

HOW TO BALANCE A CHECKING ACCOUNT

1. You will need your bank statement and your check book.

Things you need to know about your bank statement:

A. Account Summary

Non-Profit Checking			
Account Number	60056797	Statement Dates	5/01/13 thru 6/02/13
Previous Balance	2,792.39	Days in the Statement Period	33
3 Deposits/Credits	4,325.00	Average Ledger	4,375.08
10 Checks/Debits	3,642.08	Average Collected	4,210.69
Service Charges	.00		
	.00		
Current Balance	3,475.31		

This section is at the beginning of the statement. It shows you:

- the balance was at the end of the previous month (Previous Balance.)
- How many deposits and how many checks the bank has received,
- The total values of the deposits and checks.
- The current balance in the bank as of the end of the statement period (Current Balance.)

It is important to know that just because you have sent a check off does not mean the bank has received it yet and will not necessarily show in these totals.

B. Overdrafts:

• Overdraft and Return Item Fees		
	Total For This Period	Total Year-to-Date
Total Overdraft Fees	\$.00	\$.00
Total Non-Sufficient Item Fees	\$.00	\$.00

It is to be hoped that you have not overdrawn your checking account by writing checks where there is not enough money in the account to pay for them. But if you should, they will appear in this section.

C. List of Deposits

Next the bank shows you a list of the deposits it has received.

• Deposits and Credits		
Date	Description	Amount
5/01	DDA Regular Deposit	875.00
5/10	DDA Regular Deposit	1,125.00
5/20	DDA Regular Deposit	2,325.00

D. List of Checks

This is the list of the checks that the bank has received. It probably does not include all the checks you have written.

• Check Detail						
Date	Check No	Amount		Date	Check No	Amount
5/13	1006	65.00		5/22	1011	203.75
5/28	1007	2,300.00		5/21	1012	72.88
5/13	1008	135.00		5/21	1013	-See above-
5/10	1009	208.34		5/22	1014	184.70
5/10	1010	125.60		5/17	1016 *	16.00
* Indicates Break in Check Number Sequence						

E. Photocopies of the checks the bank has received.

What You Need To Do:

2. In your check register (in the check book) check off all the deposits and checks that are listed on the bank statement.

A. In this example you would check off the three deposits:

One made on 5/01 for \$875

One made on 5/10 for \$1,125

One made on 5/20 for \$2,325

B. The bank has received 10 checks with check number 1006 through 1016. But it has not received check number 1015.

3. List all the deposits you have made that are not on the bank statement. Add them up and total them on the Check Book Balancing Form:

DEPOSITS			
DATE		AMOUNT	
5/28		\$900	00
TOTAL		\$900	00

4. Use this form to list all the checks that you have written that are not listed on the bank statement. Add them up for a total of all withdrawals.

CHECKS			
DATE	CHECK NUMBER	AMOUNT	
5/24	1015	\$75	00
TOTAL		\$75	00

5. Look at the bank statement for the total of the bank fees. In this case, there are no bank fees.

6. This is the final step.

ACCOUNT BALANCE		
	AMOUNT	
Enter the <u>ending</u> balance from the Account Summary on the bank balance.	\$3475	31
Add Total Deposits from the table of deposits the bank has not received that you filled in.	+	\$ 900 00
Subtotal Deposits and Ending Balance	=	\$4375 31

Enter the total of the checks the bank has not received from the table that your filled out		\$ 75	00
Add the total of bank fees to the total of the checks not received by the bank	+	\$ 0	00
Subtotal checks and bank fees	=	\$ 75	00

Subtract the subtotal of checks and bank fees from the subtotal of Deposits and Ending Balance	-	\$4300	31
This is your true account balance!!			