



JOYCE JAGGER

THE EMBROIDERY COACH

Module 7

Paying With Credit Cards & Bank Reconciliation

First I am going to talk about setting up your accounts correctly when you are paying for your supplies with a credit card. You also pay for your coaching with a credit card, so I will be showing you how to set up your coaching or training account in your Chart of Accounts to make this work the correct way.

Learning Objective: Paying for your invoices with credit cards and how to pay the credit card after these transactions. We will also show you how to Reconcile your Accounts.

Account

Account Type

Other Expense

*Detail Type

Other Miscellaneous Expense

Use Other miscellaneous expense to track unusual or infrequent expenses that don't fall into another Other Expense type.

If an expense is directly related to providing a service, use an Expense type (not an Other Expense type) account called Other miscellaneous service cost.

*Name

Education-Training

Description

Coaching

☐ Is sub-account

Enter parent account

Cancel

Save and Cl

Setting up Account in the Chart of Accounts for Coaching or Training

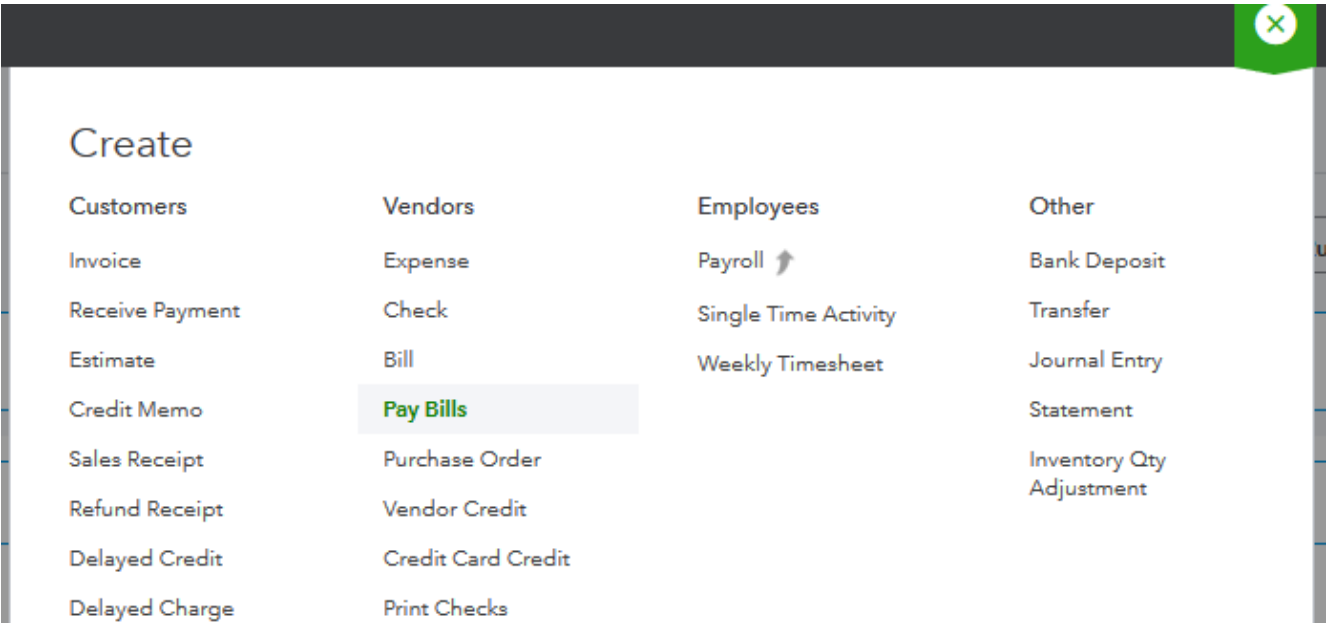
This is a transaction that is not part of the daily operation of your business, so therefore, it is classified as Other Expense and not as one of your operating expenses. If it is included in your day to day operating expenses, you are not getting a true cost of running your business.

Any purchase you make that is training or learning how

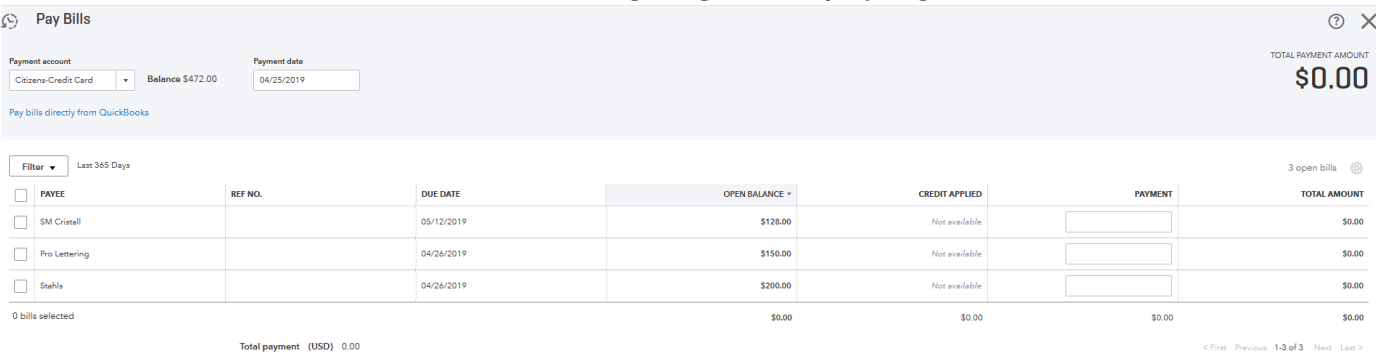
to run your business will fall into this category.

Paying Bills With A Credit Card

I am going to go into the Pay Bills section at the top of the screen



And it will bring up all of the bills that are to be paid. At the current time we have 3 bills there. In the video, I am going to be paying each of them with a

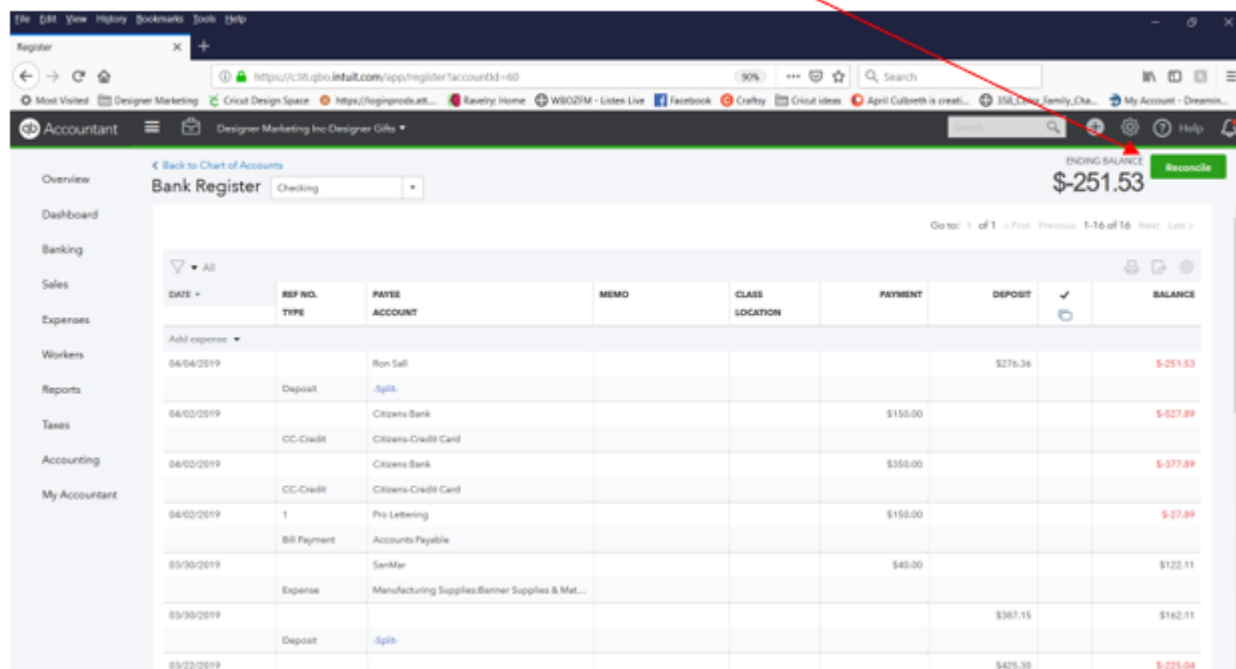


credit card and then I will go in and pay the credit card to show you how it is done. Below is an example of some that have already been paid.

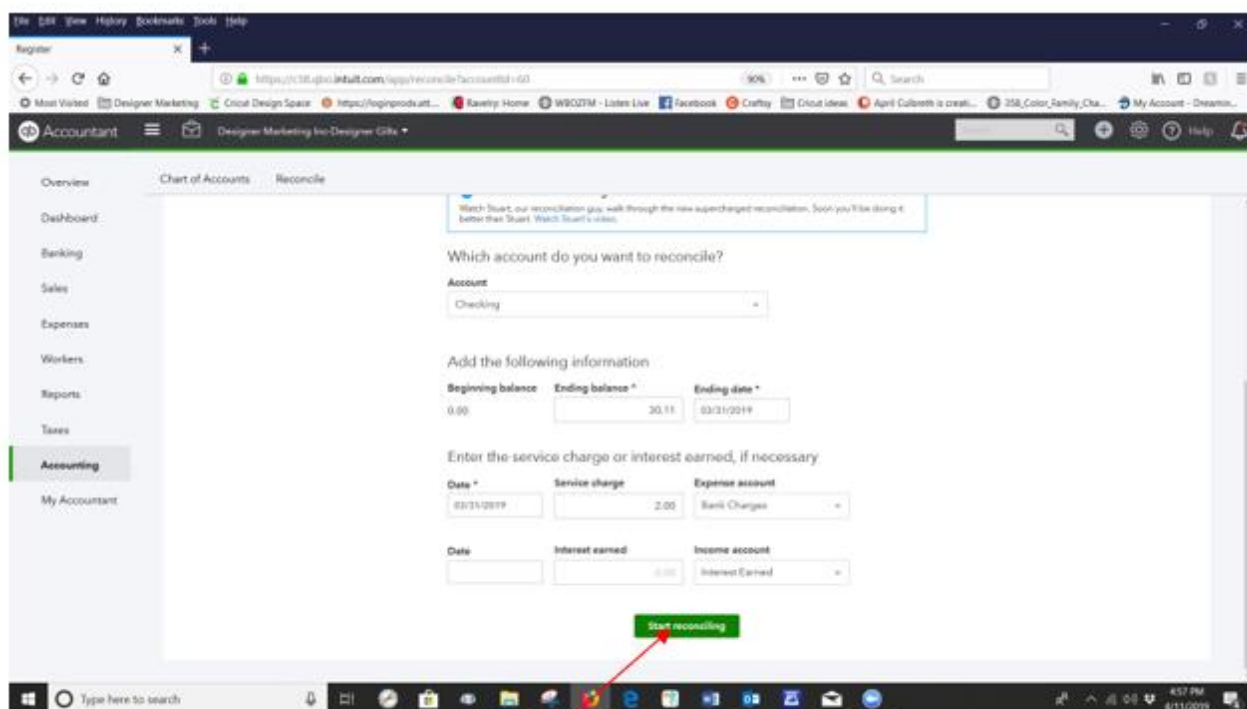
☐	04/13/2019	Check		Citizens Bank Credit Card	Citizens-Credit Card	\$150.00
☐	04/13/2019	Bill Payment (Credit Card)	1	The Embroidery Coach		\$-197.00
☐	04/13/2019	Bill		The Embroidery Coach	Education-Training	\$197.00

Reconciling The Bank Account

1. From your bank register click Reconcile



2. Add information from you bank statement, ending balance and service charge.



3. Click on Start reconciling

Make sure you have your bank statement in front of you. Each line item on your bank statement must be on the bank register. For each match click on the round circle to show a check mark where the arrow is pointing.



4. Check each transaction that is on your bank statement

Reconcile Checking
Statement ending date: March 31, 2019

STATEMENT ENDING BALANCE	BEGINNING BALANCE	1 PAYMENT	0 DEPOSITS	CLEARED BALANCE	DIFFERENCE
\$30.11	\$0.00	\$2.00	\$0.00	\$-2.00	\$32.11

DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
03/01/2019	Expense		Rent or Lease	Building		200.00		☐
03/02/2019	Expense		Telephone	Telephone Company		50.00		☐
03/06/2019	Expense		Office Expenses...	Staples		54.00		☐
03/06/2019	Expense		Manufacturing S...	SM Cristall		50.00		☐
03/10/2019	Expense		Utilities	Electric Company		41.33		☐
03/10/2019	Expense		Manufacturing S...	SM Cristall		141.00		☐
03/16/2019	Expense		Office Expenses...	Staples		46.00		☐
03/19/2019	Expense		Insurance/Insura...	State Farm		25.00		☐
03/21/2019	Expense		Purchases - COS	Walmart		43.01		☐
03/22/2019	Deposit		- Split -				425.30	☐
03/30/2019	Deposit		- Split -				387.15	☐

Where it says DIFFERENCE, on the top right corner where the arrow is pointing, your goal is to have it say \$00.00.

5. If the difference here is not \$0 you have a mistake somewhere.

Reconcile Checking
Statement ending date: March 31, 2019

STATEMENT ENDING BALANCE	BEGINNING BALANCE	11 PAYMENTS	2 DEPOSITS	CLEARED BALANCE	DIFFERENCE
\$30.11	\$0.00	\$692.34	\$812.45	\$120.11	\$-90.00

DATE	TYPE	REF NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)	
03/01/2019	Expense		Rent or Lease	Building		200.00		☒
03/02/2019	Expense		Telephone	Telephone Company		50.00		☒
03/06/2019	Expense		Office Expenses...	Staples		54.00		☒
03/06/2019	Expense		Manufacturing S...	SM Cristall		50.00		☒
03/10/2019	Expense		Utilities	Electric Company		41.33		☒
03/10/2019	Expense		Manufacturing S...	SM Cristall		141.00		☒
03/16/2019	Expense		Office Expenses...	Staples		46.00		☒
03/19/2019	Expense		Insurance/Insura...	State Farm		25.00		☒
03/21/2019	Expense		Purchases - COS	Walmart		43.01		☒
03/22/2019	Deposit		- Split -				425.30	☒
03/30/2019	Deposit		- Split -				387.15	☒

6. If it does not say, \$00.00, start troubleshooting by checking your bank statement and make sure all the transactions are listed in the bank register. If there is a transaction on the bank statement that is not in the register, then it will need to be added to the register. There is a \$90.00 transaction that is not on the register.

Checks

Check #	Amount	Date
2334	40.00	3/19
2335	206.00	3/22

Debits

Date	Amount	Description
03/01	206.00	Building
03/02	50.00	Telephone Company
03/08	50.00	Croftall Thread
03/08	54.00	Staples
03/08	90.00	Staples
03/10	141.00	Croftall Thread
03/15	41.33	Electric Company
3/18	46.00	Staples
3/19	25.00	State Farm
03/21	43.00	Walmart
03/30	40.00	Sun Mar
03/31	2.00	3rd Flight Bank

Deposits & Credits

Date	Amount	Description
03/22	425.30	Deposit
03/30	387.15	Deposit

If you are sure you entered this expense, then it is probably in the wrong account. To locate the transaction, go to the + sign and click Expense.

Reconcile Checking
Statement ending date: March 31, 2019

STATEMENT ENDING BALANCE
\$30.11

BEGINNING BALANCE
\$0.00

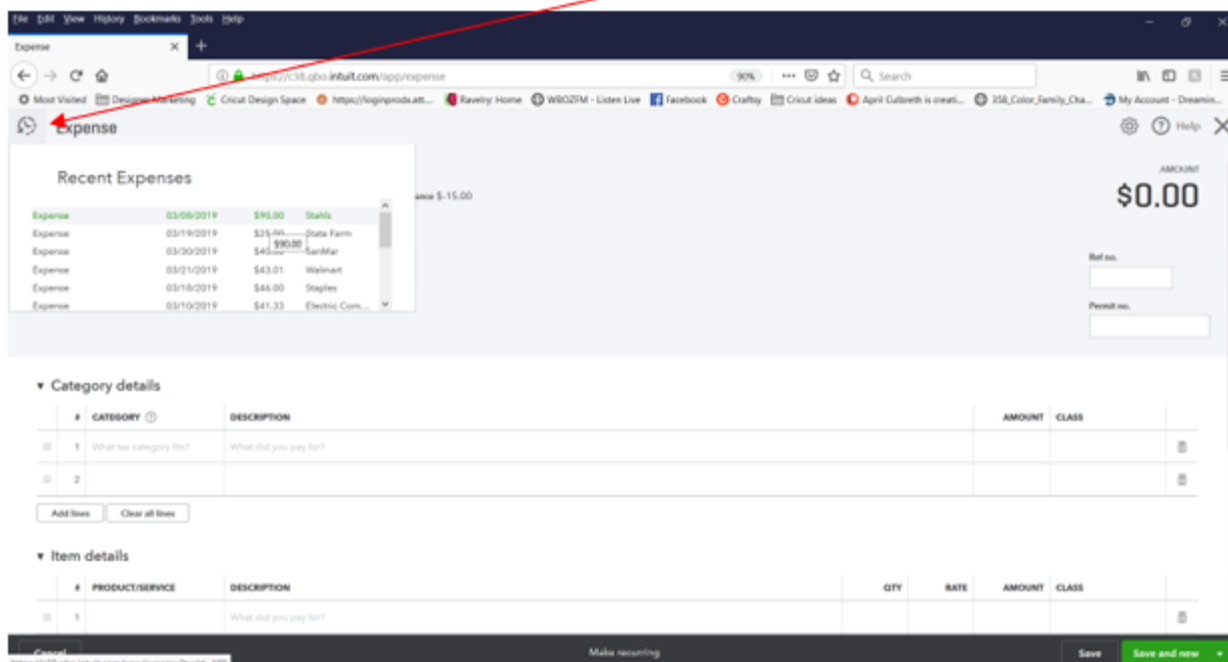
Create

- Customers
- Invoice
- Reverse Payment
- Estimate
- Credit Memo
- Sales Receipt
- Refund Receipt
- Delayed Credit
- Delayed Charge
- Vendors
- Expense**
- Check
- Bill
- Pay Bills
- Purchase Order
- Vendor Credit
- Credit Card Credit
- Post Checks
- Employees
- Payroll
- Single Time Activity
- Weekly Timesheet
- Other
- Bank Deposit
- Transfer
- Journal Entry
- Statement
- Inventory Qty Adjustment

Register

DATE	TYPE	REF NO.	ACCOUNT	TR
03/01/2019	Expense		Item or Lease	Dr
03/02/2019	Expense		Telephone	Dr
03/08/2019	Expense		Office Expenses	Dr
03/08/2019	Expense		Manufacturing S.	Dr
03/10/2019	Expense		Utilities	Dr
03/15/2019	Expense		Manufacturing S.	Dr
03/18/2019	Expense		Office Expenses	Dr
03/19/2019	Expense		Insurance/Insur.	Dr
03/21/2019	Expense		Purchase - CDS	Dr
03/22/2019	Deposit		Split	Cr
03/30/2019	Deposit		Split	Cr

Once on the expense page you can find all the expenses you entered by clicking on the history symbol located here.  **Expense** It will bring up all of the expenses.

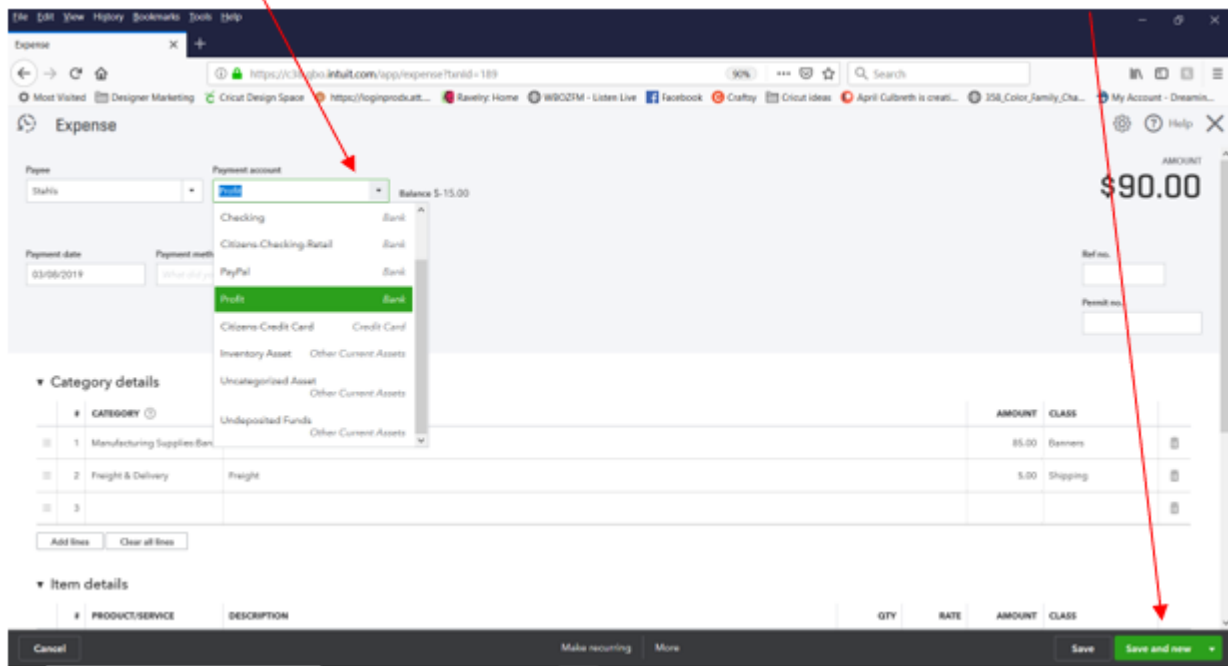


The screenshot shows the 'Expense' page in a web application. At the top, there's a navigation bar with a 'History' icon and the word 'Expense'. Below this, a 'Recent Expenses' table lists several transactions. The main area contains two tables: 'Category details' and 'Item details'. The 'Category details' table has columns for #, CATEGORY, DESCRIPTION, AMOUNT, and CLASS. The 'Item details' table has columns for #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE, AMOUNT, and CLASS. At the bottom, there are buttons for 'Cancel', 'Make recurring', 'More', 'Save', and 'Save and new'.

#	CATEGORY	DESCRIPTION	AMOUNT	CLASS
1	What tax category list?	What did you pay for?		
2				

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS
1		What did you pay for?				

The transaction in question has been placed in the wrong account. Click on the dropdown and select the correct account. Click Save and Close.



This screenshot shows the 'Expense' page with the 'Payment account' dropdown menu open. The menu lists several accounts, with 'Profit' highlighted. The main area shows the 'Category details' and 'Item details' tables. The 'Category details' table has columns for #, CATEGORY, DESCRIPTION, AMOUNT, and CLASS. The 'Item details' table has columns for #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE, AMOUNT, and CLASS. At the bottom, there are buttons for 'Cancel', 'Make recurring', 'More', 'Save', and 'Save and new'.

#	CATEGORY	DESCRIPTION	AMOUNT	CLASS
1	Manufacturing Supplies Bank		85.00	Bankers
2	Freight & Delivery	Freight	5.00	Shipping
3				

This will take you back to your reconciliation screen.

You are now ready to continue with your reconciliation. Check the missing transaction.

Reconcile Checking
Statement ending date: March 31, 2019

\$30.11
STATEMENT ENDING BALANCE

\$120.11
CLEARED BALANCE

\$-90.00
DIFFERENCE

DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
03/01/2019	Expense		Rent or Lease	Building		200.00	
03/02/2019	Expense		Telephone	Telephone Company		50.00	
03/08/2019	Expense		- Split -	Stahls	Transferred to Designer Marketing	90.00	
03/08/2019	Expense		Office Expenses...	Staples		54.00	
03/08/2019	Expense		Manufacturing S...	SM Crisall		50.00	
03/10/2019	Expense		Utilities	Electric Company		41.33	
03/10/2019	Expense		Manufacturing S...	SM Crisall		141.00	
03/18/2019	Expense		Office Expenses...	Staples		46.00	
03/19/2019	Expense		Insurance Insura...	State Farm		25.00	
03/21/2019	Expense		Purchases - COS	Walmart		43.01	
03/22/2019	Deposit		- Split -				425.30

With your difference now at \$0 you are ready to complete your reconciliation. Click on Finish now.

Reconcile Checking
Statement ending date: March 31, 2019

\$30.11
STATEMENT ENDING BALANCE

\$30.11
CLEARED BALANCE

\$0.00
DIFFERENCE

DATE	TYPE	REF. NO.	ACCOUNT	PAYEE	MEMO	PAYMENT (USD)	DEPOSIT (USD)
03/01/2019	Expense		Rent or Lease	Building		200.00	
03/02/2019	Expense		Telephone	Telephone Company		50.00	
03/08/2019	Expense		- Split -	Stahls	Transferred to Designer Marketing	90.00	
03/08/2019	Expense		Office Expenses...	Staples		54.00	
03/08/2019	Expense		Manufacturing S...	SM Crisall		50.00	
03/10/2019	Expense		Utilities	Electric Company		41.33	
03/10/2019	Expense		Manufacturing S...	SM Crisall		141.00	
03/18/2019	Expense		Office Expenses...	Staples		46.00	
03/19/2019	Expense		Insurance Insura...	State Farm		25.00	
03/21/2019	Expense		Purchases - COS	Walmart		43.01	
03/22/2019	Deposit		- Split -				425.30

Your reconciliation is complete. Repeat this process for each bank and credit card account.

It is important to keep a close eye on the transactions in your bank account and on your bank statement. If you have duplicate charges, sometimes they will be missed. What I mean by that is that if you have 2 transactions coming into your account from purchases on your website and they are the same amount, the bank may not record the second one thinking that it is a duplicate, especially if it is from the same person doing the purchasing. This has happened to us several times.

I have found that it is best to go on line to your bank account at least once per week, so see if the deposits are all listed and if the charges are all listed. It is easier to catch and deal with in the shorter time frame than waiting until the end of the month.

If you have a merchant account, you are going to have to run reports from inside of your merchant account and check them against your bank statement to make sure that they were all deposited into your bank. This is very important. All accounts must be reconciled!