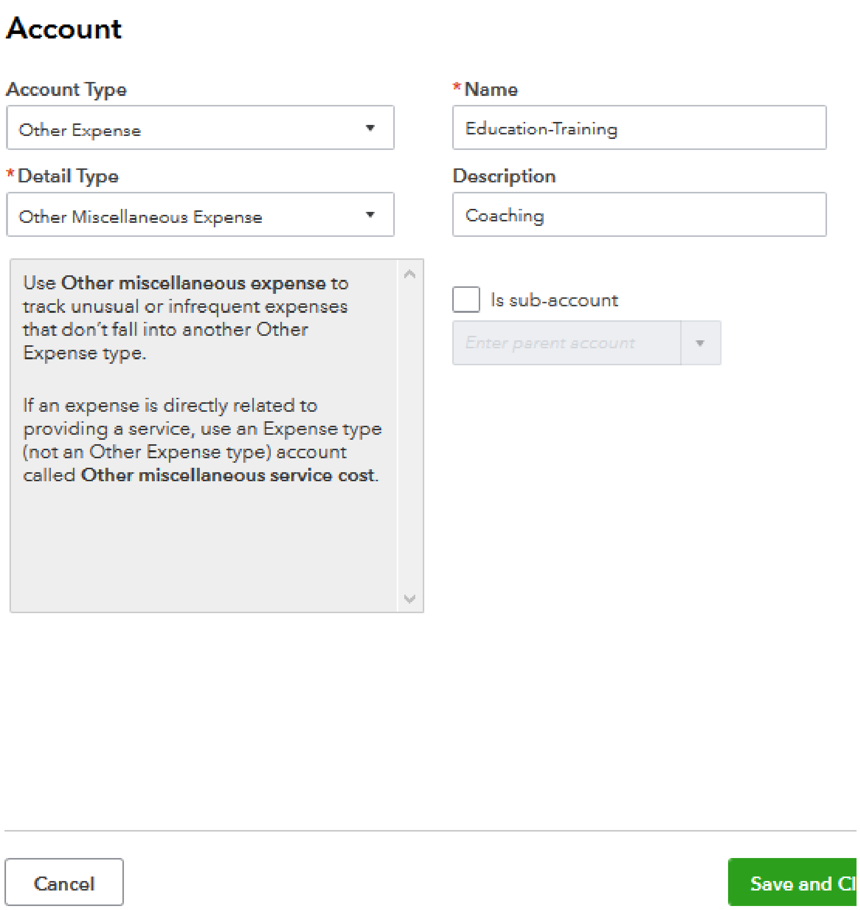
Module 7

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.



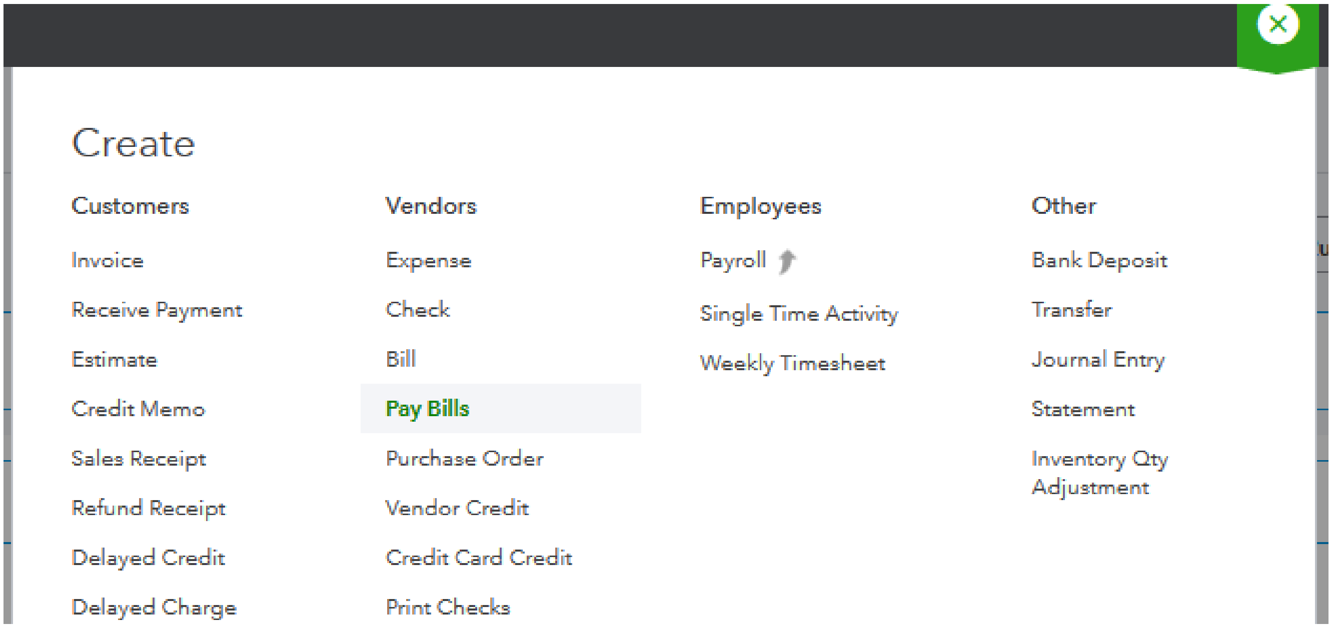
Setting up Account in the Chart of Accounts for Coaching or Training

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.

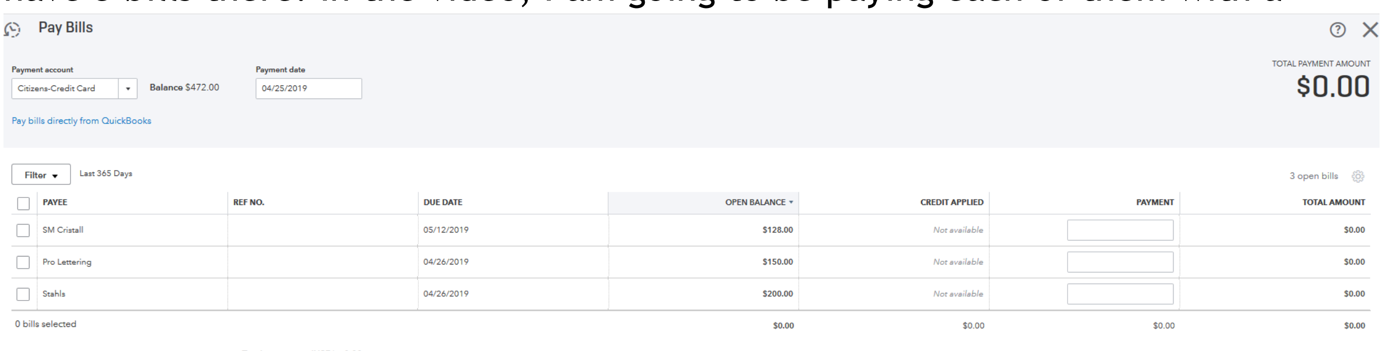
Any purchase you make that is training or learning how to run your business will fall into this category.

Paying Bills With A Credit Card

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



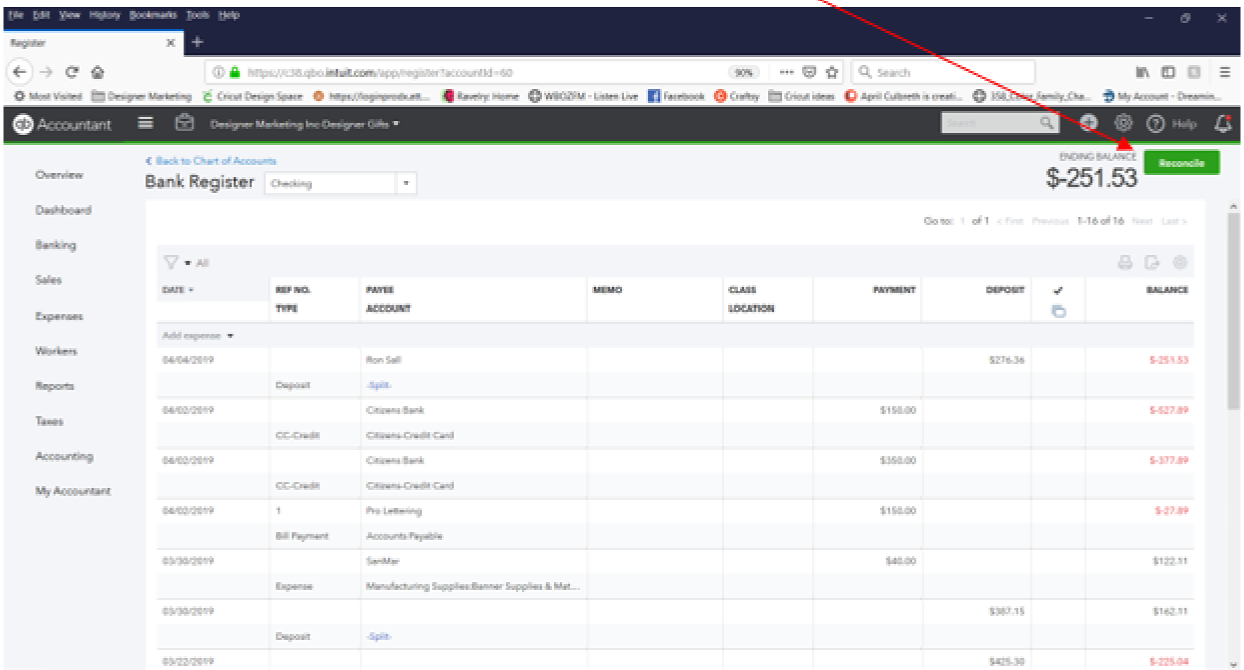
And it will bring up all of the bills that are to be paid. At the current time we have 3 bills there. In the video, I am going to be paying each of them with a



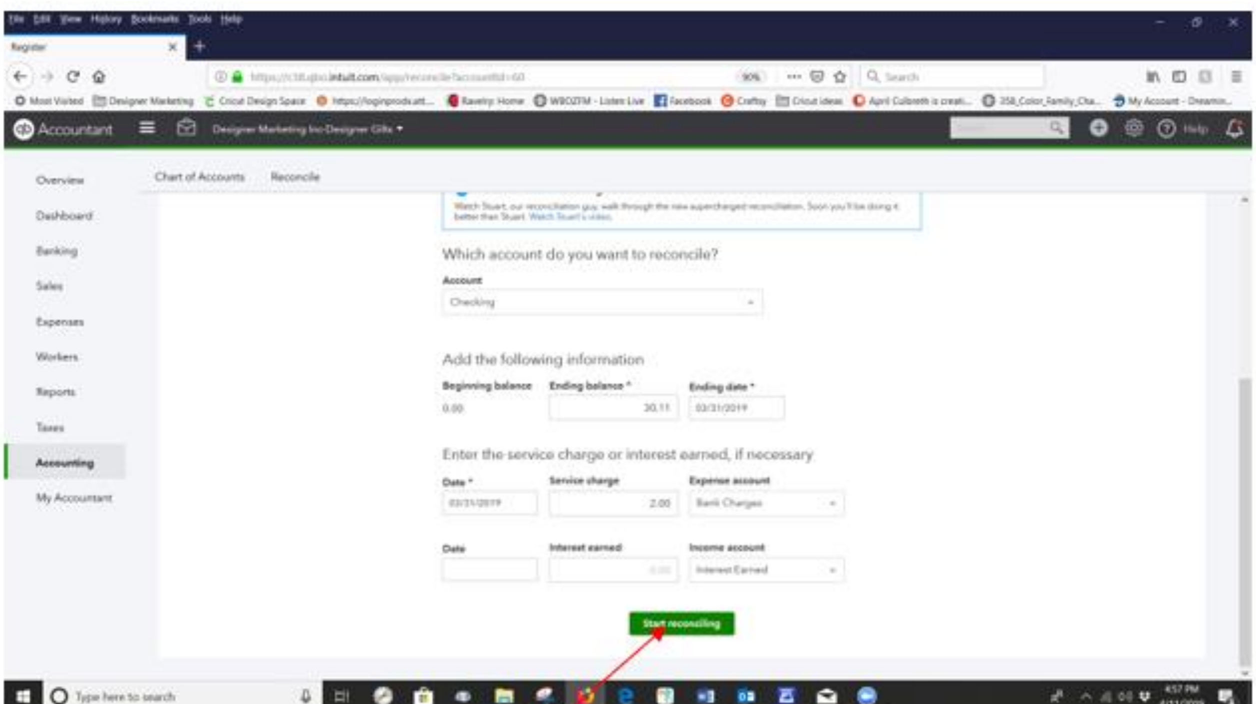
credit card and then I will go in and pay the credit card to show you how it is done. Below is an example of some that have already been paid.

Reconciling The Bank Account

1. From your bank register click Reconcile



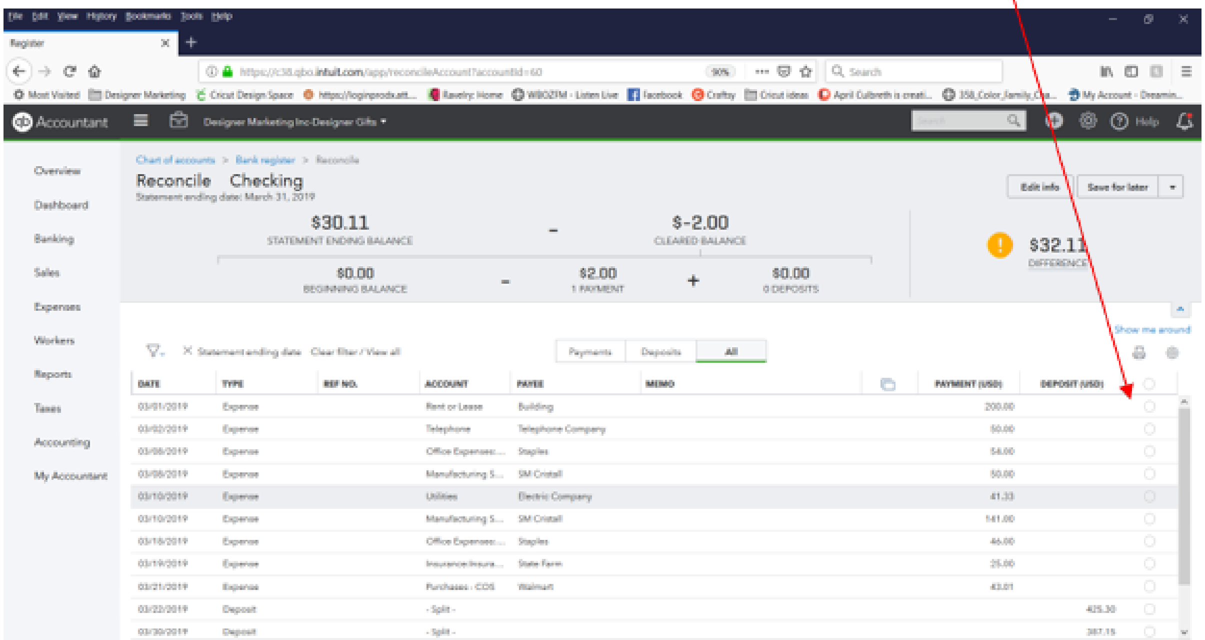
2. Add information from you bank statement, ending balance and service charge.



3. Click on Start reconciling

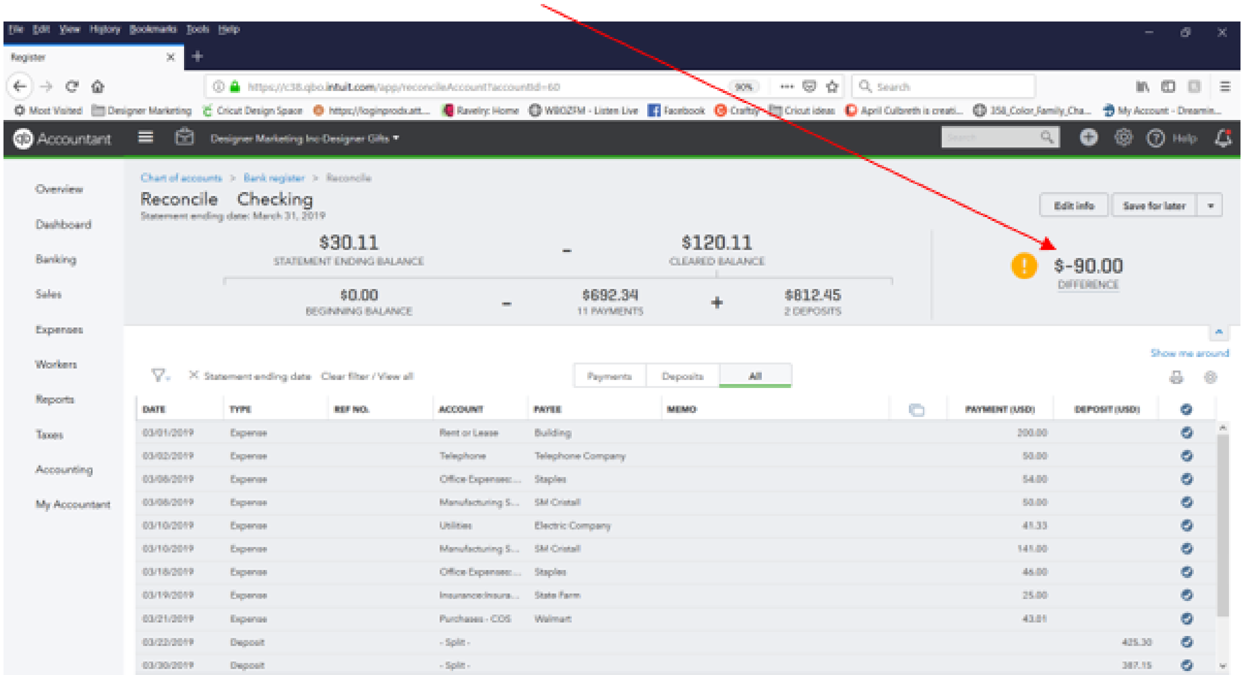
Make sure you have your bank statement in front of you. Each line item on your bank statement must be on the bank register. For each match click on the round circle to show a check mark where the arrow is pointing.

4. Check each transaction that is on your bank statement

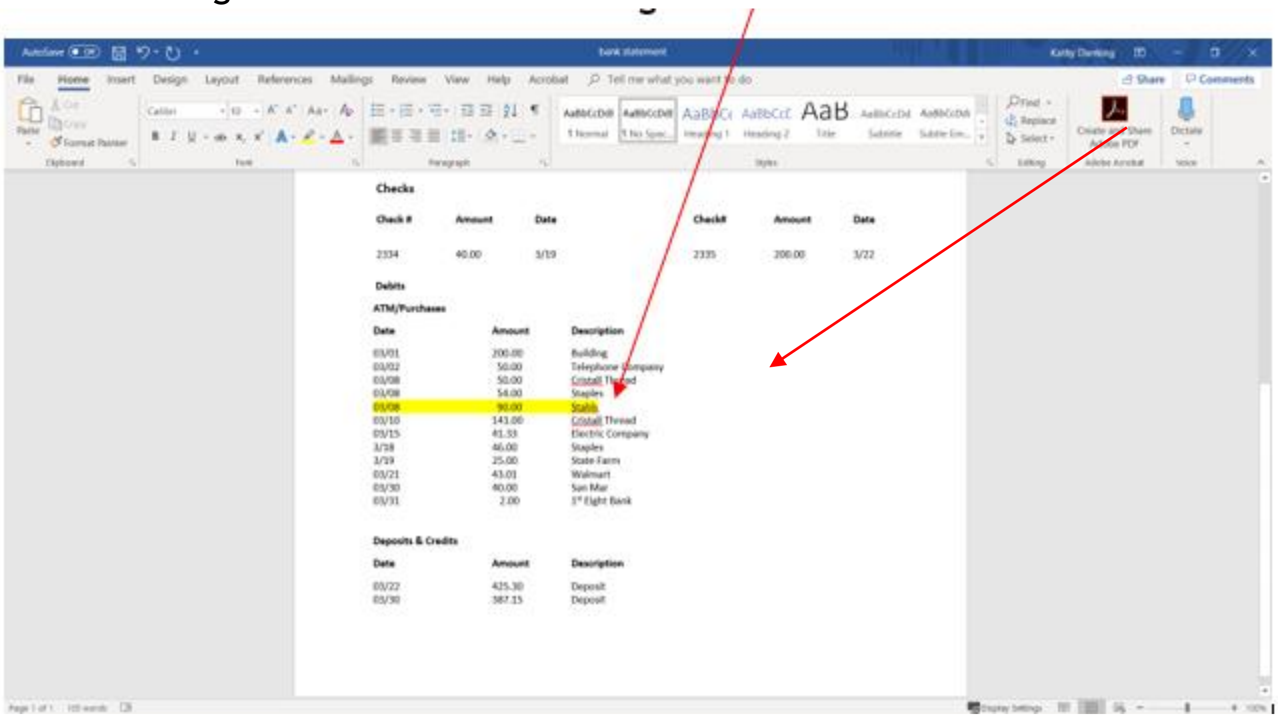


Where it says DIFFERENCE, on the top right corner where the arrow is pointing, your goal is to have it say $00.00.

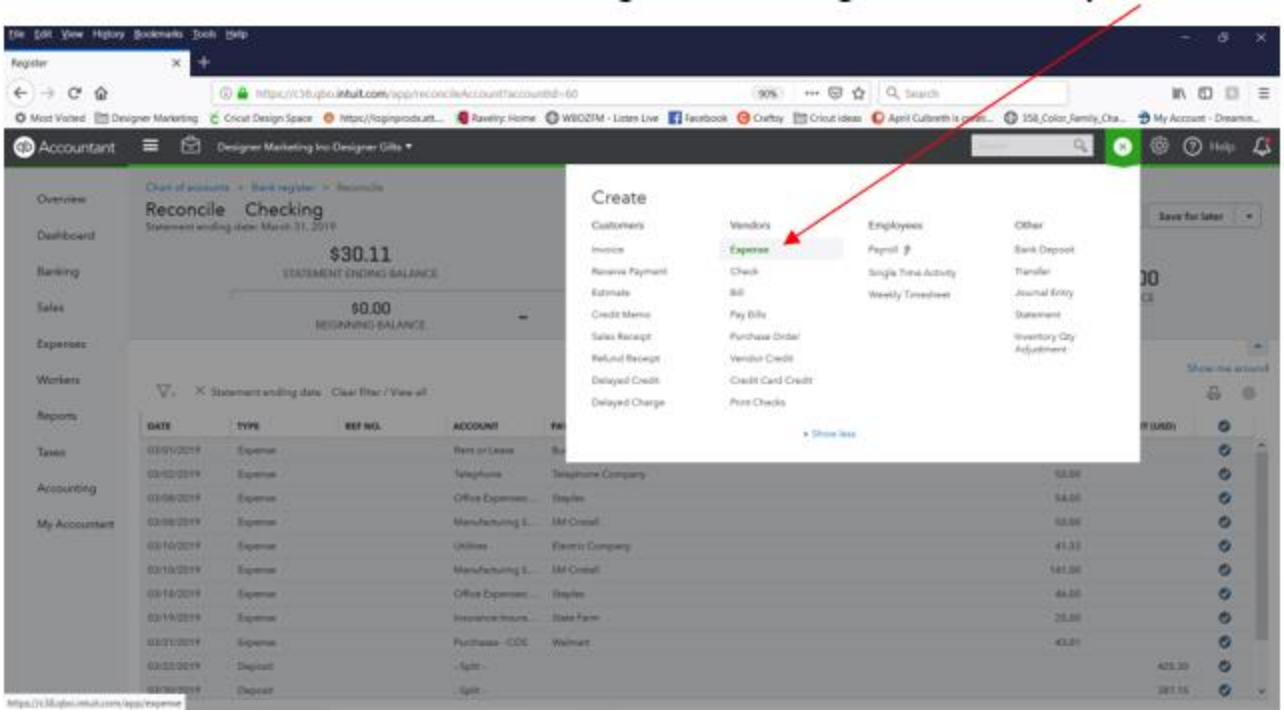
5. If the difference here is not $0 you have a mistake somewhere.



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.

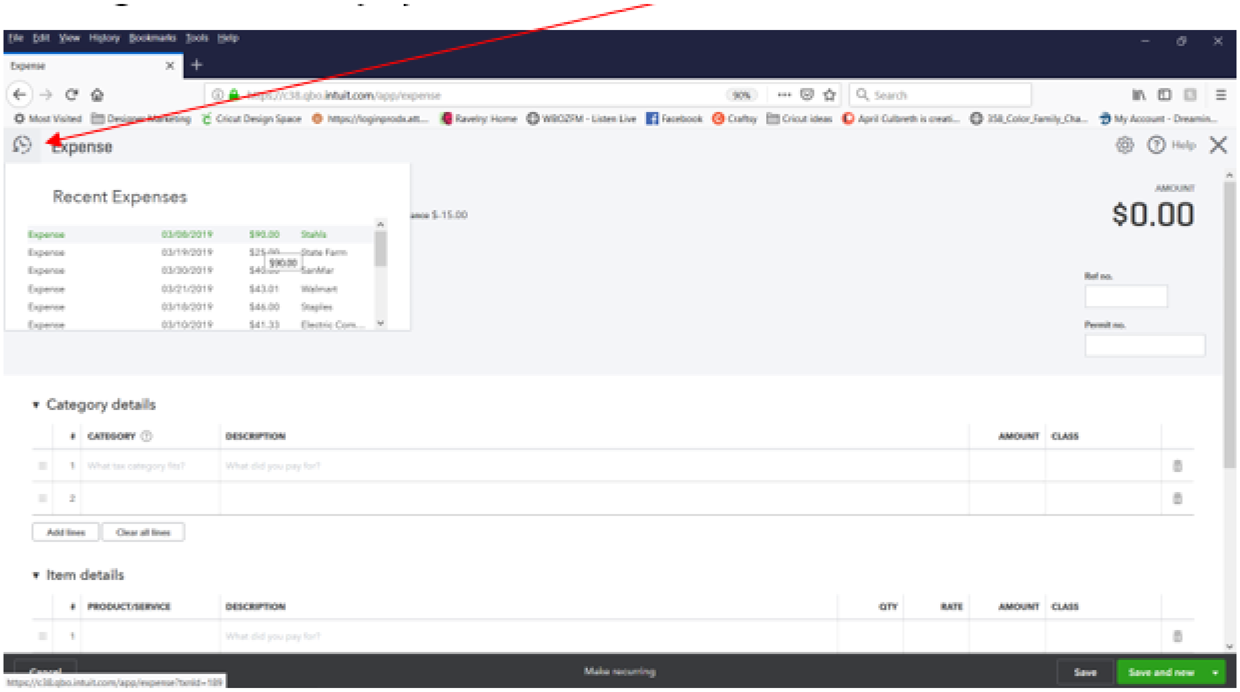


If you are sure you entered this expense, then it is probably in the wrong account. To locate the transaction, go to the + sign and click Expense.

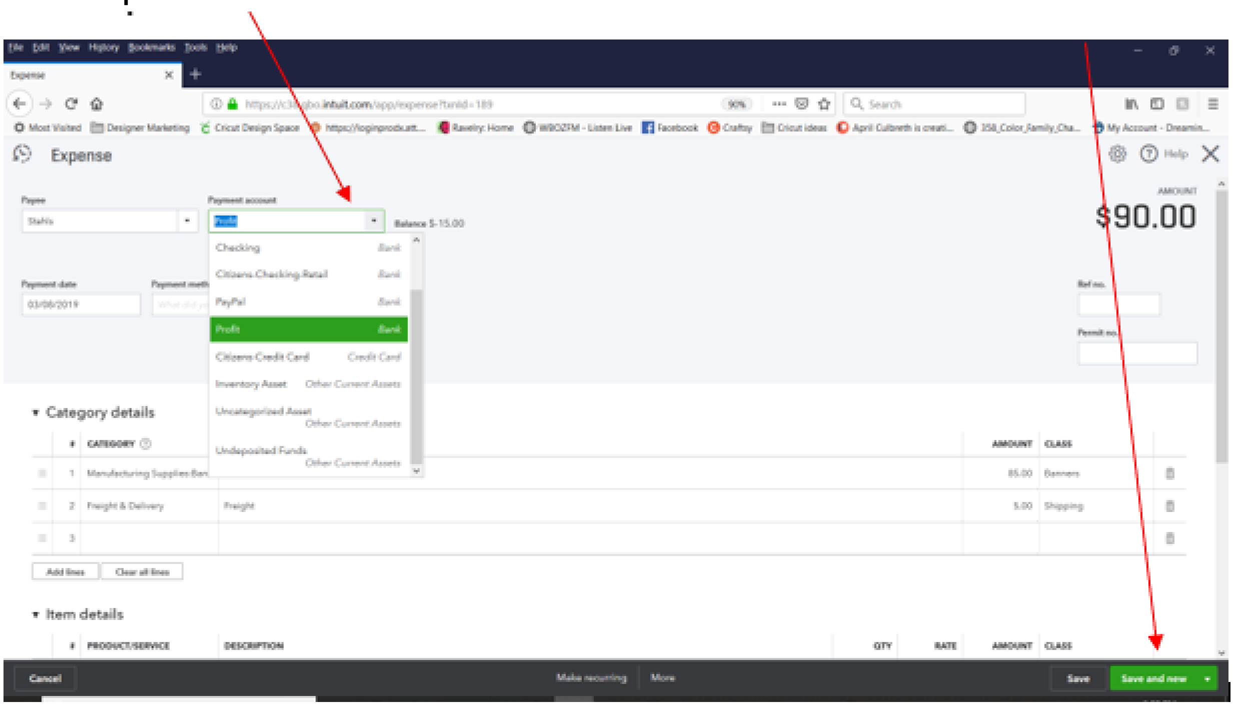


Once on the expense page you can find all the expenses you entered by clicking on the history symbol located here. 

It will bring up all of the expenses.

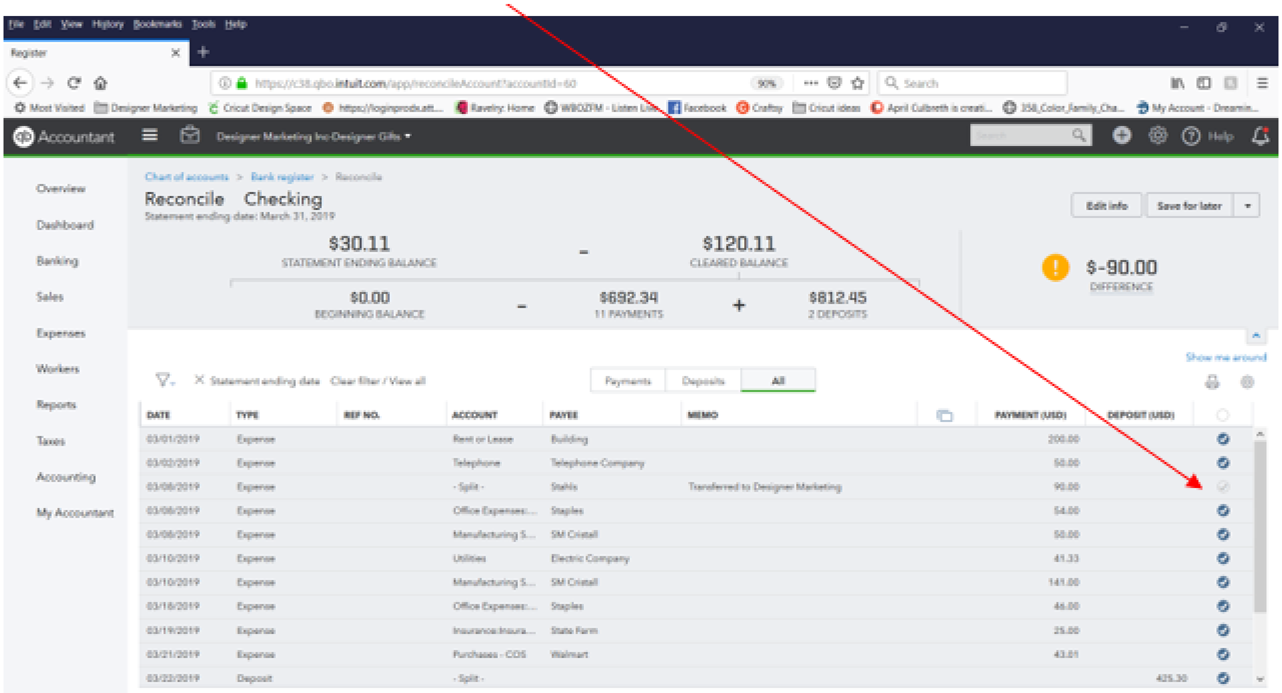


The transaction in question has been placed in the wrong account. Click on the dropdown and select the correct account. Click Save and Close.

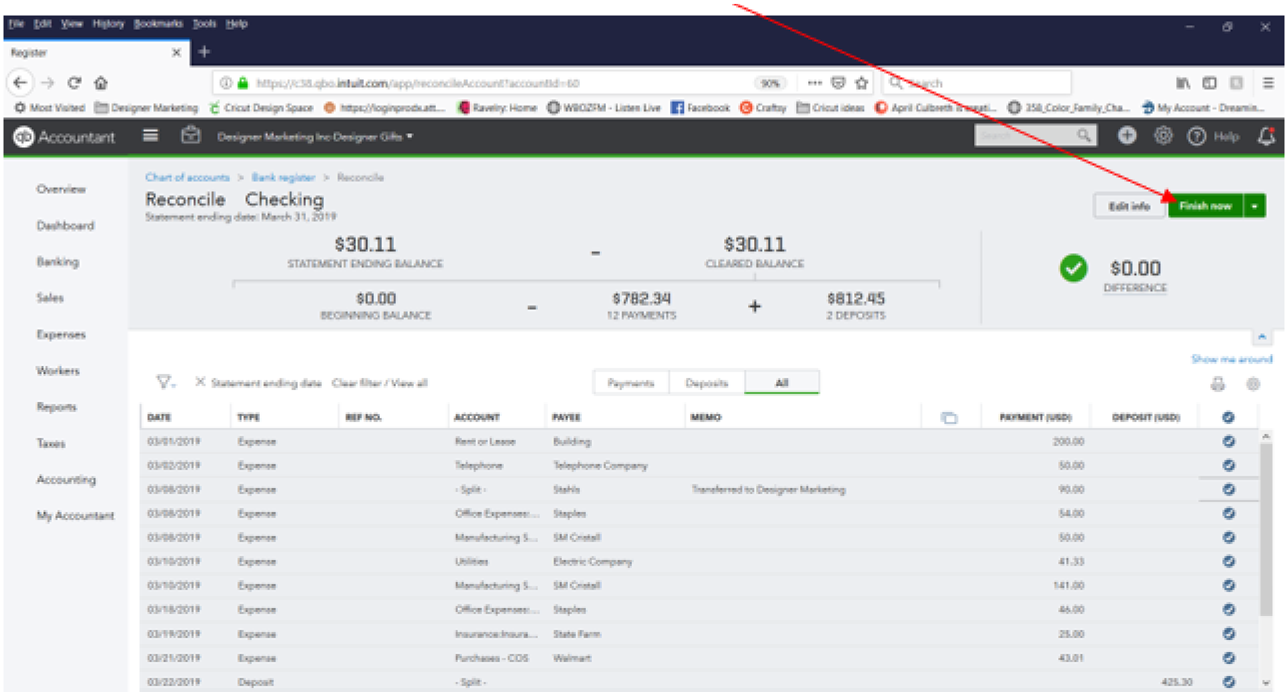


This will take you back to your reconciliation screen.

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



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



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!