142.00
Total -10,778.34
Deposits and other credits cleared
DATE
TYPE
REF NO.
PAYEE
AMOUNT
02/02/2017 Deposit Baker, Chris 1,040.00
02/09/2017 Deposit Morgenthaler, Jenny:Room Addition 271.53
02/28/2017 Deposit 25,471.56
02/28/2017 Deposit Vasquez, Anabel:Basement Remodel 25,471.56

Reconciliation Report

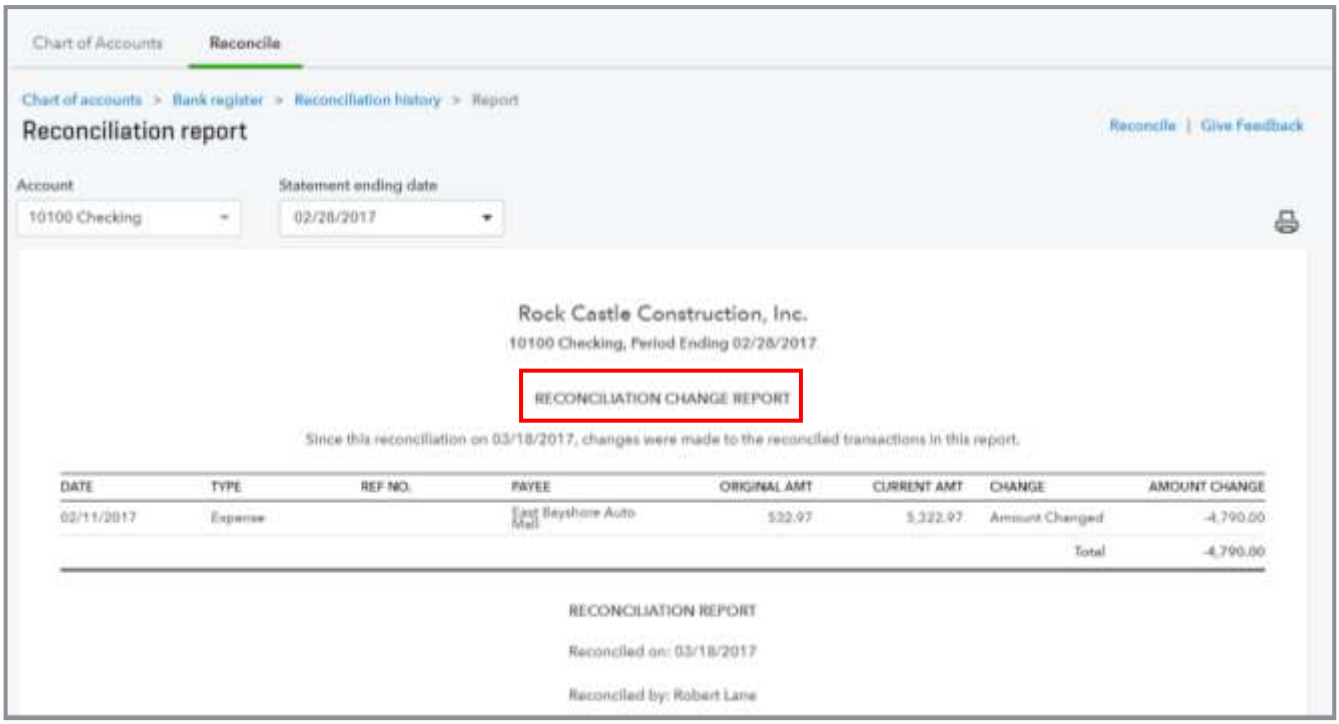
When a balance sheet account is reconciled, the Reconciliation report acts as the supporting documentation that ties the ending balance on the bank statement as of a particular date to the ending balance in the QuickBooks Online account as of the same date. This report lists all the details about which transactions were reconciled and which were not at the time of the reconciliation.

- The difference between the bank statement's ending balance and the book's register balance are the uncleared transactions dated as of the period end date



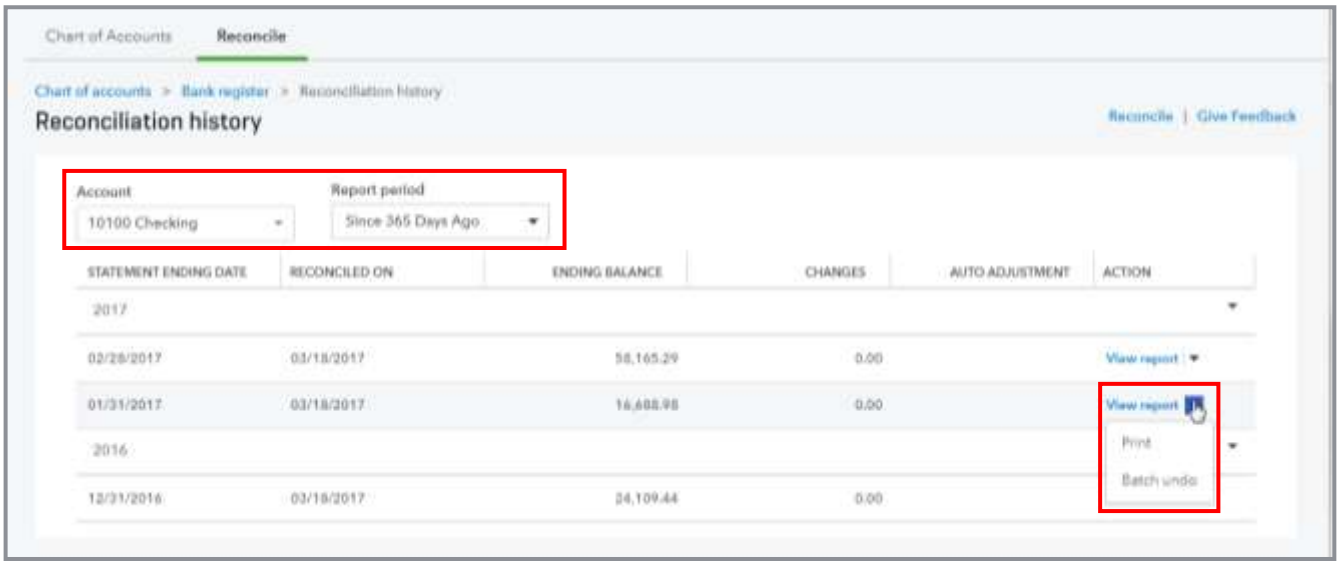
- The Reconciliation report retains its original details and does not reflect changes made after the reconciliation

- Any changes made to transactions after the reconciliation date on the report are reflected above the report in the Reconciliation Change Report section, which shows the type of change (such as unreconciled, deleted, amount change) and the amount changed



Step-by-Step: Run a Previous Reconciliation Report

1. Navigate to the Reconcile → Reconciliation history screen.
2. Use the Account drop-down menu to select the account.
3. Use the Report period drop-down menu to show all reports or only the past 365 days.
4. Click a row to view its Reconciliation report or click the down arrow in the Action column to print or undo that row's reconciliation. The undo option is only available if the QuickBooks Online company is accessed from QuickBooks Online Accountant. When you undo a reconciliation that is prior to the latest reconciliation, you will undo all subsequent reconciliations.

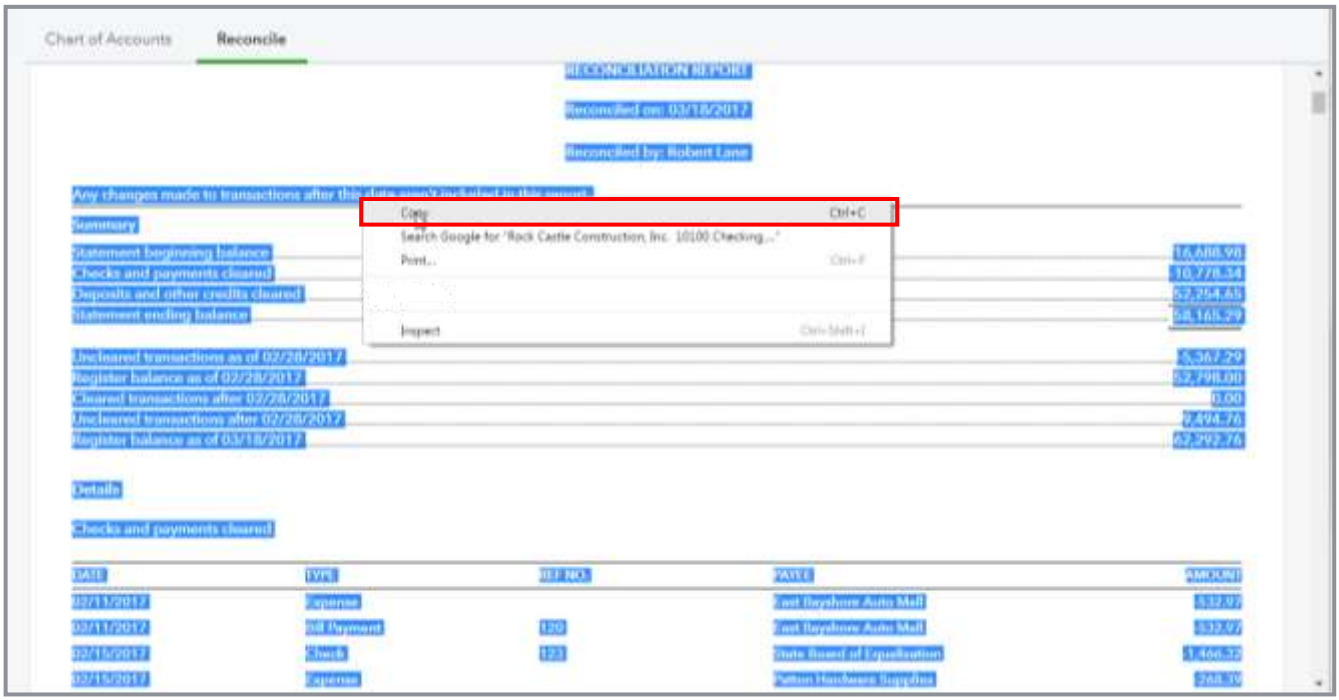


Remember that if you've imported your data from QuickBooks Desktop, reconciliations performed in QuickBooks Desktop don't convert, so those period reconciliation reports will not be available in QuickBooks Online.

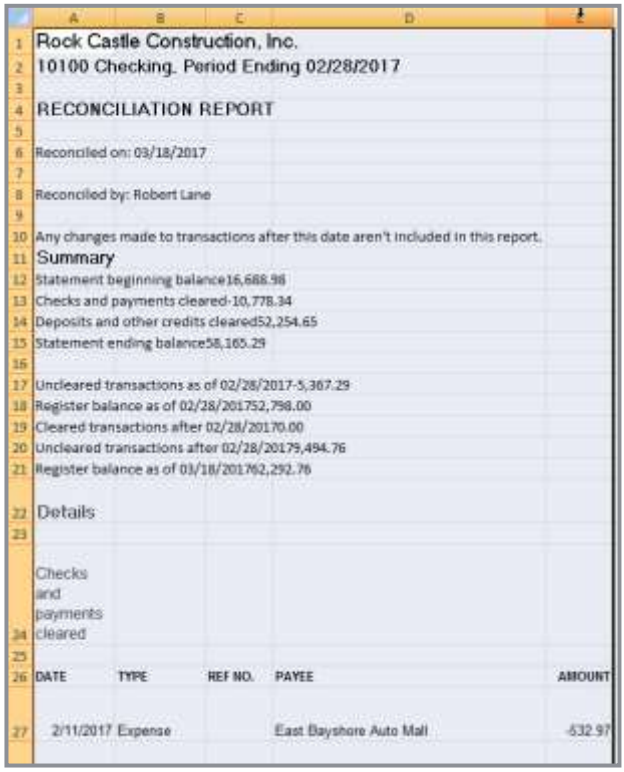
The Reconcile report doesn't have an option to export it to Microsoft Excel®. However, there is a simple workaround to accomplish this.

Step-by-Step: **Copy Report Information into Excel**

1. Find the Reconcile report you want to print.
2. Highlight the information on the report.
3. Right-click and copy the information.



4. Open Excel and paste the information.
5. Adjust the column widths for the format of the Excel report to show all the information.
6. Click Save.



	A	B	C	D	E
1	Rock Castle Construction, Inc.				
2	10100 Checking. Period Ending 02/28/2017				
3					
4	RECONCILIATION REPORT				
5					
6	Reconciled on: 03/18/2017				
7					
8	Reconciled by: Robert Lane				
9					
10	Any changes made to transactions after this date aren't included in this report.				
11	Summary				
12	Statement beginning balance				16,688.98
13	Checks and payments cleared				-10,778.34
14	Deposits and other credits cleared				52,254.65
15	Statement ending balance				58,165.29
16					
17	Uncleared transactions as of 02/28/2017				-5,367.29
18	Register balance as of 02/28/201				752,798.00
19	Cleared transactions after 02/28/2017				0.00
20	Uncleared transactions after 02/28/2017				9,494.76
21	Register balance as of 03/18/201				762,292.76
22	Details				
23					
24	Checks and payments cleared				
25					
26	DATE	TYPE	REF NO.	PAYEE	AMOUNT
27	2/11/2017	Expense		East Bayshore Auto Mall	-532.97

Reconcile Other Balance Sheet Accounts

In addition to bank and credit card accounts, QuickBooks Online's reconciliation tool allows you to reconcile most balance sheet accounts in order to track open items responsible for account balances. Some examples of other balance sheet accounts that are appropriate candidates for reconciliation include Prepaid Expenses (asset), Employee Advances (asset), Deposits Paid (asset), Retainers Received / Unearned Income (liability), Garnishments Payable (liability), Opening Balance Equity (equity). Balance sheet accounts that cannot be reconciled using this tool include Accounts Receivable, Undeposited Funds, Accounts Payable and Retained Earnings accounts.

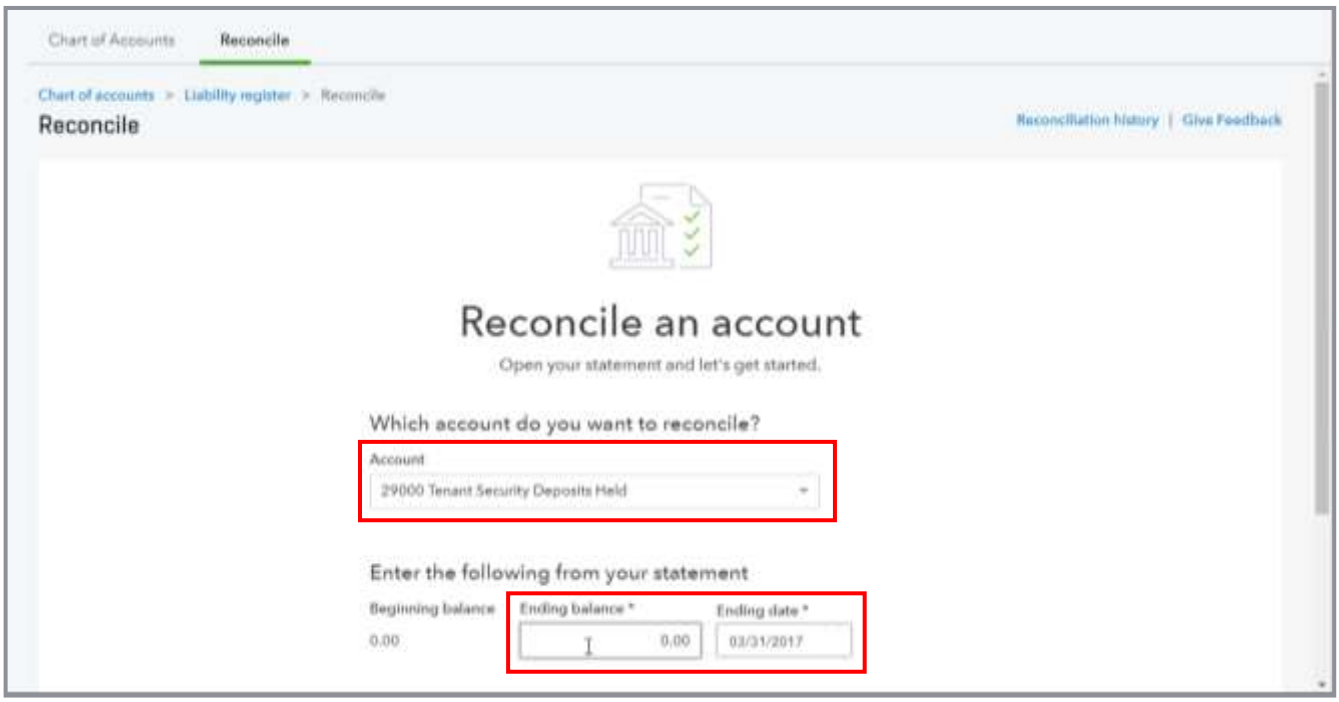
When you reconcile a balance sheet account that has no statement received from a financial institution with an ending balance, you will reconcile to ending balance zero and check off all debits and credits that wash each other out, leaving unreconciled open transactions for which you can run a report (see Module 5) and which make up the detail of the account's balance.

Step-by-Step: Reconcile Other Balance Sheet Account

Let's reconcile a Tenant Security Deposit liability account to create a Security Deposits Owed to Tenants report.

1. Each time you record the receipt of a security deposit, code it to the liability account. *It's important to include the tenant name to get the best results.*
2. When you return the security deposit to the tenant after they move out, code the check payable to them to the same account. *It's important to include the tenant name to get the best results.*

3. Each period, reconcile the Tenant Security Deposit using the period ending date and an ending balance of zero.



4. Mark both the check you wrote to reimburse the tenant and the original deposit received from the tenant cleared. The difference will be zero. Remember, only clear the security deposits you've returned.

5. Click Finish Now to save the reconciliation.



All the security deposits received that have not yet been returned remain Uncleared. You'll learn how to run a custom report for all uncleared items in Module 5 so you have quick access to a report of Security Deposits Owed to Tenants.

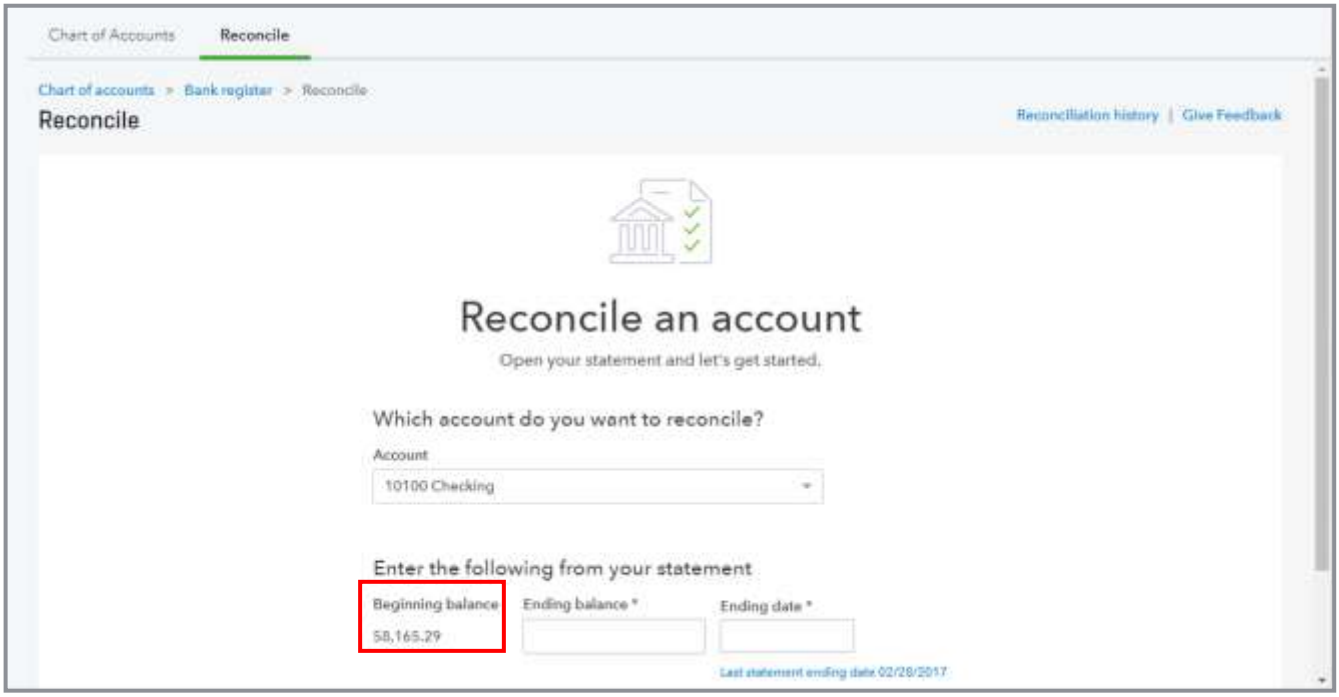
TROUBLESHOOT RECONCILIATION

When a bank, credit card or other account won't reconcile to the ending balance on a statement, there are two areas to troubleshoot to find your solution:

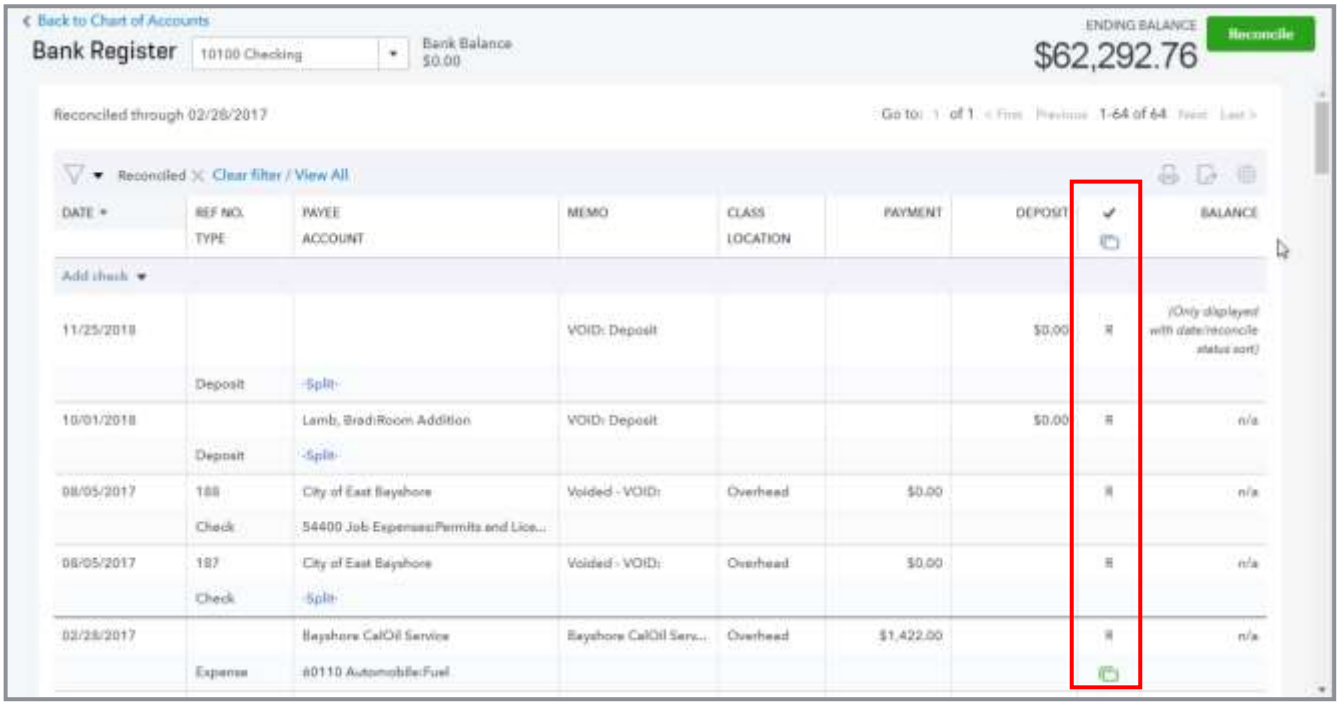
- Beginning balance
- Current reconciling items

Troubleshoot Beginning Balance

When you begin a new reconciliation, QuickBooks Online asks for the statement ending date and ending balance. It does not ask for the beginning balance, instead it shows the calculated beginning balance. This is not a static, memorized number based on the ending balance you entered on the last reconciliation. QuickBooks Online calculates this beginning balance the moment you begin a new reconciliation.



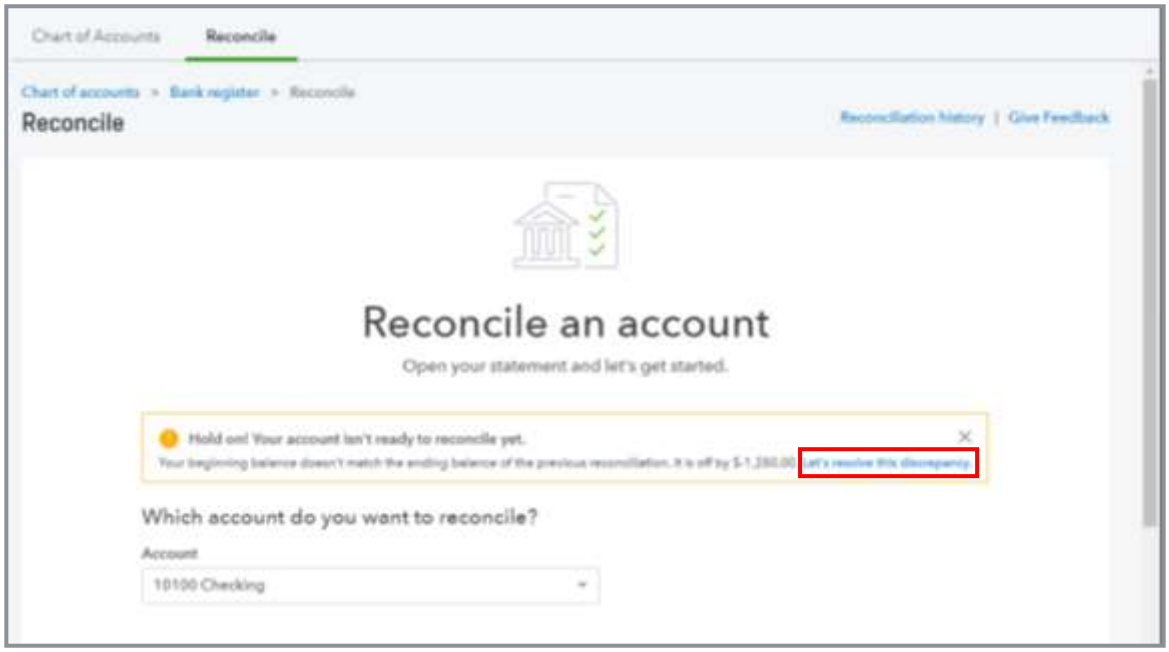
It is the sum of *all* the transactions posted to the account with any date prior or future that is marked as reconciled. You can view the reconciliation status of a transaction from the register. Transactions with the status R affect the beginning balance on a reconciliation.



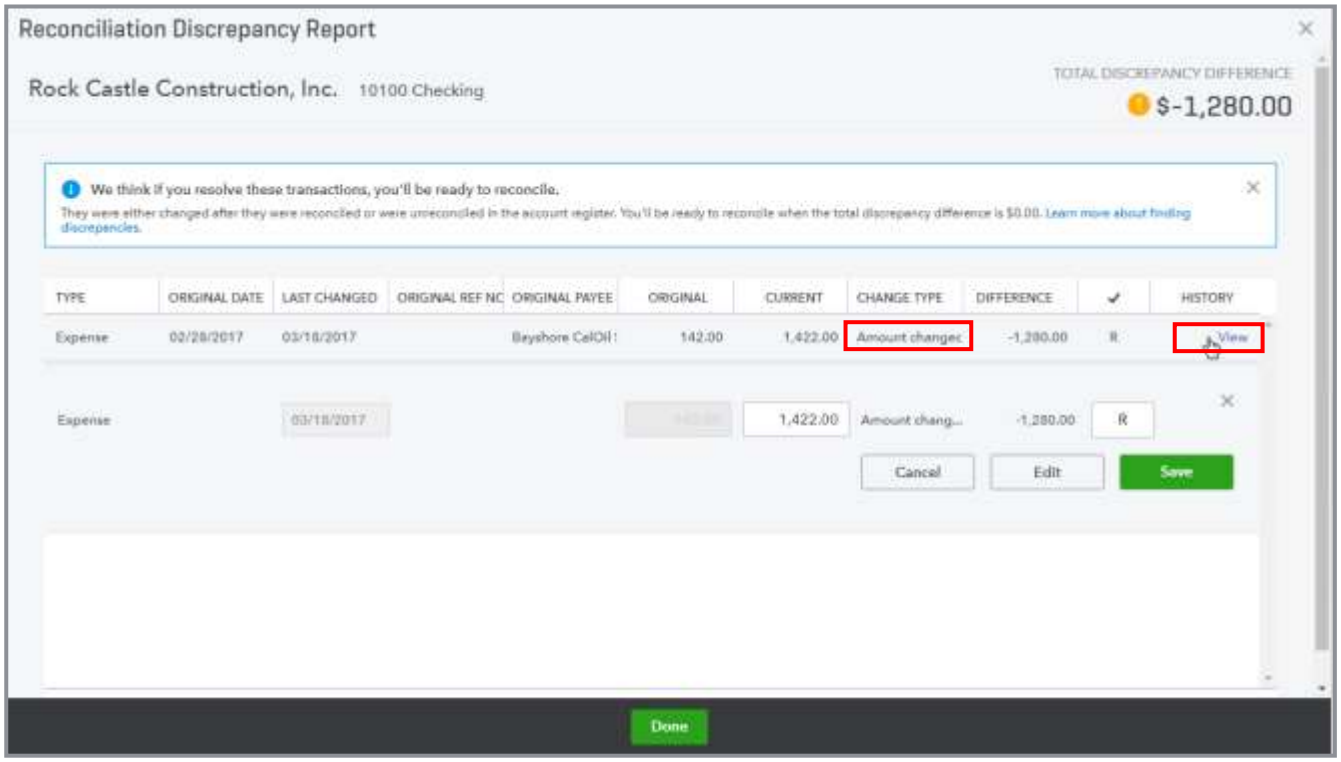
Transactions can be marked as reconciled by being checked off in a reconciliation that is completed or they can be marked as reconciled by changing their reconciliation status directly in the register from a blank or C to an R.



As soon as any reconciled transaction is changed, the reconciliation screen displays an alert that your account is not ready to reconcile because your beginning balance doesn't match the ending balance of the previous reconciliation.



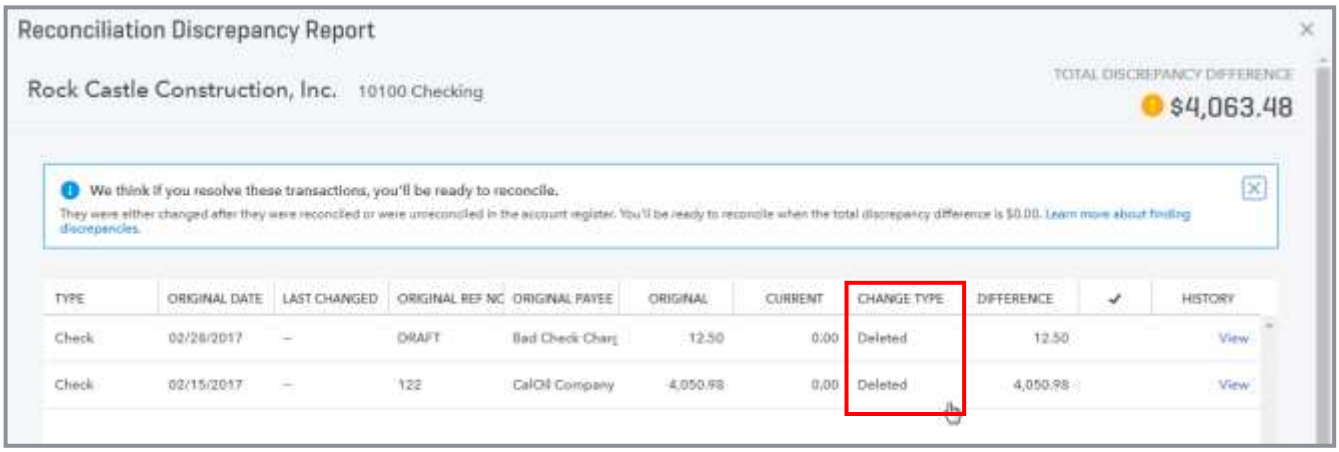
When you begin a reconciliation, if that alert is showing, resolve those discrepancies first before continuing with the next reconciliation. Click the link in the alert message to resolve the discrepancy. This will take you to the Reconciliation Discrepancy Report screen which shows the amount of the discrepancy difference and lists any transaction that was changed after it was reconciled. Click a transaction to view or edit it. The alert, the Discrepancy Report list, and the click-through to changed transactions dramatically reduces the amount of time it takes to make sure the beginning balance is correct.



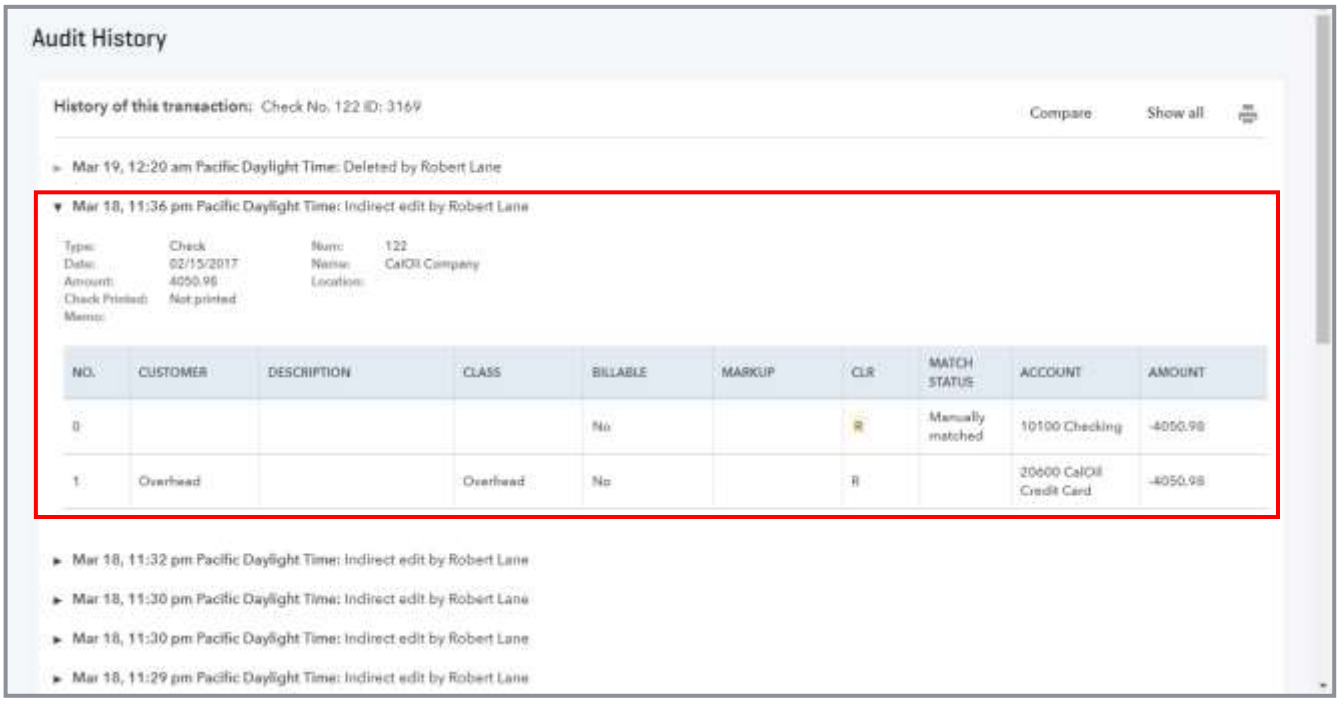
Let's explore some common occurrences that cause the beginning balance to change, which you'll find on the Reconciliation Discrepancy Report screen.

Reconciled Transactions Deleted

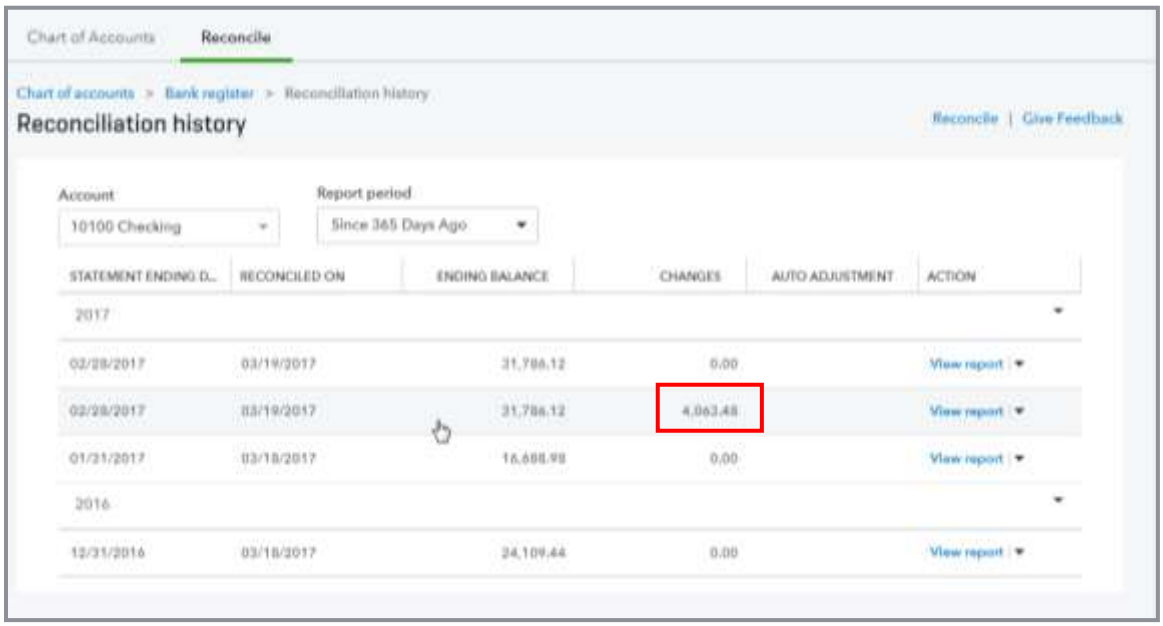
If previously reconciled transactions are deleted, this will affect your beginning balance. View the Reconciliation Discrepancy Report screen to identify which transactions were deleted.



Click the View link to see the details found on the Audit History screen for each deleted transaction. Use these details to re-enter the deleted transactions if appropriate.



Once re-entered, check the Banking screen to see whether the bank activity is in For Review or Excluded, and link it to the newly re-entered transaction. Then reconcile the transaction. You can do this individually by clicking the status column of the transaction in the account register. Or you can perform a one-time adjustment reconciliation. Start a new reconciliation; use the same date as the last reconciliation. Check off all the remaining formerly-deleted transactions that did clear the bank, make sure difference is zero, click Finish. Both of these options will correct the beginning balance on the Reconcile screen, but the Reconciliation history report for the original period(s) will continue to show those deleted transactions as changed, since it was re-entered and re-reconciled outside that particular Reconciliation report grouping.

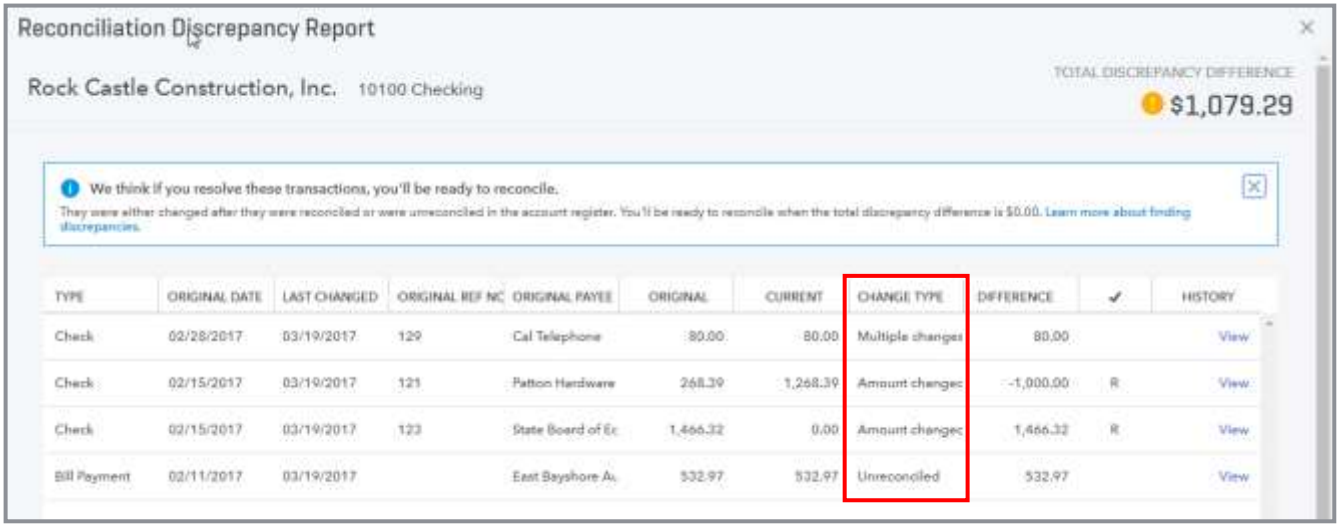


Another option is to undo the reconciliation and re-do it. When troubleshooting deleted transactions, consider whether there had been duplicate transactions that were previously identified. Perhaps the duplicates were deleted, leaving the books correct with only one of each transaction. If the duplicates that were deleted were the R Reconciled status, then you don't need to re-enter them. The solution would be to mark these remaining transactions reconciled.

Reconciled Transaction Changed

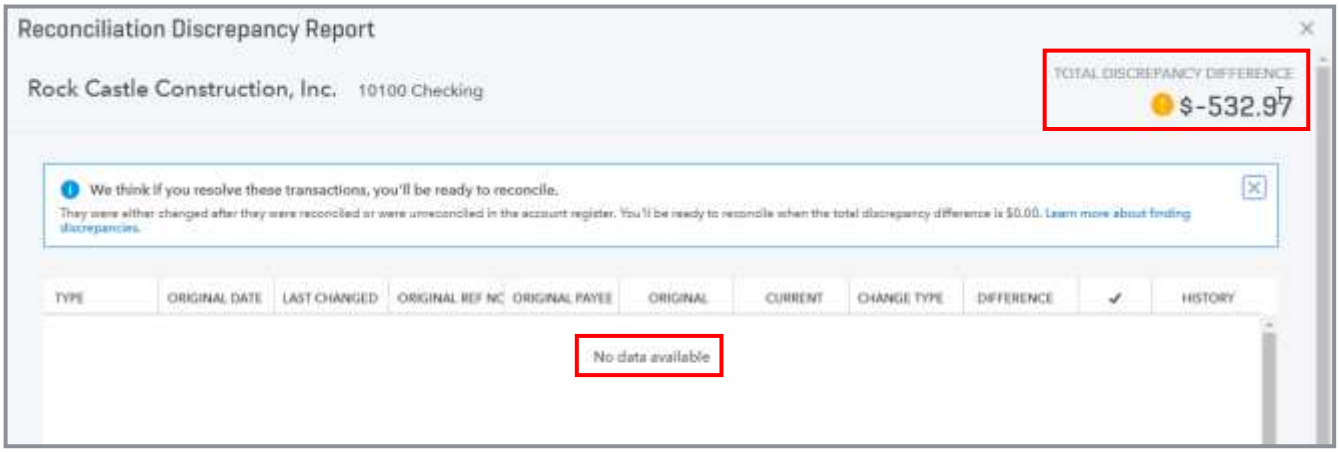
If the status or amount of a reconciled transaction changed, then you will have a discrepancy. You will find these instances on the Reconciliation Discrepancy Report screen.

If you accidentally clicked a line in the register and marked a reconciled [R] transaction as cleared [C] or uncleared [blank], this will affect your beginning balance. If the amount on a reconciled transaction is changed, if a transaction is voided, or if the bank/credit card account on a reconciled transaction is changed (similar to deleting a transaction, you've now removed it from this account register) – this will affect your beginning balance.



Unreconciled Transaction Changed

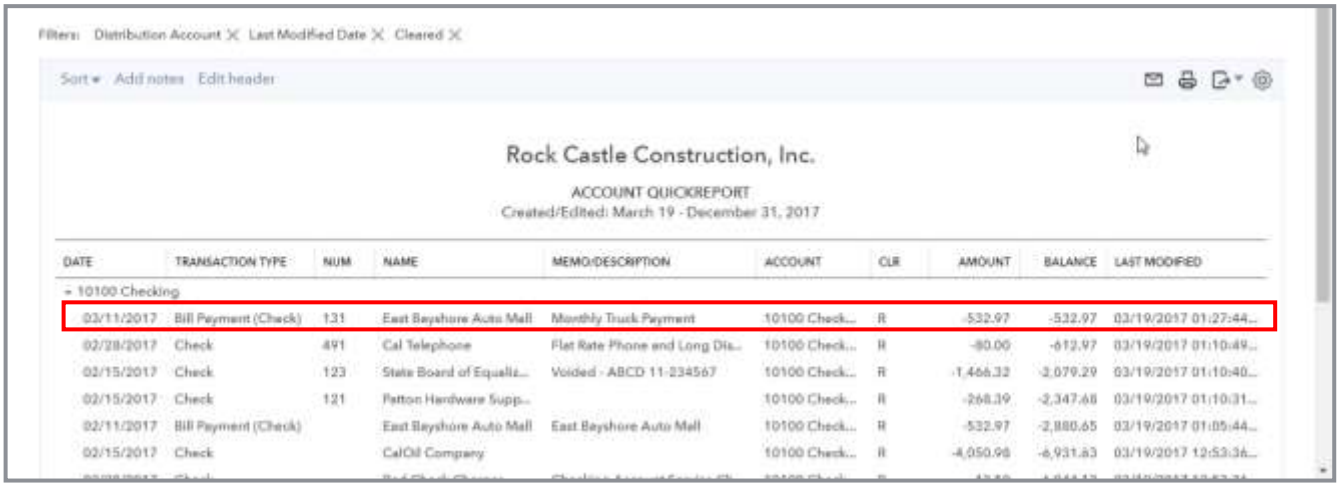
If an unreconciled transaction (past or future) was accidentally marked as status R on the register, this will affect your beginning balance. The Reconciliation Discrepancy Report screen will track the discrepancy difference, but the list does not show the previously-unreconciled transaction that was manually marked reconciled.



When troubleshooting this scenario, run this custom report to search for the culprit:

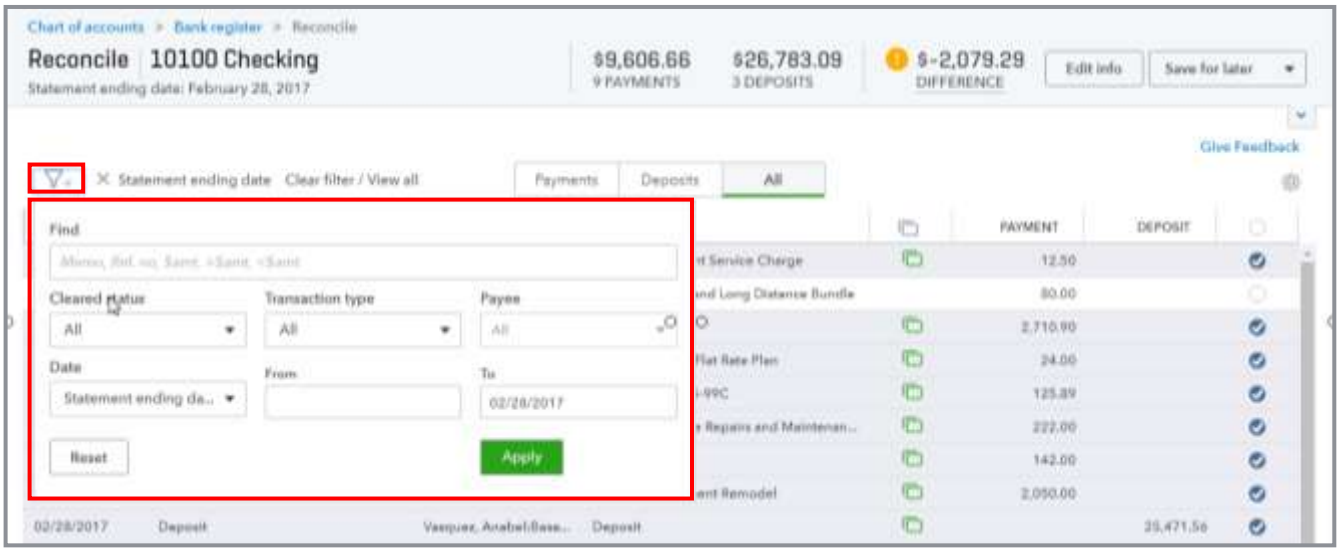
Step-by-Step: Report of Last Modified Reconciled Transactions

1. Navigate to Reconcile → History and Reports. Find the Reconciled On date when the last reconciliation was performed.
2. From the Chart of Accounts select the proper bank account and click Report.
3. Set the Transaction Date to All Dates.
4. Customize the report:
   - Rows / Columns: add the Last Modified date field as a column to the report
   - Filter: Last Modified Date for the date the last reconciliation was performed
   - Filter: Cleared for only Reconciled status
5. Sort by → Last Modified in Descending order.
6. Run Report to view transactions marked as Reconciled after the last reconciliation.



Troubleshoot Current Reconciling Items

The Reconcile screen provides many tools for working with current reconciling items. Use the filters to locate specific transactions.



When needed, click on a transaction to edit it onscreen or click the Edit button to edit the entire transaction.

When your online bank or credit card account is connected to your QuickBooks Online account, downloaded bank activity that is added or matched to a transaction marks the transaction with a C for cleared. When you reconcile the account, you'll find these cleared transactions already have a checkmark next to them. This makes your reconciliation quicker.

Sometimes it doesn't work out. If the beginning and ending balances on the reconciliation match the bank statement and the reconciliation difference does not equal zero, then the error lies in the open reconciling items. These are the transactions that have or have not been checkmarked. Use these steps to help find the reconciling item(s) causing the discrepancy:

1. Verify whether you typed in the ending date and balance correctly on your reconciliation. An incorrect amount will keep you from reconciling to zero. An incorrect date can cause transactions to be hidden or incorrectly checked off.

2. On the bank statement, compare the total withdrawals amount and the total deposits amount to the totals listed on the Reconcile screen. This can help identify if the incorrect transactions are deposits or withdrawals.

3. Verify every checked transaction onscreen against the statement to make sure it is checkmarked or not checkmarked correctly. Remember that you can sort the grid by column headers and use the filter to help find information. You may choose to deselect all checkmarks and start over, checking each one that cleared the bank statement.

4. Look for current-cleared, future-dated transactions *(see section below for more on this).*

5. Look for future-cleared, current-dated transactions *(see section below for more on this).*

6. Add any missing transactions.

7. Fix any incorrect amounts; you can do this right in line on the Reconcile screen.

8. Confirm that interest earned and bank fees paid have been recorded. This is less likely to happen if the account is connected to the bank, and you've worked your bank feed before beginning the reconciliation.

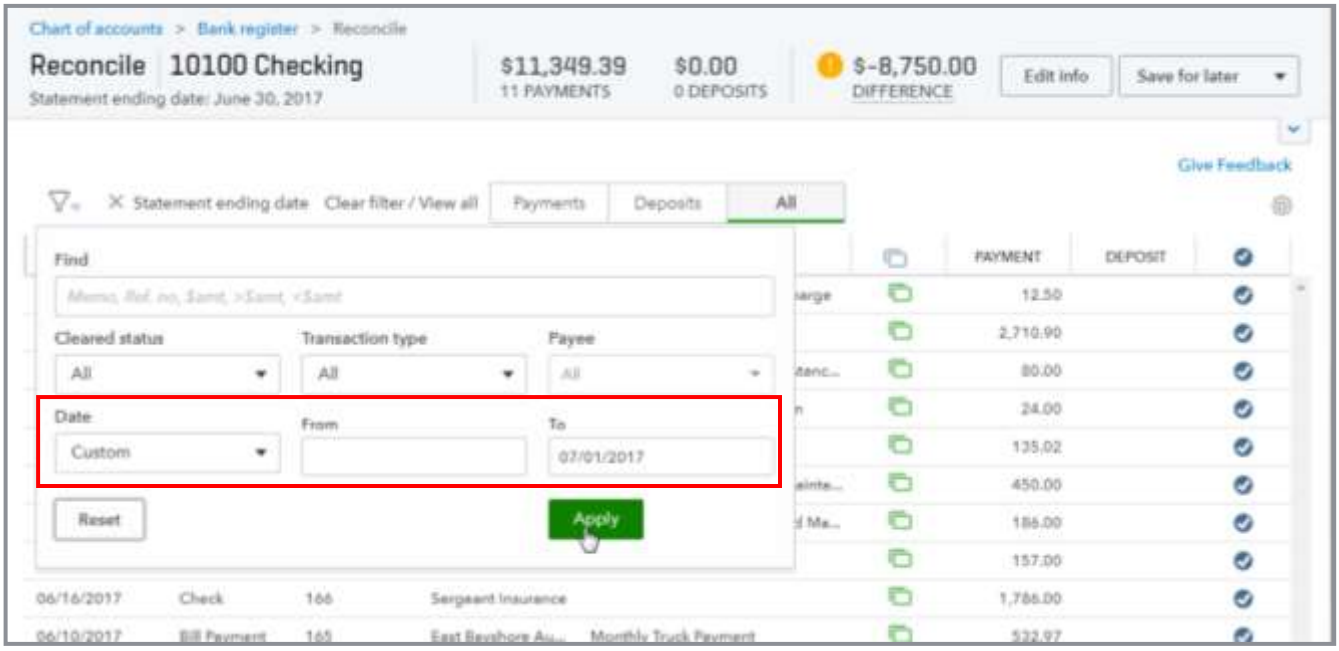
9. Check to see if there is a transposition error, when two digits are reversed. When two adjacent numbers are transposed, the resulting error will always be divisible by 9. For example, if a transaction amount was actually $220.00 and cleared the bank as $220.00, but was entered as $202.00, the difference is $18.00, divisible by 9.

10. If you can't find errors or omissions in any transactions in QuickBooks Online, the problem may be the result of a bank error. If so, record an adjusting transaction for the difference between the wrong amount (what the statement says) and the right amount (how the transaction was entered in QuickBooks Online and should have cleared bank). Check the box next to this transaction so you can finish your reconciliation. Contact the bank to report the error. When you receive the next bank or credit card statement, verify that it contains an adjustment for the error, record a reversing entry for the adjustment transaction that you made previously.

Current-cleared, Future-dated Transactions

Let's look at an example of a current-cleared, future-dated transaction. A company processes payroll dated July 1. They submit the payroll several days ahead of time. Funds are withdrawn from the company's bank account on June 30 in order to direct deposit net paychecks into employee's bank accounts on July 1. When you reconcile the company's checking account for June, the bank statement shows the withdrawal for direct deposit paychecks. Your books have this recorded in July; therefore the reconciliation screen does not have this listed as one of the options for you to check off. The transaction is current-cleared for the period you are reconciling, but future-dated.

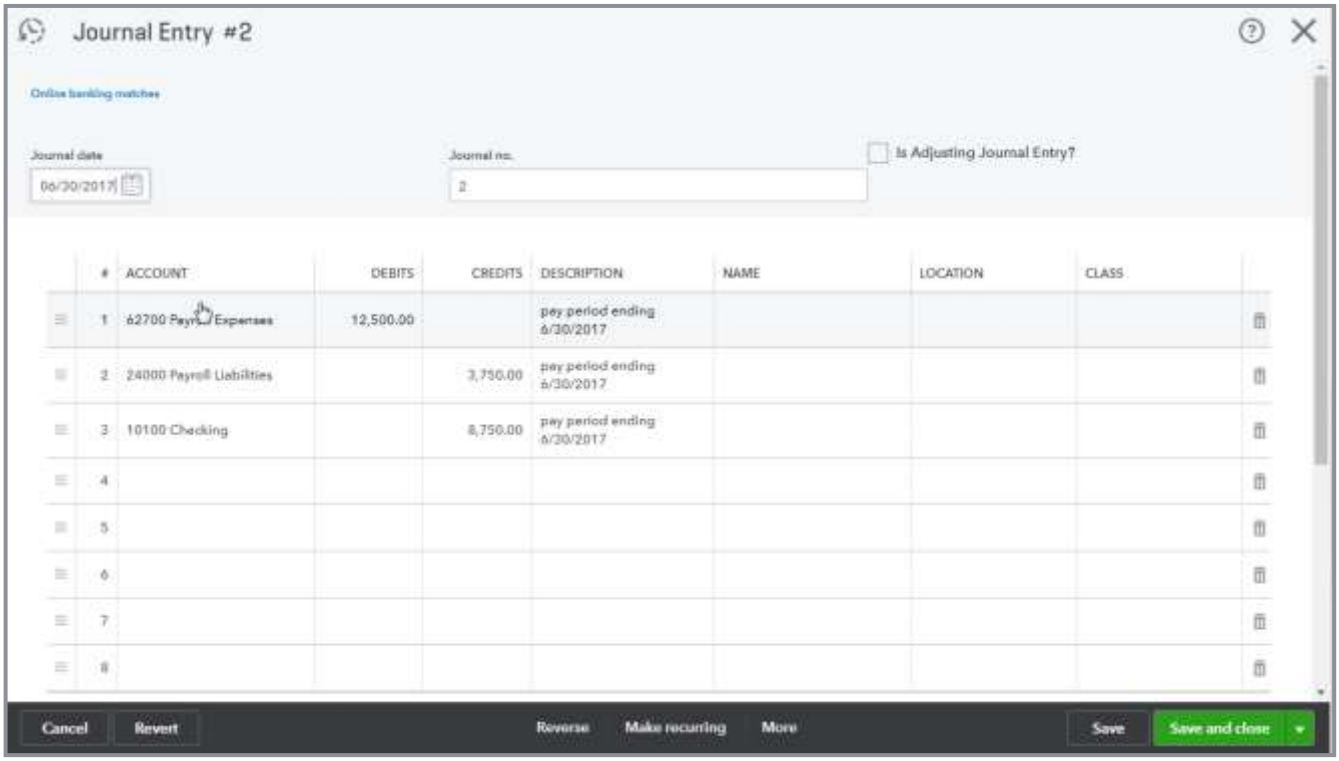
One solution is to change the filter in order to see future-dated transactions past June 30.



Now you can check off the box for the payroll transaction as cleared in June. However, any other future-dated transactions with bank matches are also now showing and checked, throwing off your reconciliation. You would need to identify and uncheck each of these future-dated and future-cleared transactions. Next month you will need to manually re-check any of these transactions that cleared.

Another solution is to change the filter to see future-dated transactions past June 30, find the future-dated payroll transaction, double-click it to open the transaction, change the date of it to June 30, if appropriate for this business, save and close. Check that transaction to clear it, then change the filter back to only show transactions through the statement ending date.

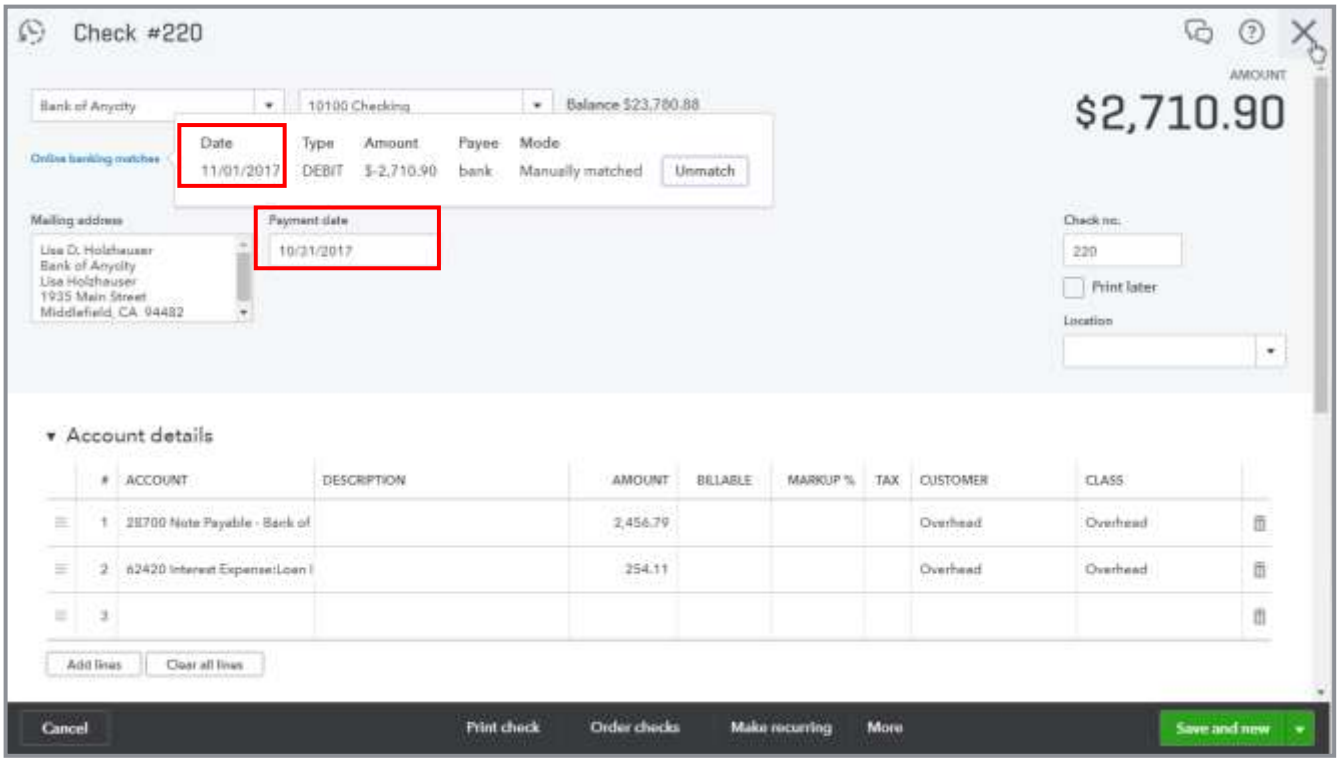
Another solution is to enter an adjusting journal entry dated June 30 to reduce cash for the amount of the net direct deposit paychecks with an offset to a wash account.



Enter a reversing entry dated July 1. During the June reconciliation, you can check off the journal entry to reconcile. During the July reconciliation, check off the reversing journal entry against the original payroll entry to net to zero and not affect the July reconciliation.

Future-cleared, Current-dated Transactions

Now let's look at an example of a future-cleared, current-dated transaction. Some transactions are booked to a particular month but don't clear until the following month. For example, you give a vendor your credit card info on October 31, receive the goods and book the purchase on October 31. But the merchant doesn't charge you until November 1. When the charge posts to your credit card on November 1 and downloads into QuickBooks Online's banking screen, it is matched to the already-entered transaction dated October 31.

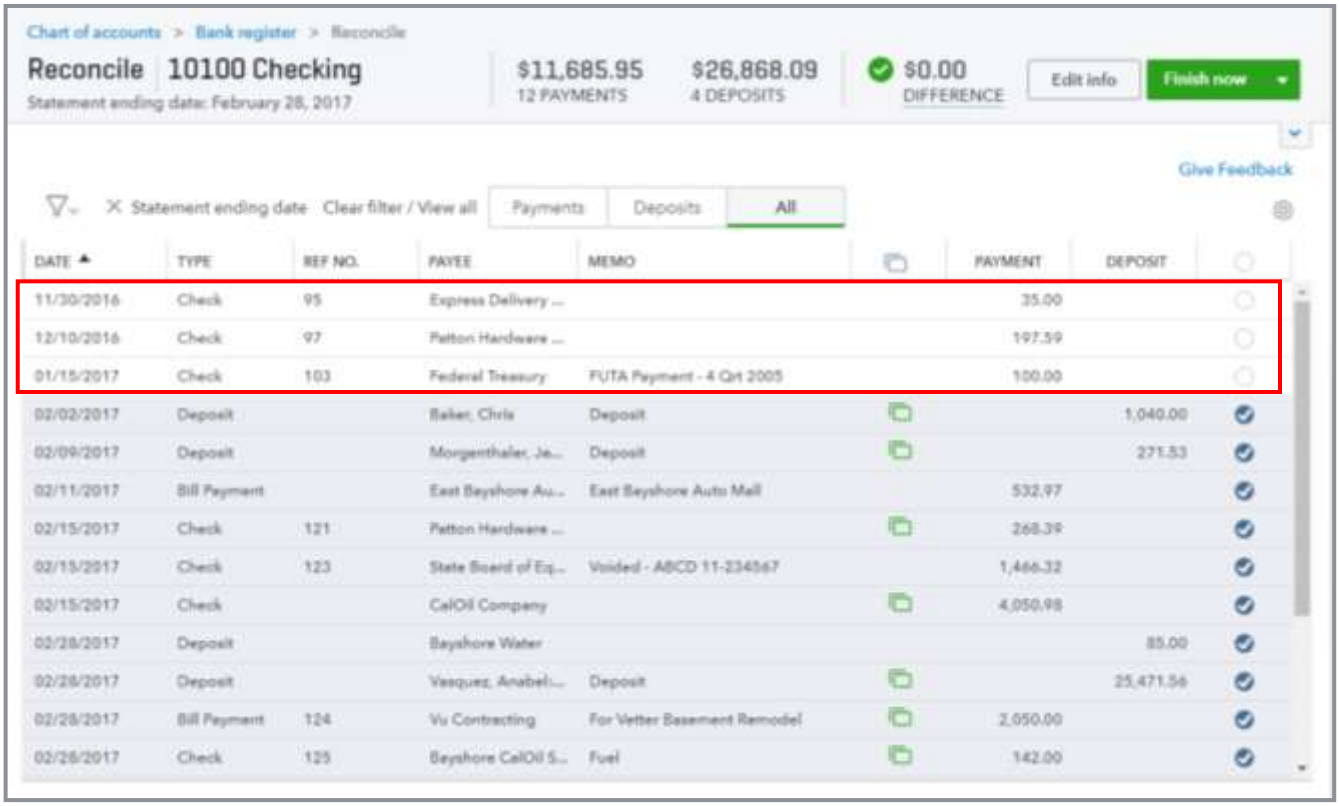


When you reconcile October, that transaction shows as cleared on the Reconcile screen. It didn't clear in October, it cleared in November. For the October reconciliation, it needs to be unchecked/ uncleared. Next month you will need to manually re-check these transactions that cleared.

One solution is to work the bank feed for only October-cleared transactions, reconcile October, then return to the bank feed to continue adding and matching November-cleared activity.

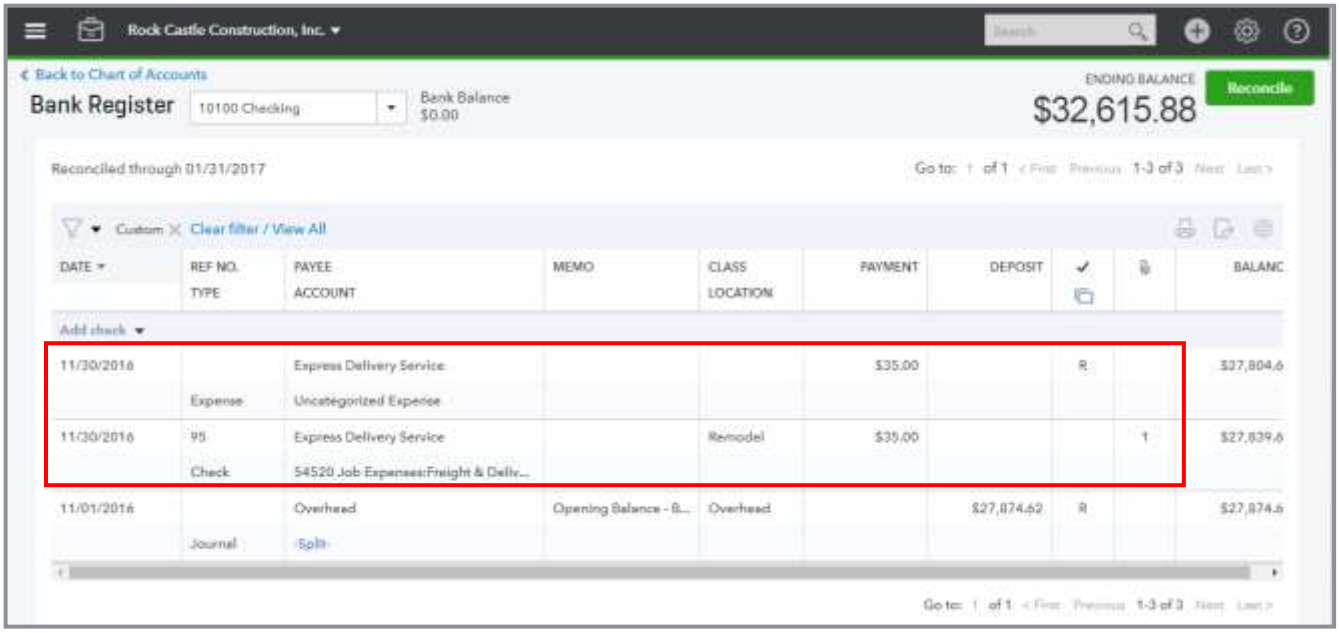
Old Open Transactions

Sometimes a business has transactions that cleared on prior bank statements, but they are still showing as open reconciling items waiting to be marked reconciled [R]. Research these transactions to determine whether they are valid transactions that did occur, and why they didn't clear the bank or whether they are duplicates that need to be deleted.



Duplicates

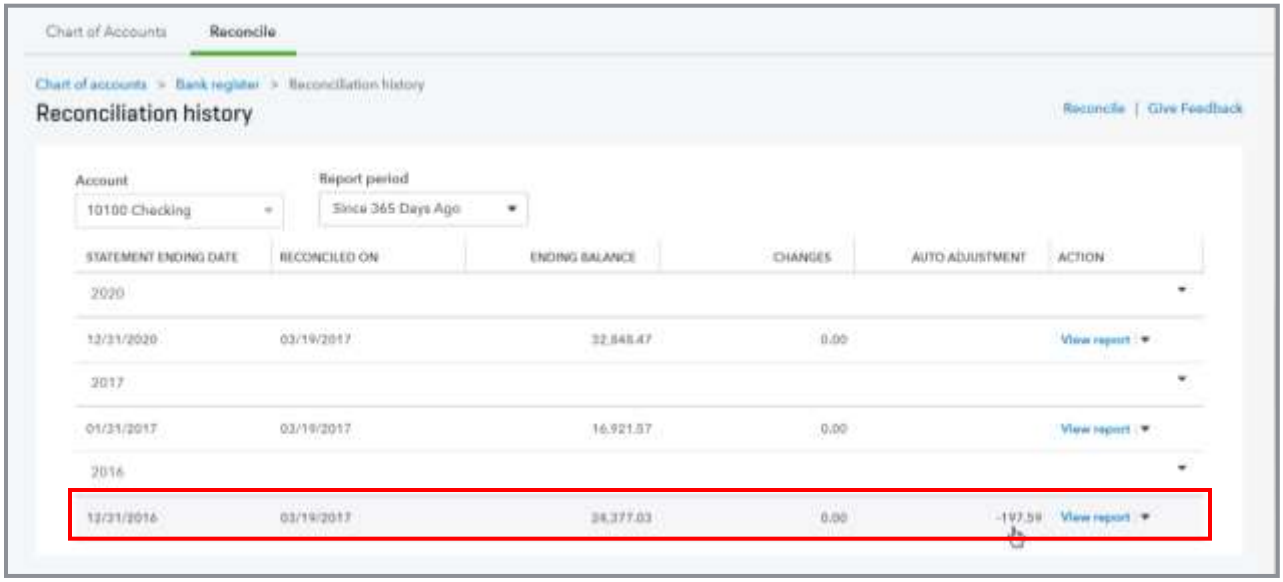
If you find duplicates that need to be deleted, pay attention to the pairs of duplicates to make sure you delete the proper one. One may have different supporting documentation attached, be coded differently, dated differently – and one is probably in a reconciled [R] status.



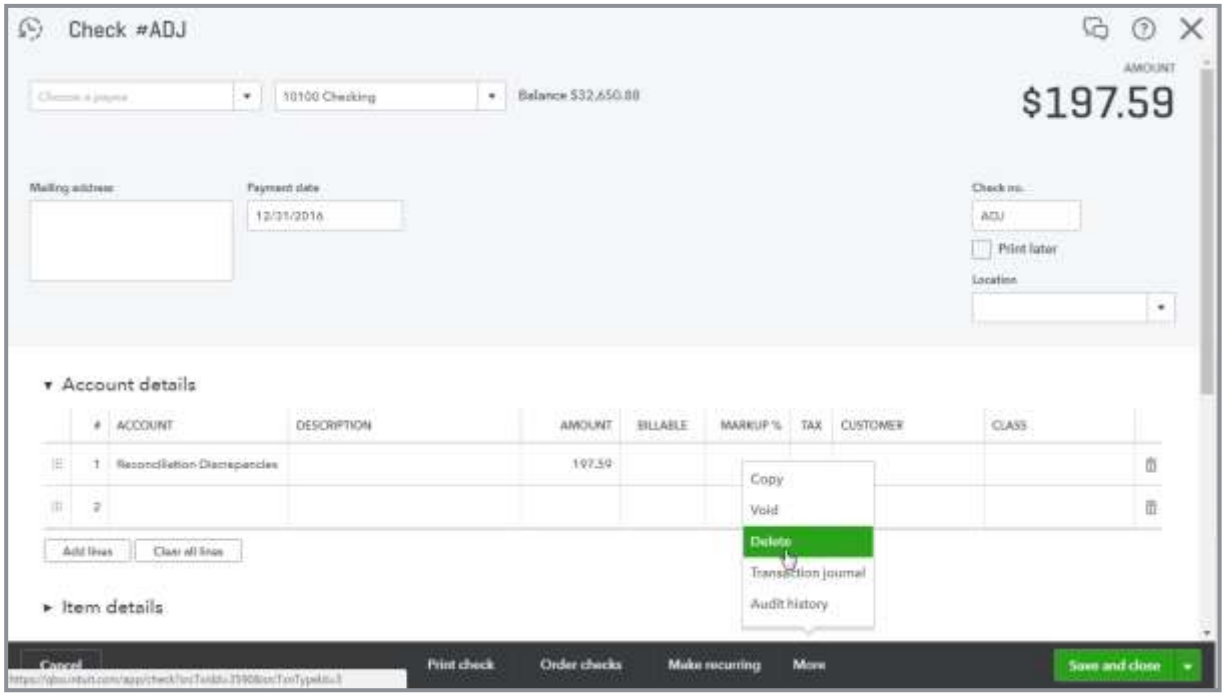
If you determine the best transaction of the two duplicates to be kept is the unreconciled one and delete the reconciled one, then be sure to mark the unreconciled transaction as reconciled. Do this on the account register by clicking the Status column until it changes to an R and Save. Deleting the prior-reconciled transaction is going to show a change in the reconciliation for the period it was reconciled in. But the beginning balance on the next reconciliation should be correct, since you also marked the open transaction as reconciled in its place.

Reconciliation Adjustments

It could be these transactions are not duplicates of other individual transactions; rather they are a reconciliation adjustment entry that was forced in their place. Reconciliation adjustments are made because previous reconciliations did not balance.



When the adjustment is posted, it is taking the place of an actual transaction that was missing or not seen, or the adjustment is, in whole or in part, a duplicate of the proper transaction. You will need to locate (see below) and delete the adjustment transaction.



Or, you can modify the amount of the adjustment to remove the open transaction's amount from the adjustment amount. Mark the open transaction as reconciled from the account register by clicking the Status column until the R shows, then Save. Deleting or modifying the reconciliation adjustment transaction will show a change in the reconciliation for the period the reconciliation adjustment was made. But the beginning balance on the next reconciliation should be correct, since you marked the open transaction as reconciled in its place.



Step-by-Step: Locate Reconciliation Adjustments

1. Reconcile → History and Reports.
2. View Auto Adjustment column.
3. Identify reconciliations with auto-adjustments in the same period that your currently-open transaction cleared the bank. Consider whether that auto-adjustment was marked as reconciled (in whole or in part) instead of your currently-open transaction.
4. Click the row to view the Reconciliation Report. On the report, click the line that says Adjustment to view, modify or delete that adjustment transaction.

Or

1. Accounting → Chart of Accounts.
2. Select the proper bank or credit card account → Run report action link.
3. Customize the report to show:
   - Report Period = All Dates
   - Filter → Cleared Status = Reconciled
   - Filter→ Memo = adjust (since QuickBooks Online adds the memo Reconcile Adjustment on forced reconciliation adjustment transactions)
4. Click Run Report and view the report for possible culprits.
5. Save this report customization.
6. Click the row to view the Reconciliation Report and click the line that says Adjustment to view, modify or delete that adjustment transaction.

Null and Void

And finally, it could be that these open transactions were expected to clear the bank and didn't. In this case, determine whether they are ever expected to happen. It may be a check was written and never delivered then finally voided or destroyed. Delete transactions that have been determined to be null and void. If the transaction was in a prior period, do not delete it. Instead, as you learned in core certification, enter an offsetting transaction in the current period and mark them both reconciled on the next reconciliation.

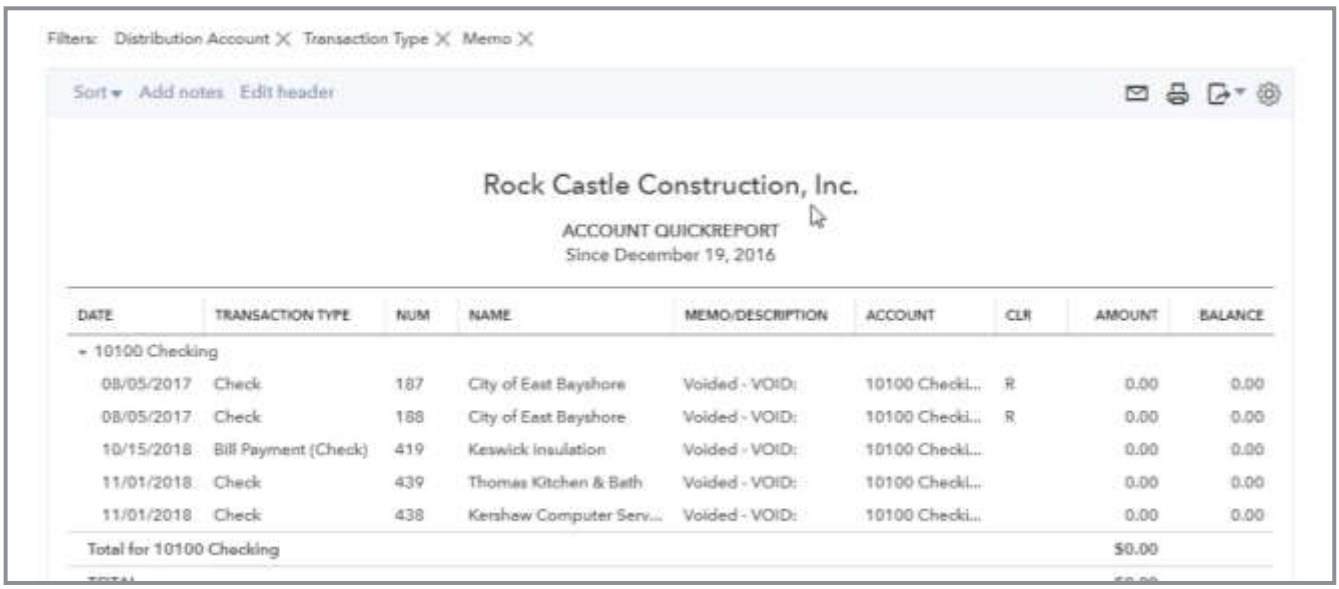
OPEN ITEMS

Once the reconciliation is complete, you're still not finished. You have to review the open items and look for other errors and omissions. Look at transaction dates and find any that seem stale. Spot-check open transactions to determine whether they are valid and likely to clear the bank soon, or whether they have the potential to be a duplicate of another identical transaction, or associated to the same customer/vendor and also recorded as part of other transactions.

Report of Voided Checks

To create a report of voided checks, *void* must be entered in the Memo field of the check, which is what occurs when you use QuickBooks Online's Void button.

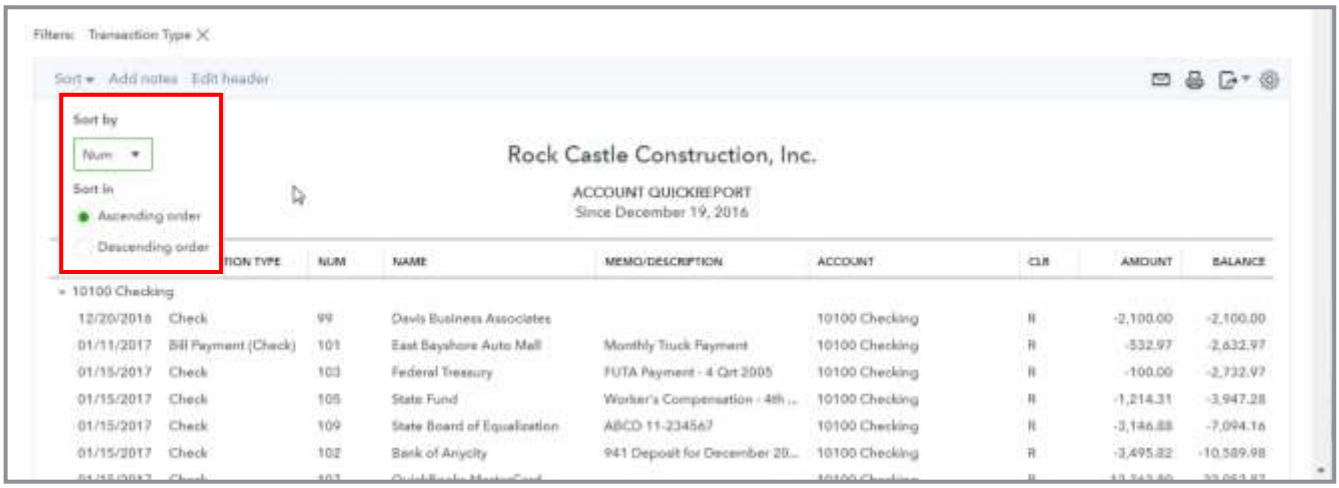
1. Accounting → Chart of Accounts.
2. Select the proper bank or credit card account → Run report action link.
3. Customize the report to show:
   - Report Period = Select the range you want *(If in doubt, select* All Dates*)*
   - Filter → Transaction Type → select Check, Bill Payment (check) and Liability Payment (check)
   - Filter → Memo = void *(since QuickBooks Online adds the memo Voided on voided checks)*
4. Click Run Report.
5. Save this report customization.


Filters: Distribution Account Transaction Type Memo
Sort Add notes Edit header
Rock Castle Construction, Inc.
ACCOUNT QUICKREPORT
Since December 19, 2016
DATE TRANSACTION TYPE NUM NAME MEMO/DESCRIPTION ACCOUNT CLR AMOUNT BALANCE
10100 Checking
08/05/2017 Check 187 City of East Bayshore Voided - VOID: 10100 Checki... R 0.00 0.00
08/05/2017 Check 188 City of East Bayshore Voided - VOID: 10100 Checki... R 0.00 0.00
10/15/2018 Bill Payment (Check) 419 Keswick Insulation Voided - VOID: 10100 Checki... 0.00 0.00
11/01/2018 Check 439 Thomas Kitchen & Bath Voided - VOID: 10100 Checki... 0.00 0.00
11/01/2018 Check 438 Kershaw Computer Serv... Voided - VOID: 10100 Checki... 0.00 0.00
Total for 10100 Checking $0.00

Report of Missing Checks

QuickBooks Online does not have a missing checks report, which would allow users to scan for missing or duplicate check numbers. You can create a report of all checks sorted by check number to look for missing check numbers:

1. Accounting → Chart of Accounts.
2. Select the proper bank or credit card account → Run report action link.
3. Customize the report to show Report Period = select the range you want *(if in doubt, select* All Dates*)*.
4. Filter → Transaction Type → select Check, Bill Payment (check) and Liability Payment (check)
5. Click Run Report.
6. Click Sort above the report title and select to Sort by Num in Ascending order.
7. Save this report customization.



Guide Conclusion

You have just completed *Module 4: Advanced Banking.* This Supplemental Guide, in tandem with its recorded module, has been provided to help prepare you for the QuickBooks Online Advanced Certification Exam. Continue on to the remaining modules and their related guides then proceed to the certification exam.

By completing this fourth module of the training course for Advanced Certification in QuickBooks Online, you should be able to:

- Indicate advanced techniques to get started with bank feed
- Recognize complex concepts to work with bank rules, matching and suggested categories
- Reinforce best practices for using batch actions to work the bank feed
- Recognize complex concepts to reconcile accounts
- Identify the steps to troubleshoot bank reconciliations