

How to Balance a Checkbook

By Jdeke von Kolberg

July 2018

Maintaining the Ledger or Checkbook Register

- You must have a ledger or checkbook register. This can be:
 - The little book provided with the checks
 - An Excel (or similar) spreadsheet
 - Checking account management software
 - A lined piece of paper!
- No matter what format your ledger is
 - If you write a check, record it immediately and subtract the amount of the check from the balance
 - If you make a deposit, record it immediately and add the amount of the deposit to the balance
- Put a comment with each transaction so you know what it is

When Your Bank Statement Arrives...

Look at it for fees. A bank may charge fees for:

- Providing check images (required for Exchequers!)
- Deposited checks that bounced
- Deposits exceeding a stated number
- Transactions exceeding a stated number

(see next 2 pages for images showing where you find this information)

These fees show up on the statement as *debits*. You must enter these debits into your ledger.

If a check bounced, you must also subtract the check amount from your balance, and record both the fee and the check amount as a Receivable in your quarterly report!

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
9/6		Deposit	1000.00		1000.00
9/7		Deposit	100.00		1100.00
9/15		Deposit	100.00		1200.00
9/20		Deposit	100.00		1300.00
9/20		Cashed/Deposited Item Retn Unpaid Fee		12.00	1288.00
9/20		Deposited Item Retn Unpaid - Paper		49.00	1239.00
9/21	1000	Check		1000.00	239.00
9/25		eDeposit IN Branch/Store 09/25/17 12:16:32 Pm 554 N Main St	1000.00		1239.00
9/25		eDeposit IN Branch/Store 09/25/17 12:17:24 Pm 554 N Main St	1000.00		2239.00
9/25	1000	Check		50.00	2189.00
9/26	1000	Check		100.00	2089.00
9/27	1000	Check		50.00	2039.00
9/27	1000	Check		100.00	1939.00
9/27	1000	Check		100.00	1839.00
9/29	1000	Deposited OR Cashed Check		100.00	1739.00
9/29		Monthly Check Return/Image Stmt Fee		2.00	1737.00
Ending balance on 9/30					1737.00
Totals			\$1000.00	\$800.00	

Slide 4

RL1

Robin Leguillow, 7/15/2018

If your bank charges fees based on a minimum balance, this will show here. "Waived" means the minimum balance has been maintained. The actual fee will also be in the debits column (see previous page)

Monthly service fee summary

For a complete list of fees and detailed account information, see the Wells Fargo Account Fee and Information Schedule and Account Agreement applicable to your account (EasyPay Card Terms and Conditions for prepaid cards) or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 09/01/2017 - 09/30/2017	Standard monthly service fee \$0.00	You paid \$0.00
The bank has waived the fee for this fee period.		
WAIVED		

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	1,900	7,500	0	0.0030	0.00
Transactions	67	200	0	0.50	0.00
Total service charges					\$0.00

If your bank charges fees per transaction, this will show here. The columns show how many units you used, how many are included for free, how many used in excess, and what the charge is per excess unit. The total service charge is in the last column, and it will also be in the debit column for Transaction History (see previous page) as a "Cash Deposited Fee" or a "Transaction Fee".

Failure to record the bank fees from the statement in your ledger will mean you can't balance the bank statement. Also, you may end up bouncing your own check!

Once you have recorded all fees from the bank statement in your ledger, you can then identify checks and deposits that have cleared the bank.

What does “cleared” mean? It means those checks/deposits that are on the bank statement.

TIP: You also need to check that the amount shown on the bank statement matches the amount in your ledger. You could have made a mistake in recording the transaction. The bank could have made a mistake in recording the transaction. If you find bank mistakes, you need to go to the bank to discuss it with them.

Check off transactions that cleared

Check#	Date	Name	Purpose	R	Out	In	Balance
nnnn	12/12/2017	person 1	Fun Event refund	R	\$ 71.00		\$1,881.67
nnnn	12/12/2017	person 2	Fun Event refund	R	\$ 80.00		\$1,801.67
nnnn	12/12/2017	person 3	Fun Event refund		\$ 27.00		\$1,774.67
nnnn	12/12/2017	person 4	Fun Event refund	R	\$ 22.00		\$1,752.67
nnnn	12/12/2017	person 5	site fee for Fun Event	R	\$ 100.00		\$1,652.67
	12/15/2017	deposit	Fun Event Gate	R		\$ 400.00	\$2,052.67
	12/29/2017	Wells Fargo	check copying charge	R	\$ 2.00		\$2,050.67

These examples both contain the same data. One was done using an Excel spreadsheet to maintain the ledger. One was done using the check register booklet that comes in a box of checks.

On the spreadsheet, the column marked "R" shows the transactions that were reported on the bank statement.

On the booklet, the column marked with a check shows the transactions that were reported on the bank statement.

As you can see, there is one check for \$27 that has not cleared the bank, written to person 3.

Number	Date	Transaction	Withdrawal	✓	Deposit	\$
						1952.67
###	12/12	PERSON 1 FUN EVENT REFUND	71 00	✓		1881 67
###	12/12	PERSON 2 FUN EVENT REFUND	80 00	✓		1801 67
###	12/12	PERSON 3 FUN EVENT REFUND	27 00			1774 67
###	12/12	PERSON 4 FUN EVENT REFUND	22 00	✓		1752 67
###	12/12	PERSON 5 SITE FEE FUN EVENT	100 00	✓		1652 67
	12/15	DEPOSIT GATE INTAKE		✓	400 00	2052 67
	12/29	GATE INTAKE FUN EVENT				2050 67
	12/29	WELLS FARGO CHECK COPYING CHARGE	2 00	✓		2050 67

What if it does not match?

- Double-check your math. Make sure you added and subtracted everything correctly since the checkbook last balanced correctly.
- Double-check the amounts. Make sure the amounts in your register match the amounts on the statement.
- Look for missing transactions. Did you forget to write something down? Has something not cleared or have you recorded something that happened after the statement date?
- Subtract the balance in your check register from the balance on the statement. Does the amount match the amount of one of the transactions? If so, that transaction has probably not been accounted for correctly yet.
- If the difference between the balance in your checkbook and the balance on your statement has an even number of pennies, divide the difference by 2. Does this new amount match the amount of one of the transactions? If so, that transaction was probably added instead of subtracted or vice versa.

IT MATCHES!

You are finished balancing the bank statement for this month. You should:

- Sign and date the first page.
- Sign and date the calculation worksheet.
- Scan the entire statement to PDF.
- Send it to your Seneschal for signature.
- When you receive the signed statement back from the Seneschal, put it in your electronic folders. It must be attached to your quarterly report.