

## CHAPTER 7- RECONCILING

Reconciliation guarantees that the amounts entered into your farm records correspond with the amounts entered into your checkbook. Each month you should reconcile your Quicken checking account with the bank statement. If you have more than one account, you should reconcile each, but you can do only one account at a time. Be sure to review your bank statement for any errors that may have occurred. To reconcile your account, follow the steps outlined below.



**Open the account to be reconciled, e.g., the farm checking account.**

**Make sure all checks and deposits up through the date of the bank statement have been entered into the checking account register.**

**From the menu bar Click Tools**

**Click Reconcile.** This will take you to the *“Reconcile Details”* window.

The screenshot shows the 'Reconcile Details' dialog box. At the top, it says 'The prior ending statement date: N/A'. Below that is a section titled 'Enter the following from your bank statement' with three required fields: 'Ending Statement Date' (6/30/2014), 'Prior Balance' (75,000.00), and 'Ending Balance' (65,933.77). The next section is 'Categorize your interest and bank charges, if any'. It has two entries: 'Service Charge' (0.00) with date 6/30/2014 and an empty category; and 'Interest Earned' (0.00) with date 5/31/2014 and category 'Interest Inc'. The dialog has a help icon, 'OK', and 'Cancel' buttons.

**Accept the Bank Statement Opening Balance.** The first time you reconcile in Quicken, the opening balance should be the balance you entered when you set up the account originally. If not, go back to the Accounts chapter and review Creating

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Your First Account.

### **Enter the Bank Statement Ending Balance.**

Service charges and interest earned can be entered next, if desired, categories assigned and the actual date posted. An alternative is to enter them directly into the register. Be sure to enter them into your checkbook also.

**Click OK to open the second “*Statement Summary* account window”. The toolbar buttons in this window are:**

**New** - Enter a missing transaction in the register

**Edit** - Change the selected transaction in the register

**Delete** - Delete the selected transaction

**Back to Statement Summary** - Modify the reconcile information

**View** - Change reconcile settings

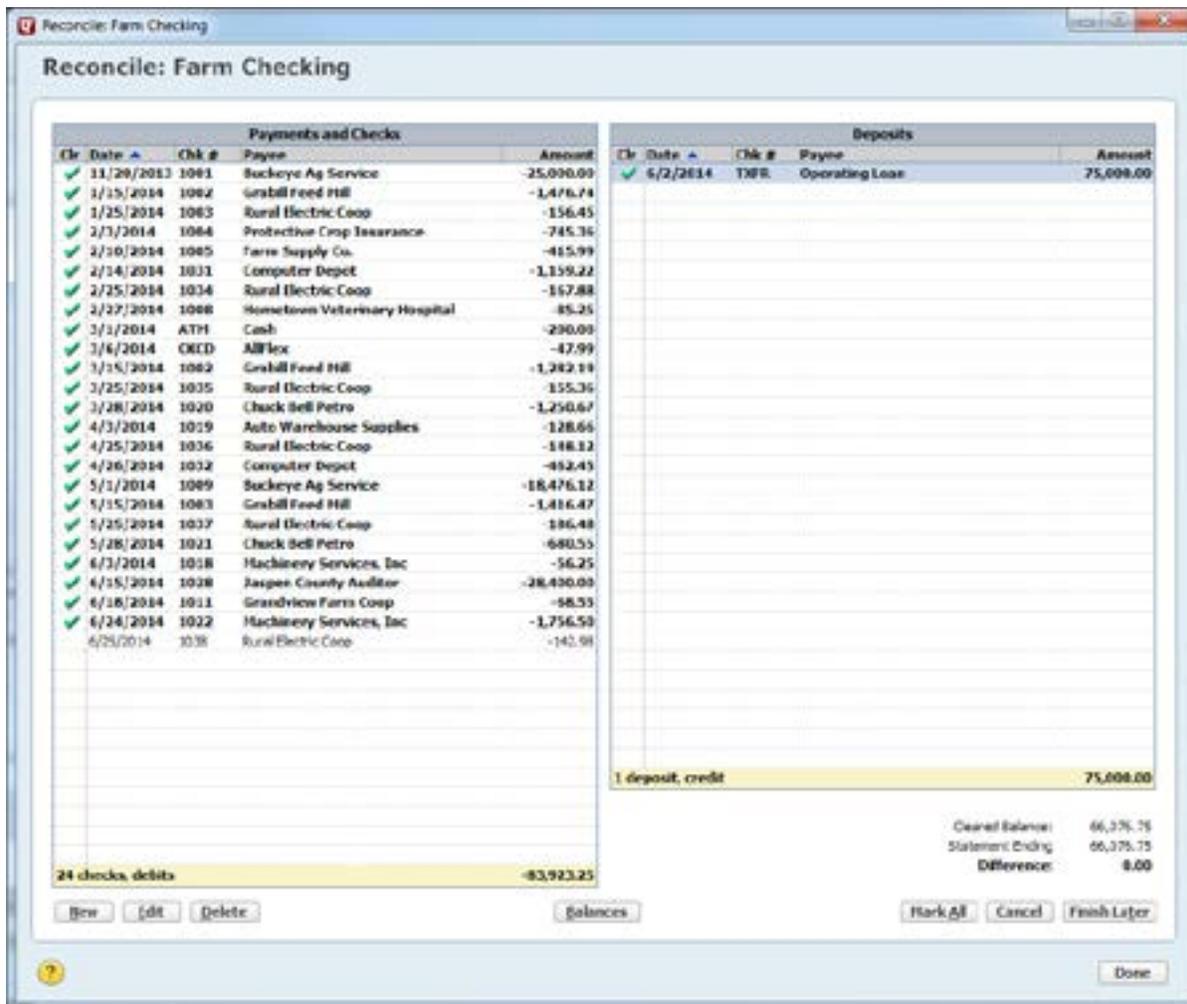
**How Do I** - Get help or submit feedback

The second “*Statement Summary* account window” contains outstanding deposits and checks. The service charge, and interest earned just entered will show as cleared transactions with a check mark in the CLR column to the left of the item.



**Return to the Reconcile window by clicking the minimized box in the lower left corner of Quicken called Reconcile: account name.**

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Mark each check and deposit that has cleared the bank, as indicated on your statement, by Clicking on the check or deposit. The space bar also acts as a toggle to clear or unclear transactions.

Quicken records a “c” (R after the reconciliation process is finished) in the check register as you mark transactions as cleared.

To view a transaction in the register or to edit a transaction, Click the transaction from the list

Click Edit in the lower left corner of the Reconcile window.

Make changes and Save the transaction in the register.

Return to the Reconcile window by clicking the minimized box in the lower left corner of Quicken called Reconcile: account name.

If the bank statement contains transactions not in the register, you can enter them into the register by Clicking New in the Reconcile: account name window.

Enter the transaction in the register.

Click Save.

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Return to the Reconcile window by clicking the minimized box in the lower left corner of Quicken called Reconcile: account name.

When you are done marking cleared transactions, check the Difference: at the bottom right-hand corner of this window. If the Difference: between the Cleared Balance and the Statement Ending Balance is \$0.00, the account is balanced. If differences remain, check dollar amount on each entry, the number and amount of debits and credits with bank statement.

If you are unable to reconcile the difference, see Quicken Help for finding and correcting a difference.

When the Difference: is 0.00, Click Done and you will be congratulated. You will also be able to print a Reconciliation Report. This is the only chance to print the report, but you should determine if you need the report printed. Click Yes at least until you are able to reconcile your accounts with ease.