







Sage Business Cloud Accounting: **Banking**

Learning Objectives

After completing this module, you will be able to:

- Create new bank, credit card, loan, and online payment accounts
- Explore opening balances creating new accounts
- View/manage bank activity
- Import bank transactions into Accounting
- Setup automatic bank feeds
- Split imported transactions
- Categorize imported transactions
- Match, create new or transfer transaction once imported
- Deposit loan funds/cash
- Enter Sales Receipts for one-off transactions

NOTE Throughout the duration of the course, you will encounter important icons and visual conventions as part of your learning experience to guide learners through the chapters. Some of the cues are indicated here.

	Important Information / Important Note / Additional Information	Item where caution and attention is required or additional insight and information is provided.
	Exercise	Your opportunity to practice a concept.
	End of Exercise	Indicates the end of an exercise.
	Check Your Knowledge	Review questions at the end of a lesson to check your understanding and ability to implement concepts.
	Summary	Overview of the most important items covered in a section or lesson.
	End of Lesson	The end of the lesson.

Banking

Regardless of the type of business, banking plays many roles in modern-day business transactions. For Divine Chocolates, **Banking** within **Accounting** will play an integral role in moving, using, and enabling the flow of money for the products and services sold. **Banking** has multiple functions, some which have been explored in previous modules. Here, Christina will be able to:

- Create new bank, credit card, loan, and bank accounts
- Reconcile accounts
- View and manage details for each bank account, including balances, date of last reconciliation
- Record multiple vendor payments/customer receipts at once
- Record other payments like POS sales and receipts without having to create an invoice. This can also be used to record any bank interest or charges received
- Transfer money between two bank accounts
- Connect to online bank accounts using automatic bank feeds
- Import bank statements manually if automatic feeds aren't preferred
- Set recurring transactions
- Access the Cheque Register for cheque issuing
- Search bank activity by customer receipts, opening balances, payments, journals, deposits and many others

Christina has recently opened a new bank account and would like to connect it to her **Accounting** account to begin receiving automatic bank feeds and import transactions. First, she'll need to create the new account within **Accounting**. In doing so, a general ledger account is automatically created, with an account type, Asset, and is visible/available for use throughout Accounting such as journals and reports. She can review and edit the general ledger account as needed within the **Chart of Accounts**.

Assets
Bank
Credit Card / Loan
Equity
Expenses
Liabilities
Revenue

Chart of Accounts

Create, view and manage your ledger accounts. Select existing accounts to view or change the areas they are visible in, or create new accounts for improved analysis.

Search: Included in Chart: All Category: All

Included in Chart	Account Number	Ledger Name	Category	Category Group	Visible?	Display Name
✓	1000	Cash on Hand	Bank	Asset	✓	Cash on Hand
✓	1050	Chequing	Bank	Asset	✓	Chequing
✓	1060	RBC (Royal Bank of Canada)	Bank	Asset	✓	RBC (Royal Bank of Canada)
✓	1100	Accounts Receivable*	Assets	Asset	✓	Accounts Receivable
✓	1200	Inventory	Assets	Asset	✓	Inventory
✓	1500	Property and Equipment	Assets	Asset	✓	Property and Equipment
✓	1600	Allowance for Doubtful Debtors	Assets	Asset	✓	Allowance for Doubtful Debtors
✓	1700	Prepaid Expenses	Assets	Asset	✓	Prepaid Expenses
✓	1800	Accum. Amortization Property and Equipment	Assets	Asset	✓	Accum. Amortization Property and Equipment
✓	2000	Accounts Payable*	Liabilities	Liability	✓	Accounts Payable

Show: 10 records Page: 1 of 7 66 records

Adding a Bank Account

Let's add the new account within **Accounting**. Navigate to **Banking** within the menu:

Banking

Add your bank accounts, credit cards and loans. Connect to your online bank account to automatically import your transactions.

Chequing

Balance
-\$256.23

LAST ENTRY: 2 DAYS AGO

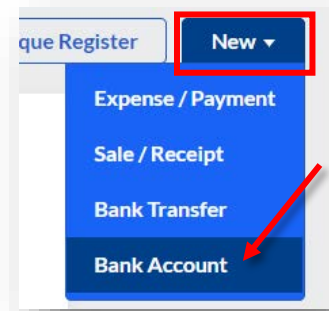
Cash on Hand

Balance
\$10.00

LAST ENTRY: 11 DAYS AGO

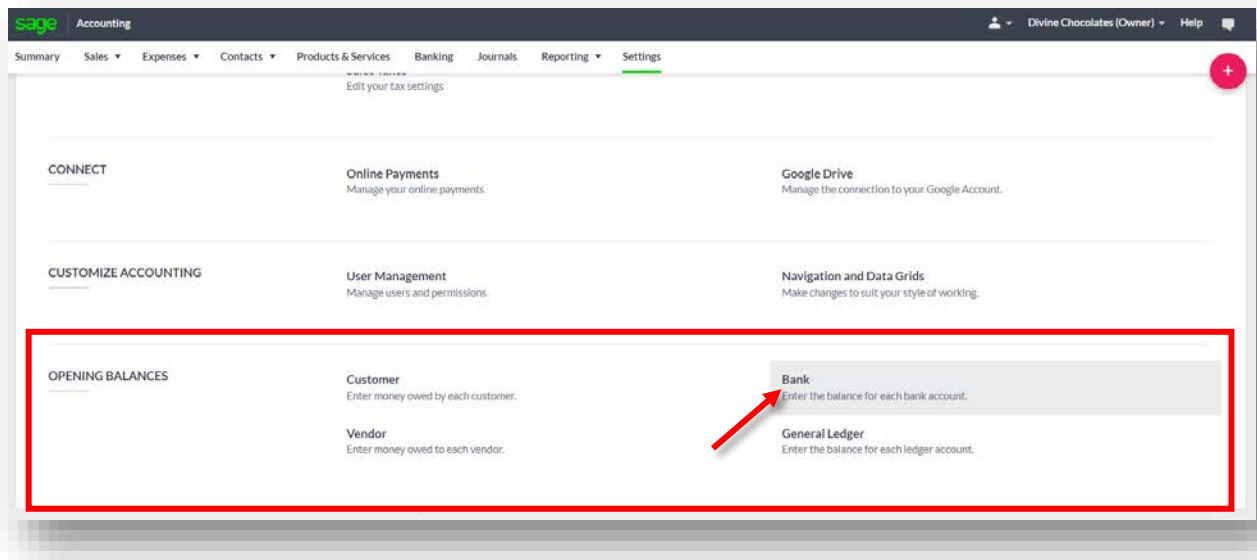
English (Canadian) © The Sage Group plc 2018

- Click **New** and select Bank Account from the drop-down menu:



- Select the **Account Type**, *Chequing, Savings, Loan, Cash, Credit Card* or *Other*. Select: *Chequing*.
- Cristina has chosen RBC, Royal Bank of Canada as the bank for Divine Chocolates. She plans to open the account with \$5000. Enter **RBC Chequing** or **Royal Bank of Canada** in the **Account Name** field.
- In **Account Number**, enter a 12345678, or a fictitious bank account number.

- We explored **Opening Balances** in a previous Module 7. There are two places to add bank Opening Balances within **Accounting**. It can be done here in **Banking**, by clicking on **Add an opening Balance** when adding a new bank account
- OR within **Settings**:



- In **Settings**, the Bank Account Opening Balances screen will launch displaying each account, the date of the OB (Opening Balance), Type, either Receipt or Debit and the Opening Balance amount:

Bank Account	Account Number	Date*	Type	Opening Balance*
1050 - Bank Of Montreal - Chequing		06/01/2016	Receipt (debit)	1,859.65
1060 - Bank Of Toronto	3950303882	05/04/2016	Payment (credit)	5,749.65
1070 - American Express		06/03/2016	Payment (credit)	876.54
1080 - Royal Bank Of Canada - Loan	39870493922	06/03/2016	Payment (credit)	25,000.00
1090 - Capital One Visa		06/03/2016	Payment (credit)	452.15
Please select		06/03/2016	Please select	0.00

- For the sake of this lesson, we will add the **Opening Balance** directly from the **Banking** setup when creating the new bank account, as opposed to **Settings**. Since Cristina is opening the account with \$5000, add the amount in the **Balance** field.



NOTE: By entering an **Opening Balance** when adding the account automatically posts to the general ledger account as a transaction.

Add Account ✕

Record details of your new bank account. You should only record an opening balance here, if you're transferring from a different accounting system. ⓘ

Account Type*

Account Name*

e.g. RBC Chequing Account

Account Number

Opening Balance Date* Remove opening balance

Balance
 Overdrawn Balance

Transferred from*

A secure bank connection that reduces data entry by up to 80%

NOTE: Before entering an **Opening Balance**, you'll need to specify your **Accounts Start Date** in **Financial Settings**.

Financial Settings ⓘ

Record your financial details such as your financial year end and the start date for transactions.

ACCOUNTING DATES

Choose when your financial year starts and ends. Choose a 'Lockdown' date to stop new transactions being saved before this.

Year End Date

Year End Lockdown

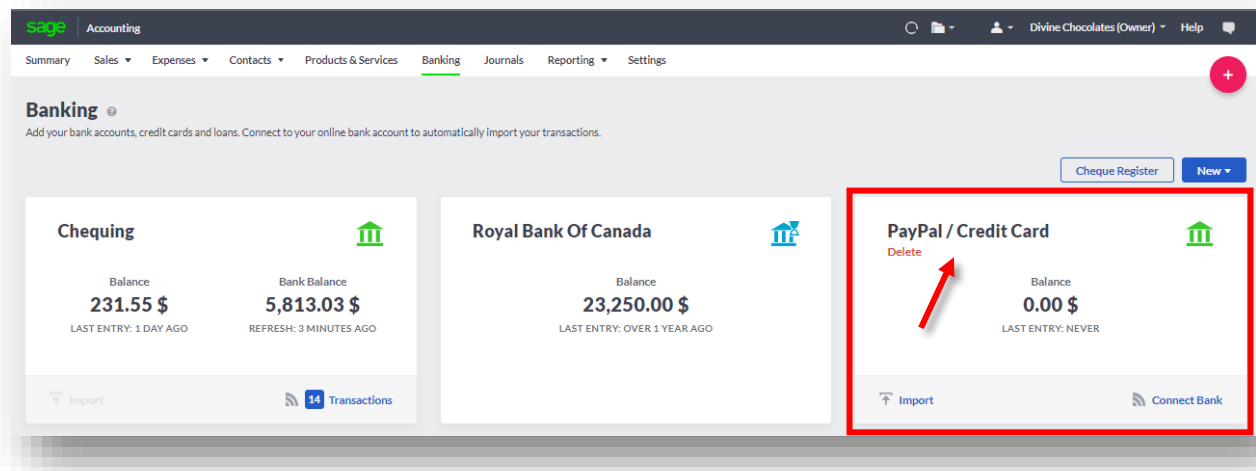
Accounts Start Date

- If the funds are being transferred from another account already setup within **Accounting**, indicate the account in the **Transferred From** field
- Select **Chequing**
- Christina can either **Save** the new account, where the new bank account will now appear on the **Banking** dashboard OR
- **Save and Connect Bank** to connect her new account to start receiving automatic bank feeds
- For purposes of this lesson, click **Save**.



Lesson

If you recall in a previous lesson, Module 16, we explored how to create online payments for credit cards and PayPal transactions. Add a new bank account within **Banking** for Divine Chocolates PayPal and Credit Card transactions to post to.



Connecting To Bank/Setting Up Bank Feeds

The bank feeds service easily imports transactions by connecting online bank accounts via a secure service to **Accounting**. Once a bank account is linked/established, it's a quick and easy way to record and reconcile transactions with your bank all in one go. In doing so, statement information and account transactions are retrieved automatically, saving time manually entering transaction information. It shows the bank balance, the number of new transactions ready to download and when the account was last refreshed. **Automatic Bank Feeds** ensure the account is always up to date and simplifies statement reconciliation. **Accounting** recalls how previous transactions were managed, offering suggestions to allocate payments for the same account/payee again.

To enable the service, online banking credentials must be used to sign in. *These details are not stored by Sage.* For purposes of this lesson we will be using a fictitious account.

Once the transactions have been imported, **Accounting** will prompt to:

- Automatically **Match** the imported transactions with a transaction already recorded in Accounting. OR
- Record as a new (**Create New**) transaction by allocating it to an account and a payee's name.
- Transfer funds from one account to another

As discussed in module 14, proper reconciliation of bank statements is vital for any small business to stay aware of any potential income issues or shortfalls.



NOTE: If you opt not to utilize the automatic bank feeds feature, bank transactions can be imported manually, as seen in Module 10 – Importing List Files, by downloading the data from the bank or credit card in a QIF, OFX or CSV format and upload the data files to **Accounting** manually.

Setting Up Bank Feeds

Christina would like to use the automated feature. Let's connect her account. You can connect two ways:

- From the **Banking** screen, navigate to the account you want to connect. For purposes of this lesson, we will be using a fictitious bank account as opposed to the bank account we just created above. Select: *Chequing*. In the bottom right, click on [ConnectBank](#).

The screenshot shows the Sage Accounting interface for the 'Banking' section. The 'Chequing' account card is highlighted with a red box, and a red arrow points to the 'Connect Bank' button at the bottom right of the card. The 'Chequing' card displays a balance of -\$206.23 and a last entry time of 'ABOUT 2 HOURS AGO'. Other cards include 'Cash on Hand' with a balance of -\$2,490.00, 'RBC (Royal Bank of Canada)' with a balance of -\$458.39 and a bank balance of \$5,813.03, and 'Bank of Canada - Loan' with a balance of \$0.00.

Or

- Select the account you want to connect (Chequing). Once it launches, navigate to the blue drop down menu and click **Connect To Bank**

Bank Accounts

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name**
Chequing

Account Number

Balance (\$) Opening Balance -\$206.23

Today's Balance (\$) -\$206.23

Account Type**
Chequing

Default Transaction Method
Cheque

Ledger Account
3000

Activity Address & Contacts Reconciliations

0 of 14 selected

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/19/2018	1 bag promo chocolates	POS - Walk In	Other Receipt	9.61	0.00			

- A disclaimer will appear regarding the bank feeds service. Click **Continue** to proceed.



NOTE: For purposes of this lesson, we will be using a fictitious bank account. Students **do not** enter your personal banking information.

Securely Connect to my Bank

RBC (Royal Bank of Canada) (12345678)

Reduce Manual Data Entry by up to 80%

Bank feeds are a quick and easy way to record and reconcile transactions with your bank all in one go. Once bank feeds are established, your transactions will automatically be imported into your accounts.

The bank feeds service is provided by a third party, Yodlee. To enable the service you must provide your online banking credentials to Yodlee. These details are not stored by Sage. Check with your bank account provider for any terms and conditions that relate to the use of aggregation services like those from Yodlee.

Continue Cancel

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- To connect a new account, type the name of the financial institution in the **Add Accounts** box. Ex: Royal Bank of Canada, RBC etc.

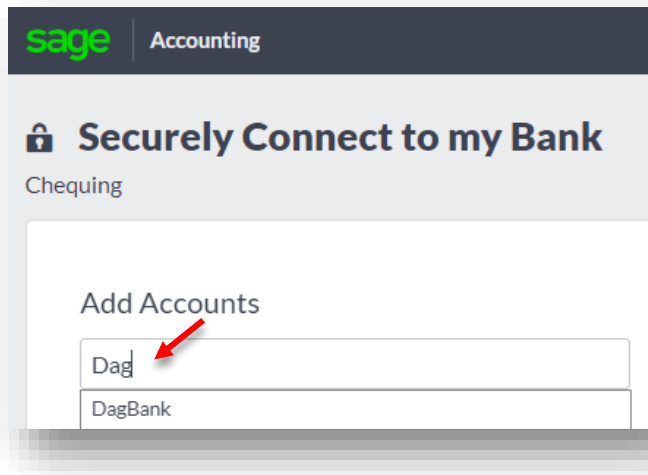
Securely Connect to my Bank

RBC (Royal Bank of Canada) (12345678)

Add Accounts

Enter any bank, credit card, investment, or other acc

- As you type, the banks matching the description will begin to pre-populate. Type and select: **DagBank**



sage Accounting

Securely Connect to my Bank

Chequing

Add Accounts

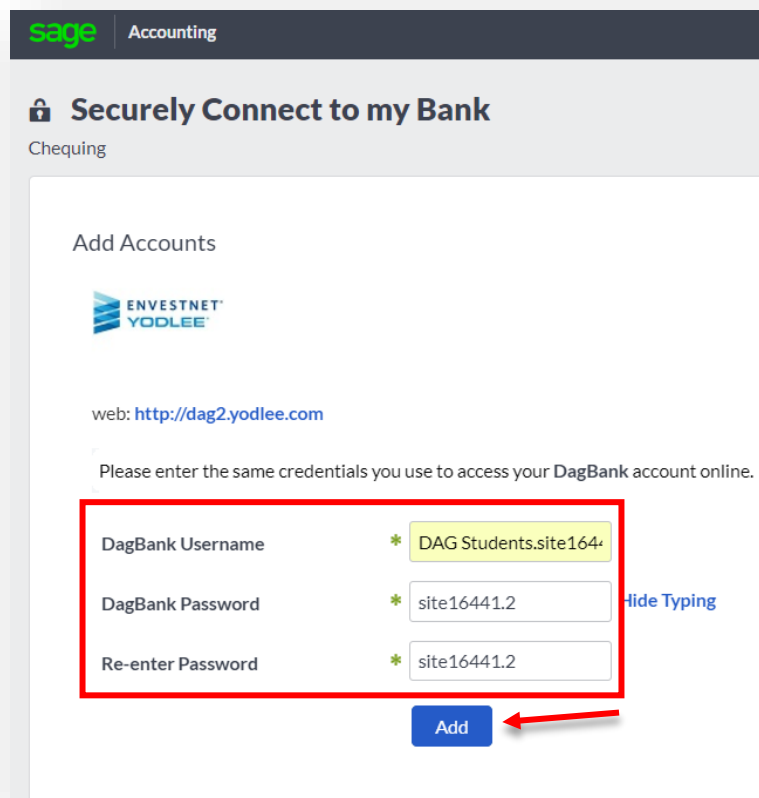
Dag

DagBank

- The username and password used to sign into the bank are entered here. For purposes of this exercise, type the following:

Username: DAG Students.site16441.2

Password: site16441.2



sage Accounting

Securely Connect to my Bank

Chequing

Add Accounts

INVESTNET
YODLEE

web: <http://dag2.yodlee.com>

Please enter the same credentials you use to access your DagBank account online.

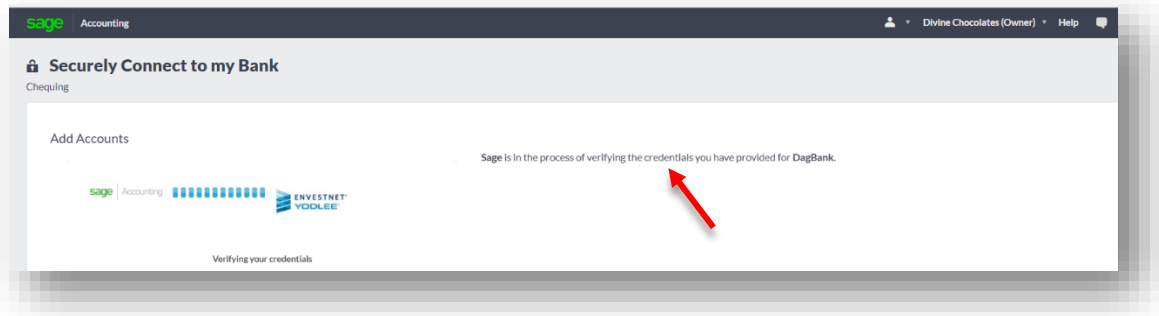
DagBank Username * DAG Students.site164

DagBank Password * site16441.2 [Hide Typing](#)

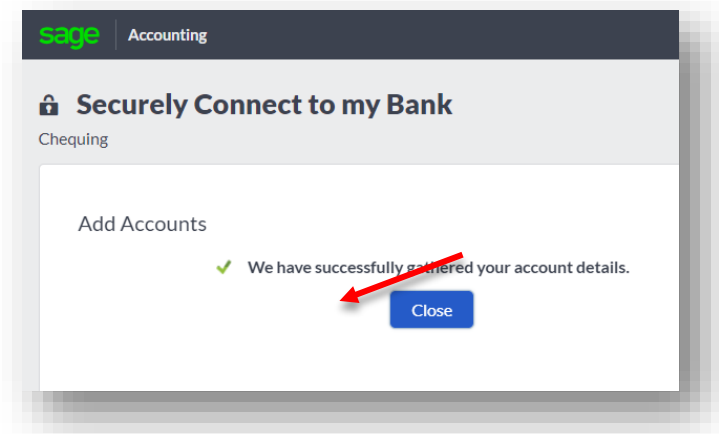
Re-enter Password * site16441.2

Add

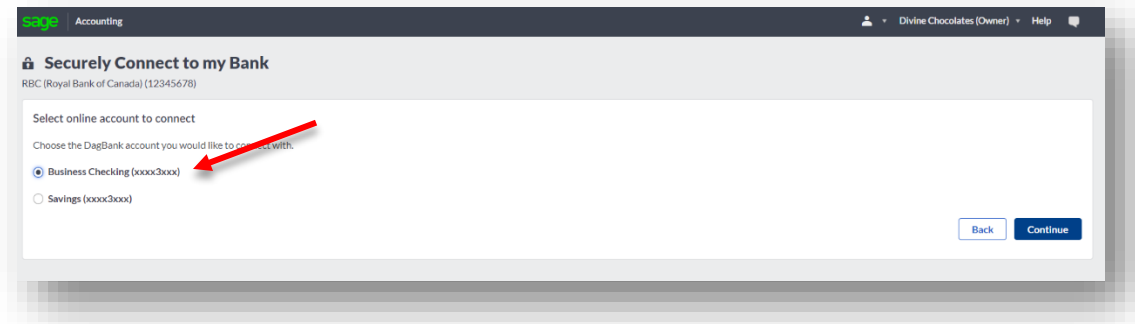
- Sage will begin verifying the bank credentials:



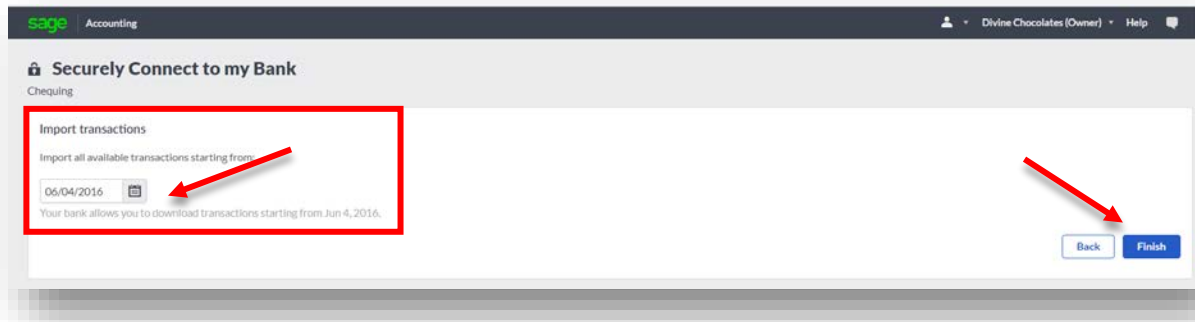
- Once verified, the account has been connected. Click **Close**.



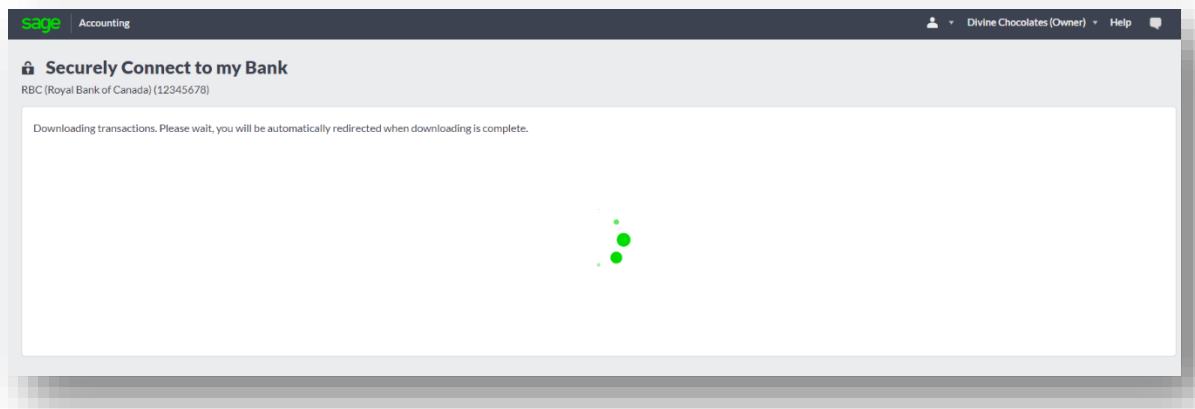
- If multiple accounts are recognized (chequing and savings), **Accounting** will ask you to select which account to connect to. Let's select: **TESTDATA1 (xxxx3xxx)**. For purposes of this lesson, it's the test account for **Chequing**. Click **Continue**.



- Once an account selection is made, you'll be asked what date transactions should be imported from. Most banks allow transactions as far back as *90 days*. Ideally, the day after the date of your last bank reconciliation should be used to start. Click **Finish**.



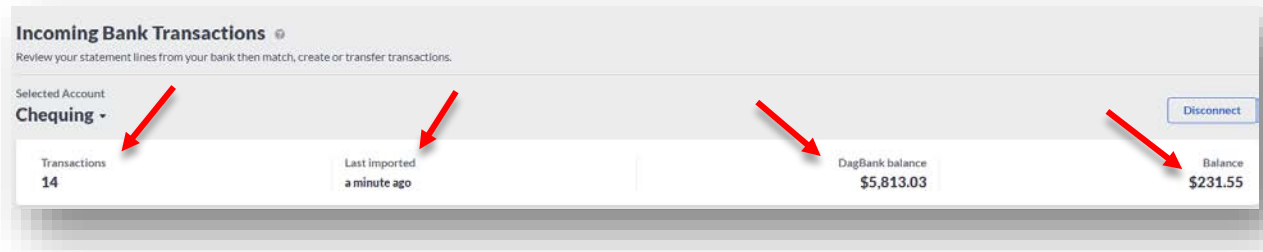
- Transaction download will begin from the company's bank account into **Accounting**:



- Transactions are imported each as a separate line item, ready to be matched, created as new transactions or transferred.

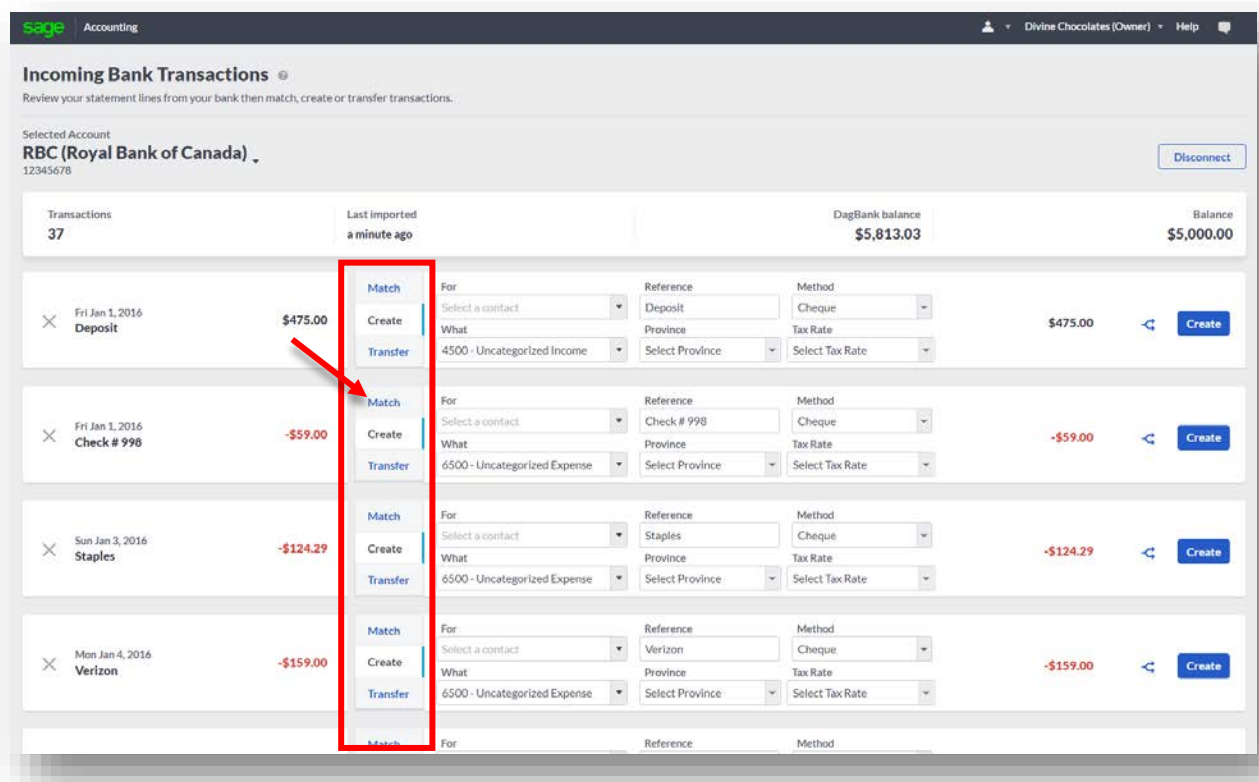
Match, Create or Transfer Transactions

Christina's transactions have been successfully imported into **Accounting**. The amount of transactions imported are shown at the top, a notification when transactions were last imported, the balance of the bank account and the balance in **Accounting**.

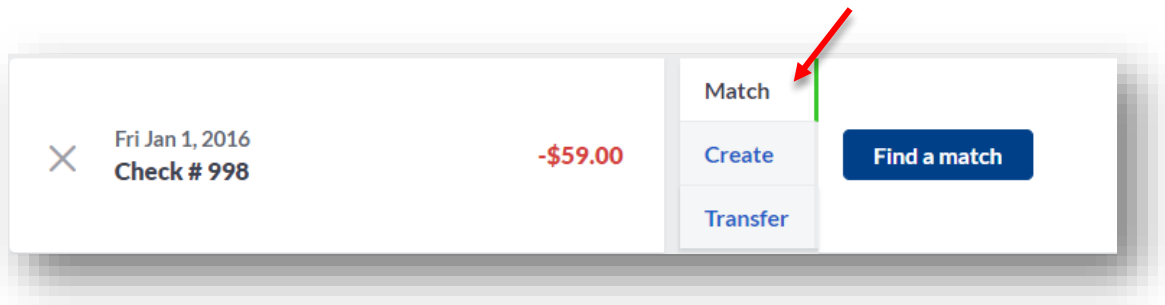


The transactions imported from her bank are listed below. Repeat each step by either **Matching** each line item to an existing **Accounting** transaction, **Create a New** transaction for the item in **Accounting** or **Transfer** funds.

1. **Match:** The Match feature automatically matches any transactions in **Accounting** to any existing payments or receipts recorded on the same day (or near the date) for the same value in the bank register. If a match is found and is correct, click **Match**.



- If **Accounting** doesn't find a matching transaction, select **Find a match**. **Accounting** will check the amount and date against existing transactions and lists any that match.



- Christina will select the check box for the applicable transaction or transactions that make up the imported transaction amount. Multiple transactions may make up a single transaction.
- Navigate to #2 to review the transactions selected below.
- Once the transactions chosen match the **Outstanding** amount, click **Match**.

1. Choose the transactions that make up this \$1,720.00

Date	Number	Contact	Type	Reference	Due Date	Amount	Outstanding
<input checked="" type="checkbox"/>	Mar 04, 18	SI-1	Lisa Smith	Sales Invoice	Apr 03, 18	607.38	557.38
<input type="checkbox"/>	Mar 07, 18	SI-3		Sales Invoice	Apr 06, 18	3,762.50	3,762.50

2. Review the chosen transactions or add any new ones.

Date	Number	Contact	Type	Reference	Method	Due Date	Amount	Outstanding	Payment
<input checked="" type="checkbox"/>	Mar 04, 18	SI-1	Lisa Smith	Sales Invoice	Cheque	Apr 03, 18	607.38	557.38	557.38

Chosen transactions: 557.38
Left to match: 1,162.62
Total: \$557.38


- **New Transaction:** If a match isn't found, Christina can easily click **New Transaction** and add it to **Accounting** without having to leave **Banking**.

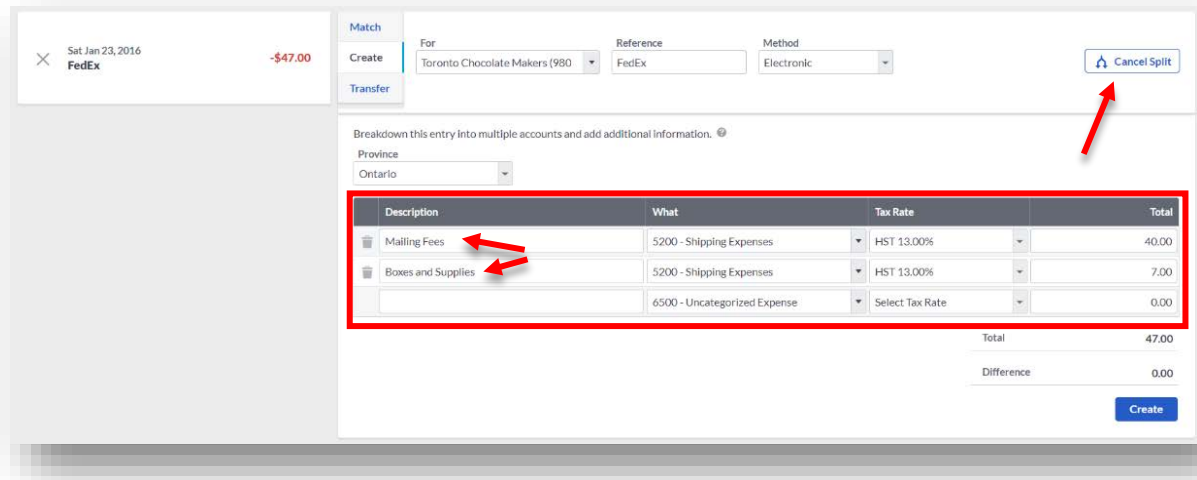
2. **Create:** If a direct match isn't found, Christina can use the **Create** option to create the transaction.

- **For:** Select the Customer or Vendor Name in the **For** box
- **What:** Confirm the general ledger account to record the payment or receipt against, otherwise change it here.
- **Reference:** This is the same as the reference /transaction on Christina's statement, but it can be changed to more clearly define the transaction.
- **Province:** Select the correct Province
- **Method:** Select or change the method the transaction was made: Electronic, Cheque, etc.
- **Tax rate:** Select the relevant tax rate.
- Click **Create**. In doing so, the line item is removed from the list and imported into **Accounting**. Additionally, the amount of transactions above is decreased.

Splitting Transactions

When matching imported transactions, incoming transactions can be split into multiple parts. Divine Chocolates mailed a gift basket filled with chocolates to a customer via

FedEx. 40\$ was for mailing fees and 7\$ was for supplies. The imported transaction can be split into multiple ledgers and amounts. Simply click on the **Split**  icon.



Match

Create For Toronto Chocolate Makers (980) Reference FedEx Method Electronic [Cancel Split](#)

Transfer

Breakdown this entry into multiple accounts and add additional information. ⓘ

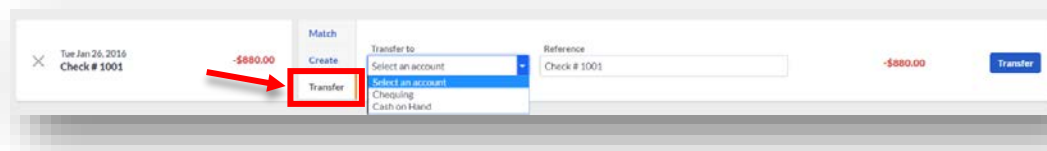
Province Ontario

Description	What	Tax Rate	Total
Mailing Fees	5200 - Shipping Expenses	HST 13.00%	40.00
Boxes and Supplies	5200 - Shipping Expenses	HST 13.00%	7.00
	6500 - Uncategorized Expense	Select Tax Rate	0.00
Total			47.00
Difference			0.00

[Create](#)

- Navigate to the line items below to breakdown the entry into multiple items.
- On the first line type: *Mailing Fees*. In the **What** column, change the GL ledger account to the appropriate one, *Shipping Expenses*. Select the correct tax rate, HST, and enter the split amount for this item. We spent 40\$ on mailing fees. Type: \$40 in the **Total** field.
- Navigate to the 2nd line and add *Boxes and Supplies*. Just as you did above, change your GL ledger account to the appropriate one. Select the correct tax rate and enter the split amount for this item. Christina spent 7\$ on Boxes and Supplies.
- Once done itemizing the entries, click **Create**.

3. **Transfer:** Use this option to transfer amounts from or to the bank account you're working within.



Match

Create Tue Jan 26, 2016 Check # 1001 -880.00 [Transfer](#)

Transfer to: Select an account Reference: Check # 1001 -880.00

Transfer

Select an account

Checking

Cash on Hand

- Click on **Transfer** and select the account to transfer the funds to.
- **Reference:** This is the same as the reference on your statements, but a good rule of thumb is to indicate the reason for the transfer in this field.

As each of the transactions are imported, they're automatically marked as cleared in the banking dashboard as seen here:

Bank Accounts

Account Name: Test Bank | Account Number: 49035580483049 | Balance (\$): \$949,087.29

Date	Inference	Name	Type	Received	Paid	Cleared	Reconciled	Recurrence
10/01/2016	Deposit	Langley Enterprises	Customer Receipt	620.00	0.00	✓	✓	
10/03/2016	Staples	Computers R Us	Other Payment	0.00	98.4	✓	✓	
10/04/2016	Verizon	Peachtree Leasing	Other Payment	0.00	159.0	✓	✓	
10/11/2016	Deposit		Transfer: Bank Of America	890.00	0.00	✓	✓	
10/06/2016	CHECK # 1003		Other Payment	0.00	480.0	✓	✓	
10/07/2016	Amazon	Computers R Us	Other Payment	0.00	49.4	✓	✓	
10/15/2016	QuikTrip #784	Peachtree Leasing	Other Payment	0.00	35.2	✓	✓	
10/17/2016	ATM Withdrawal	Calvert Copyright Services	Other Payment	0.00	60.0	✓	✓	
10/16/2016	Starbucks		Other Payment	0.00	9.4	✓	✓	

New Transactions

The **Banking** dashboard displays the newly added bank account. When new transactions are imported automatically, users are alerted with a notification on the bottom right, awaiting matching.



Banking

Chequing: Balance -\$5,256.23 | LAST ENTRY: ABOUT 21 HOURS AGO

Cash on Hand: Balance \$10.00 | LAST ENTRY: 12 DAYS AGO

RBC (Royal Bank of Canada): Balance \$5,000.00 | Bank Balance \$5,813.03 | LAST ENTRY: ABOUT 21 HOURS AGO | REFRESH: ABOUT 21 HOURS AGO

37 Transactions

Managing Transactions and Reconciliations

Christina would like to verify some recent banking activity for Lisa Smith's account. To view/manage transactions, from the **Banking** dashboard, click on the account. All history is listed in the **Activity** section at the bottom:

The screenshot displays the Banking dashboard for a bank account. The account name is 'Royal Bank Of Canada' and the account number is empty. The account type is 'Checking' and the default transaction method is 'Check'. The ledger account is '1010'. The balance is \$69,173.01. A graph shows the balance over time from April 09 to May 07, with a balance of \$50,000.00 and cash flow in/out of \$0.00. A red arrow points to the 'Activity' tab in the bottom navigation bar.

The 'Activity' section shows a list of transactions with the following columns: Date, Reference, Name, Type, Received, Paid, Cleared, Reconciled?, and Recurrence. The transactions are as follows:

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
10/02/2016	Recurring Transaction Tes	Bob Turner	Other Receipt	59.95	0.00		✓	
10/04/2016		Bob Turner	Customer Receipt	35.00	0.00		✓	
10/04/2016		General Electric	Customer Receipt	50.00	0.00		✓	
11/11/2016		Verizon	Vendor Payment	0.00	159.00		✓	
09/05/2016		Verizon	Vendor Payment	0.00	159.00		✓	
11/15/2016	146146	Kim's Coffee Shop	Customer Receipt	97.20	0.00		✓	
11/15/2016		Computers R Us	Vendor Refund	5.00	0.00		✓	
11/15/2016	Journal #2929		Journal	500.00	0.00		✓	
11/15/2016	Journal #2929		Journal	0.00	500.00		✓	
11/15/2016	382382	Bob Turner	Customer Receipt	40.40	0.00		✓	

Adding a Loan Account

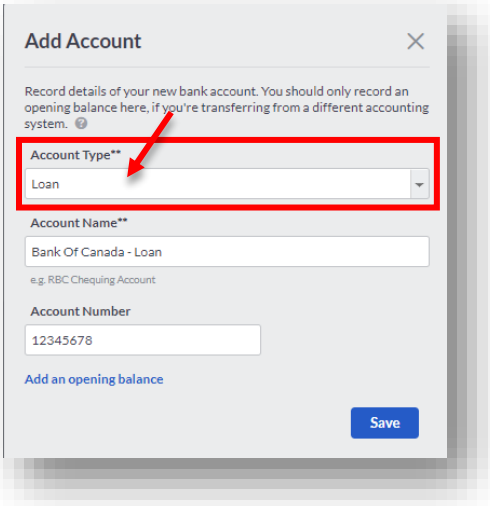
Christina has taken out a small business loan for kitchen equipment and supplies for Divine Chocolates, from a local bank. She can track the loan in **Accounting** by setting up a liability account.



NOTE: In order to enter an opening balance for the loan, the company's **Account Start Date** needs to be setup within **Settings** first. Otherwise the following notification will appear: (Please refer back to Module 4 – Settings, if you haven't already done so.)

In order to enter an opening balance for this account, please first go to the [Financial Settings](#) Settings page and set your Accounts Start Date.

1. From the **Banking** screen, navigate to **New** and select **Bank Account**.
2. Select **Loan** in the **Account Type** field for this long-term liability.



Add Account [X]

Record details of your new bank account. You should only record an opening balance here, if you're transferring from a different accounting system. ⓘ

Account Type**
Loan

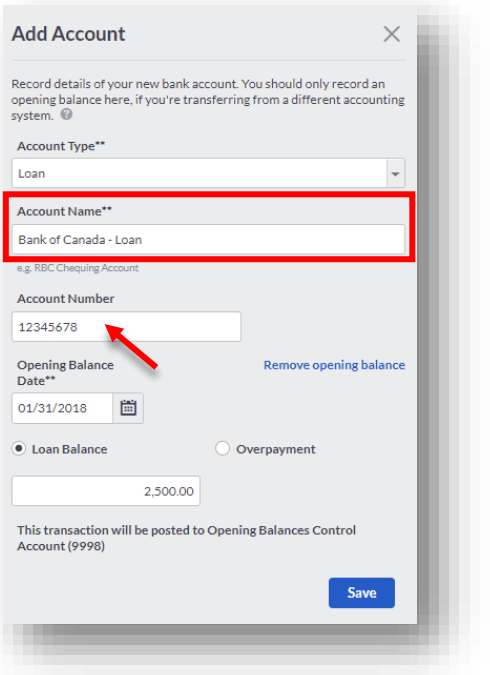
Account Name**
Bank Of Canada - Loan
e.g. RBC Chequing Account

Account Number
12345678

[Add an opening balance](#)

Save

3. Type *Bank of Canada - Loan* in the **Account Name** field.
4. Enter the **Account Number** for the loan. Enter a fictitious number or 1234567



Add Account [X]

Record details of your new bank account. You should only record an opening balance here, if you're transferring from a different accounting system. ⓘ

Account Type**
Loan

Account Name**
Bank of Canada - Loan
e.g. RBC Chequing Account

Account Number
12345678

Opening Balance Date** [Remove opening balance](#)
01/31/2018 [Calendar icon]

Loan Balance **Overpayment**

2,500.00

This transaction will be posted to Opening Balances Control Account (9998)

Save

- Click on **Add An Opening Balance**. Christina's loan for kitchen equipment is 2500\$. Enter: 2,500\$



NOTE: If you try to enter a new loan account that *isn't* prior to your **Accounts Start Date** (the 1st day you started using Sage Accounting), you will receive the following notification below. Change the **Opening Balance Date** to a date prior to the Accounts Start Date. Otherwise, create an **'Other Payment'** from within **Banking** for the amount owed OR **Transfer** the funds.

To enter a balance on this account after your Start Date, create an Other Payment transaction for the amount owed, or a Transfer to move a balance from another card.

If there was an opening balance on this account prior to you starting to use Accounting, select a date prior to 02/01/2018 and record an opening balance.

- Click **Save** to set up the loan. You've just created the account for Christina's loan. Now we'll need to deposit the funds into the account.

Depositing the Proceeds of the Loan

After setting up the loan account, Christina can make a deposit in **Accounting** to record the loan. After making the deposit, **Accounting** will track the amount outstanding on the loan.

- To record the deposit of the loan, from **Banking** navigate to **Cash on Hand**:

The screenshot shows the Sage Accounting Banking dashboard. The 'Cash on Hand' account is highlighted with a red box and a red arrow. The dashboard displays the following accounts and balances:

Account Name	Balance	Last Entry
Chequing	-\$256.23	20 MINUTES AGO
Cash on Hand	\$10.00	17 MINUTES AGO
RBC (Royal Bank of Canada)	\$2,500.00	4 MINUTES AGO
Bank Balance (RBC)	\$5,813.03	ABOUT 23 HOURS AGO
Bank of Canada - Loan	\$2,500.00	9 MINUTES AGO

2. Navigate to **New Entry** and select **Bank Deposit**:

The screenshot shows the Sage Accounting interface for the 'Bank Accounts' section. The 'New Entry' dropdown menu is open, and the 'Bank Deposit' option is highlighted. A red arrow points to this option. The page displays account details for 'Cash on Hand' with a balance of \$10.00 and a graph showing cash flow over time.

3. Enter a reference for the deposit in the **Paying in Reference** field. In this case, we're depositing the funds received from The Bank of Canada for Cristina's new loan. Type: *Bank Of Canada Loan – Kitchen Equipment*
4. **Cash** – Enter the amount of the deposit Type: *2,500\$*
5. **Bank Account** – Select the account the funds should be deposited to. Select *Chequing* from the drop-down menu.

The screenshot shows the Sage Accounting interface for the 'Deposits' section. The 'Paying in Reference' field is highlighted in red with a red arrow, containing the text 'Bank Of Canada Loan – Kitchen Equipment'. The 'Bank Account' dropdown menu is also highlighted in red with a red arrow, showing 'Chequing (1030)' selected. The 'Cash' field is set to 2,500.00. The page includes a table with columns for Bank Account, Date, Paying in Reference, Cash, Cheques, and Total.

Bank Account	Date	Paying in Reference	Cash	Cheques	Total
Chequing	03/10/2018	March Deposits	50.00	50.00	100.00

6. Enter the **Date** of the deposit.
7. **Cheques** – If Christina was depositing a cheque for her loan, click on **Select** and select the cheque from the list. We aren't depositing a cheque, so we'll leave that field at 0.00\$.

Select Cheques

<input type="checkbox"/>	Date	Name	Ref (Chq No)	Amount
<input type="checkbox"/>	03/09/2018	Lisa Smith		50.00
<input type="checkbox"/>	03/09/2018	Lisa Smith		50.00

Number of Cheques: Total:

[Save](#) [Cancel](#)

8. **Cash Remaining** will display the amount of funds in the account after the current deposit is made. If Divine Chocolates had 500\$ in the account, after the deposit, the cash remaining would be 3000\$.
8. Click **Save** to complete the deposit entry. After completing this deposit, **Accounting** will provide a confirmation notification below in green.

Deposits

Record cash and cheques deposited into your current account, from your cash in hand account.

Paying in Reference** Cash**

Bank Account** Cheques (0) [Select](#)

Date** Cash Remaining

[Save](#) [Cancel](#)

Bank Account	Date	Paying in Reference	Cash	Cheques	Total
<input type="checkbox"/> Chequing	03/10/2018	March Deposits	50.00	50.00	100.00
<input type="checkbox"/> Chequing	03/21/2018	Bank Of Canada Loan - Kitchen Equipment	2,500.00	0.00	2,500.00

✓ Created Deposit Successfully

The bank deposit will now appear within the bank account it was deposited to as a **Deposit**.

The screenshot shows the Sage Accounting interface for a Bank Account. The account name is 'RBC (Royal Bank of Canada)' and the account number is '12345678'. The account type is 'Chequing' and the default transaction method is 'Cheque'. The ledger account is '1000'. The balance is \$2,500.00. A graph shows the balance over time, with a red arrow pointing to a deposit of 2,500.00 on 03/21/2018. Below the graph, a table shows the activity for this account.

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/21/2018	Bank Of Canada Loan - Kitchen Equipment		Deposit: Cash on Hand	2,500.00	0.00			

9. Now let's transfer the funds from the **Cash** account to the Bank Of Canada Loan account. From **Banking**, select the **Chequing** account.

The screenshot shows the Sage Accounting Banking page. The Chequing account has a balance of \$2,243.77. The Cash on Hand account has a balance of -\$2,490.00. The Bank of Canada - Loan account has a balance of \$2,500.00. Red arrows point to the Cash on Hand and Bank of Canada - Loan accounts.

1. The bank deposited funds appear within the Activity section at the bottom.

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
<input type="checkbox"/>	03/19/2018	1 bag promo chocolates	POS - Walk In	Other Receipt	9.61	0.00		
<input type="checkbox"/>	03/21/2018	Bank Of Canada Loan - Kitchen Equipment	Deposit: Cash on Hand		2,500.00	0.00		

2. Navigate to **New Entry** and select **Bank Transfer**:

Bank Accounts

Account Name** Chequing

Account Number

Account Type** Chequing

Default Transaction Method Cheque

Ledger Account 1000

Balance (\$) Opening Balance \$2,243.77

Today's Balance (\$) \$2,243.77

Jan 29 Feb 12 Feb 26

Balance Cash Flow In Cash Flow Out

3. You'll notice the newly created *Bank of Canada-Loan* account within the drop-down menu. Select it as the account to transfer the funds into:

Bank Transfer

Record the transfer of money between your bank accounts. This includes payments from your bank account to a credit card or loan account.

Paid from Bank Account** 1050 - Chequing

Paid into Bank Account** 1070 - Bank of Canada - Loan

Method 1070 - Bank of Canada - Loan

Amount Transferred** 0.00

Date Transferred** 03/21/2018

Reference (optional)

Description

Save Cancel

10. Select the **Method of Transfer**, (Select *Electronic*) and the **Amount Transferred**. We want to transfer the entire of amount of 2500\$. Type: 2,500\$.
11. Select the **Date Transferred** and a **Reference**. In the **Reference** field type: *Kitchen Equipment Loan*.
12. Click **Save**.

Bank Transfer

Record the transfer of money between your bank accounts. This includes payments from your bank account to a credit card or loan account.

Paid from Bank Account** 1050 - Chequing

Paid into Bank Account** 1070 - Bank of Canada - Loan

Method Electronic

Amount Transferred** 2,500.00

Date Transferred** 03/21/2018

Reference (optional) Kitchen Equipment Loan

Description

Save Cancel

Once the transfer is complete, the former deposit account shows the deposit activity and moves from **Received** to **Paid**.

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/19/2018	1 bag promo chocolates	POS - Walk In	Other Receipt	9.61	0.00			
03/21/2018	Bank Of Canada Loan - Kitchen Equipment		Deposit: Cash on Hand	2,500.00	0.00			
03/21/2018	Kitchen Equipment Loan		Transfer: Bank of Canada - Loan	0.00	2,500.00			

Let's confirm the transfer to the newly created Bank of Canada – Loan account. Navigate to **Banking** and select *Bank of Canada – Loan* account. The newly deposited amount for Cristina's loan shows as **Received** and has been successfully transferred to the appropriate account. A bank balance and a loan balance will display on the balance sheet.

Bank Accounts

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name** Bank of Canada - Loan Account Number 12345678 Balance (\$) \$0.00
 Opening Balance \$0.00
 Today's Balance (\$) \$0.00

Account Type** Loan
 Default Transaction Method Electronic
 Ledger Account 1070

Activity Address & Contacts Reconciliations

0 of 1 selected

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/21/2018	Kitchen Equipment Loan		Transfer: Chequing	2,500.00	0.00			

Deposits

If a customer pays Divine Chocolates with **Cash** or by **Cheque**, the sales transaction can be recorded in Banking in the **Cash** account. When the funds are deposited into Divine Chocolates bank account, Christina will record the bank deposit and transfer the money from the **Cash** account to the relevant bank account.

- To make a **Deposit** navigate to **Banking**. **Accounting** has established two accounts for you, **Chequing** and **Cash On Hand**. Select the bank account: **Cash on Hand**

Banking

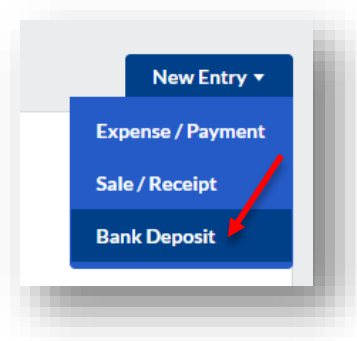
Add your bank accounts, credit cards and loans. Connect to your online bank account to automatically import your transactions.

Cheque Register New

Chequing Balance \$300.00 LAST ENTRY: 31 MINUTES AGO

Cash on Hand Balance \$60.00 LAST ENTRY: 18 MINUTES AGO

- Navigate to **New Entry** and select **Bank Deposit**.



Bank Accounts ⓘ
View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name* Cash on Hand Balance (\$) \$60.00
Today's Balance (\$) \$60.00

Account Type* Cash on Hand
Default Transaction Method Cash
Ledger Account 1000

Activity Address & Contacts

0 of 2 selected

Date	Reference	Name	Type	Received	Paid	Recurrence
<input type="checkbox"/> 03/05/2018		Lisa Smith	Customer Receipt	10.00	0.00	
<input type="checkbox"/> 03/09/2018		Lisa Smith	Customer Receipt	50.00	0.00	

- **Paying In Reference:** Enter a reference for the deposit. Ex: March Cash Deposits
- **Bank Account:** Choose the bank account to deposit the money into. In this case, Divine Chocolates would like the funds to go to the **Chequing Account**.
- Enter the **Date**.
- **Cash:** Enter the amount of cash you want to deposit. *Type 50\$.*

Deposits

Record cash and cheques deposited into your current account, from your cash in hand account.

Paying in Reference* Cash*

Bank Account* Cheques [0] [Select](#)

Date* Cash Remaining

[Save](#) [Cancel](#)

Bank Account	Date	Paying in Reference	Cash	Cheques	Total
--------------	------	---------------------	------	---------	-------

- **Select Cheques:** Click **Select** and select the existing payments that you want to include in the bank deposit. In this case, we want to deposit the 50\$ check Mr. Smith just made.

Select Cheques

<input type="checkbox"/>	Date	Name	Ref (Chq No)	Amount
<input type="checkbox"/>	03/07/2018	Lisa Smith		50.00
<input type="checkbox"/>	03/09/2018	Lisa Smith		50.00
<input checked="" type="checkbox"/>	03/09/2018	Lisa Smith	Cheque #57	50.00

Number of Cheques Total

[Save](#) [Cancel](#)

- Enter the **Date**. Click **Save**. The deposit will appear as a line item below.

Deposits

Record cash and cheques deposited into your current account, from your cash in hand account.

Paying in Reference* Cash*

Bank Account* Cheques [0] [Select](#)

Date* Cash Remaining

[Save](#) [Cancel](#)

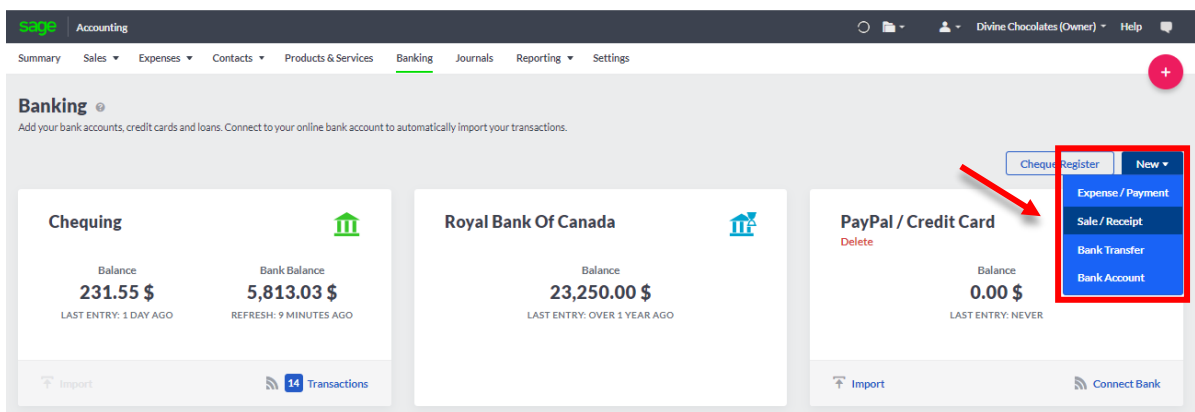
Bank Account	Date	Paying in Reference	Cash	Cheques	Total
Chequing	03/10/2018	March Deposit	50.00	50.00	100.00

Sales Receipts

Divine Chocolates may receive funds at the time of the sale for over the counter sales, and other money without issuing an invoice. The **Sales Receipt** function within **Banking** allows Christina to create a sale and record payment information for one-off transactions, such as an over the counter sale in one step. **Sales Receipt** is meant to record an *immediate acceptance of payment* while an invoice represents an *expected payment in the future*.

A new customer has just come in to Divine Chocolates and would like to buy a small bag of chocolates for 8.50\$\$

- From **Banking** navigate to **New** and select **Sale/Receipt**:



- The **Sales Receipt** page will launch:

The screenshot shows the Sage Accounting Receipt page. The 'Other Receipt' tab is selected. The form fields are filled with: Customer (optional) Point Of Sale Customer, Paid into Bank Account** 1050 - Chequing, Method** Credit/Debit Card, Date Received** 05/31/2018, Reference (optional) 1 bag promo chocolates, and Amount Received** 0.00. A red box highlights the form fields, and a red arrow points to the 'Other Receipt' tab.

Ledger Account	Details	Department	Cost Centre	Project	Net	Tax Rate	Tax Amount	Total
4000 - Sales	1 bag promo chocolates	None	None	None	8.50	HST 13.00%	1.11	9.61
4900 - Other Income		None	None	None	0.00	HST 13.00%	0.00	0.00
							Total Net	8.50
							Total Tax	1.11
							Total	9.61
							Left to record	-9.61

- Select **Other Receipt**. As we saw in a previous lesson, there is an option within **Record and Transaction Settings** to enable this tab to be the appear first as opposed to the **Customer Receipt** when launching this page.
- Let's create a point of sale customer or walk-in. Scroll down to **+Add a customer**. This field is optional. Add *POS – Walk-In Customer*. You'll need to add a **Province** when setting up the record, for tax purposes. Click **Save**.
- **Paid Into Bank Account** – Select the account the payment will be made into from within the drop-down menu. Select *Chequing*.
- **Method** – Select the method of how the customer is paying for the candy: **Cash, Cheque, Electronic, Credit/Debit Card, or PayPal**. Select: Credit/Debit Card
- **Date received**: The date will default to today. Change if necessary.
- **Reference**: Although this is optional, it's advisable to notate what the payment being receive is for. In this instance, type: *1 bag promo chocolates*
- **Amount Received**: The total amount of items being sold in the line items below, *including sales tax*. Since we don't know what the total is yet including sales tax leave this blank.
- **Tax rate for**: The transaction will default to the company tax rate on file but can be changed from the drop down box.

The screenshot shows a 'Tax rate for:' dropdown menu with 'Ontario' selected. The dropdown list includes: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Nunavut, Ontario (highlighted), Prince Edward Island, Québec, Saskatchewan, Yukon, and Outside of Canada. Below the dropdown, the form displays the following values: Tax Amount: 1.11, Total Net: 0.00, Total Tax: 0.00, Total: 9.61, and Left to record: 0.00. There are 'Save' and 'Cancel' buttons at the bottom.

- **Ledger Account**: Navigate down to the **Ledger Account**. It will default to *4900- Other Income*. Let's change it to *4000 - Sales* to reflect the accurate GL account the sale should be posted to.

- **Details** – Add the details of the one-off transaction. In this case, Divine Chocolates is selling 1 bag of their promotional chocolates. Type: *1 bag promo chocolates*
- **Net** – Input the selling price of the item excluding tax. Type: *\$8.50*
- **Tax Rate** – This will default to Divine Chocolates tax rate of HST but can be changed if necessary from the selections within the drop-down menu.
- **Tax Amount** – The tax automatically calculates here based on the dollar amount and Province selected.
- **Total** – The product total is shown including the tax amount.
- Navigate to the next line and continue to add additional products if you're selling several items. You can change the ledger account and tax rate for each item should you need to. The customer is only purchasing that one item, so we won't add any additional items to the Sales Receipt.

The screenshot displays the Sage Accounting 'Receipt' form. The 'Amount Received' field is highlighted with a red box and a red arrow, showing the value 9.61. Below the form is a table with columns for Ledger Account, Details, Net, Tax Rate, Tax Amount, and Total. The table shows a single line item for '1 bag promo chocolates' with a Net of 8.50, Tax Rate of HST 13.00%, Tax Amount of 1.11, and Total of 9.61. At the bottom right, there are fields for Total Net (8.50), Total Tax (1.11), Total (9.61), and Left to record (0.00). The Total field is also highlighted with a red box and a red arrow. There are 'Save' and 'Cancel' buttons at the bottom.

Ledger Account	Details	Net	Tax Rate	Tax Amount	Total
4000 - Sales - Products	1 bag promo chocolates	8.50	HST 13.00%	1.11	9.61
4000 - Sales - Products		0.00	HST 13.00%	0.00	0.00

Total Net: 8.50
Total Tax: 1.11
Total: 9.61
Left to record: 0.00

- **Left to Record:** The total including tax is 9.61\$. Now that we know how much to charge the customer's credit card including tax, navigate to the top and input 9.61\$ in **Amount Received**.
- The **Amount Received** has to match what's **Left to Record**. Otherwise **Accounting** won't allow the transaction to be saved.



NOTE: The total of all entries must match the value entered in **Total** before the sales receipt can be saved. If multiple lines are entered, the transaction still appears on the bank activity as one receipt but as individual transactions on the relevant ledger accounts.

- The customer decided to pay with 10.00\$ in cash. When inputting the amount in the Amount Received field, Accounting has calculated we owe the customer .39c change. A notification appears at the bottom **'You still have receipts left to record'** that there is a credit on the account. Therefore, Christina will need to input the exact amount of the transaction, 9.61\$ in the **Amount Received** field for the transaction to be saved and then provide the customers change.

The screenshot shows the Sage Accounting 'Receipt' form. The 'Amount Received' field is set to 10.00. The 'Total' field shows 9.61, and the 'Left to record' field shows 0.39. A red box highlights the 'Total' and 'Left to record' fields, and a red arrow points to the 'Save' button. A red notification box says 'You still have receipts left to record.'

Ledger Account	Details	Net	Tax Rate	Tax Amount	Total
4000 - Sales - Products	1 bag promo chocolates	8.50	HST 13.00%	1.11	9.61
4000 - Sales - Products		0.00	HST 13.00%	0.00	0.00
Total Net					8.50
Total Tax					1.11
Total					9.61
Left to record					0.39

- Save** – Now Christina is able to click **Save** to record the one-off transaction. Another customer has come right behind the existing one to pay for candy as well so Christina can simply select **Add Another** to begin a new **Sales Receipt**.

Confirmation of the **Sales Receipt** has been successfully added and will appear as a line item in the **Activity** section of the account below.

Bank Accounts

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name: Account Number:

Account Type: Chequing

Default Transaction Method: Cheque

Ledger Account: 1050

Balance (\$): \$259.61
Today's Balance (\$): \$259.61

Activity | Address & Contacts | Reconciliations

0 of 7 selected

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
<input type="checkbox"/>	03/05/2018	Partial Payment	Lisa Smith	Customer Receipt	100.00	0.00		
<input type="checkbox"/>	03/05/2018		Lisa Smith	Customer Receipt	100.00	0.00		
<input type="checkbox"/>	03/09/2018	Cheque # 57	Lisa Smith	Customer Receipt	100.00	0.00		
<input type="checkbox"/>	03/09/2018		Lisa Smith	Customer Refund	0.00	100.00		
<input type="checkbox"/>	03/09/2018		Lisa Smith	Customer Refund	0.00	50.00		
<input type="checkbox"/>	03/10/2018	March Deposits		Deposit: Cash on Hand	100.00	0.00		
<input type="checkbox"/>	03/12/2018	1 bag promo chocolates	POS - Walk In	Other Receipt	9.61	0.00		

Bank Reconciliation

Bank reconciliation is a fundamental account process that ensures that the actual money spent matches the money leaving an account at the end of a fiscal period. For Divine Chocolates, it's the practice of comparing Divine Chocolates records and balances within **Accounting** against the banks records and balances to ensure they match.

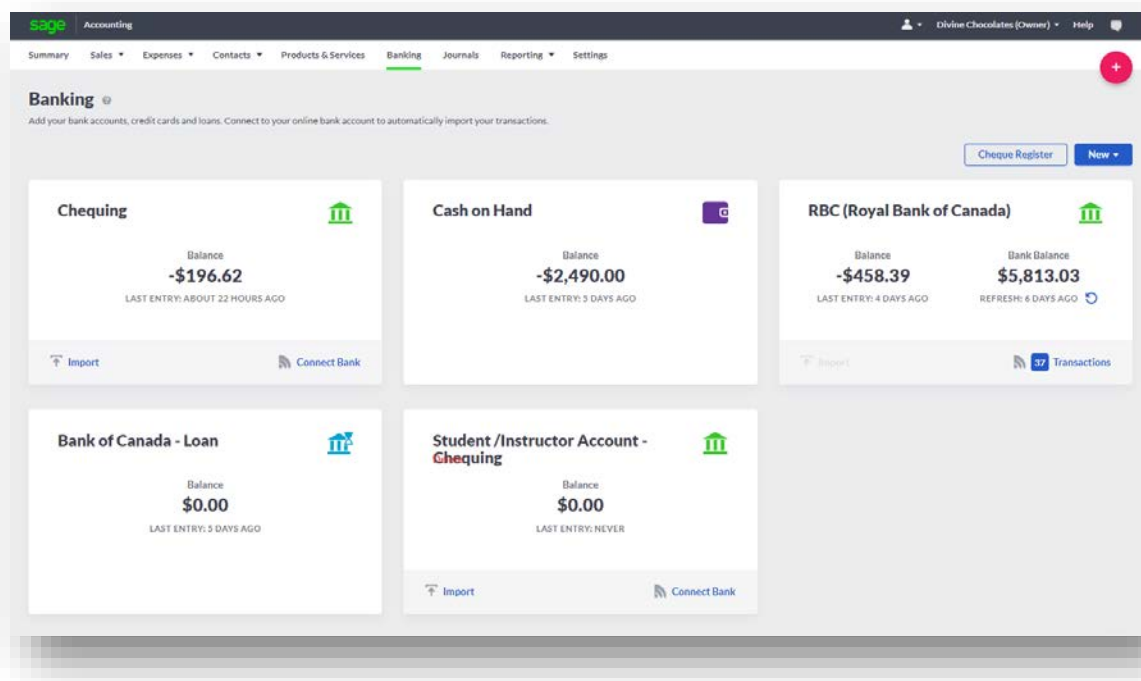
A monthly reconciliation helps identify any issues or unusual transactions caused by accounting errors. For example, Christina might need to reevaluate how her cash flow and accounts receivable are handled, or she may need to change her accounting processes. It's normal to see minor differences due to timing, but Christina should be able to easily explain those differences. For example, she recently wrote a check to one of her vendors, Toronto Chocolate Makers which reduced her account balance accordingly, but her bank shows a higher balance until the outstanding check hits her account. Likewise, an automatic electronic payment might hit her account a day before or after the end of the month, which she expected to see in a different month. As long as these discrepancies can easily be accounted for, there's no need to worry.

Divine Chocolates has been very diligent about reconciling their bank account on a monthly basis, each time a statement is received from the bank. This process ensures:

- Individual transactions from **Accounting** match transactions on her bank statement.
- The ending balance from Christina's bank statement match the cleared balance in **Accounting**.

Christina has just received her monthly statement and is ready to reconcile her bank account for this month:

1. Navigate to the **Banking** and open the account you want to reconcile. Select DAG Bank:



2. Navigate to the **New Transactions** menu and select **Reconcile**. Take note of the transactions shown in the **Activity** section below. Once those transactions have been reconciled, they will move here, and a check mark will appear in the **Reconciled** column.

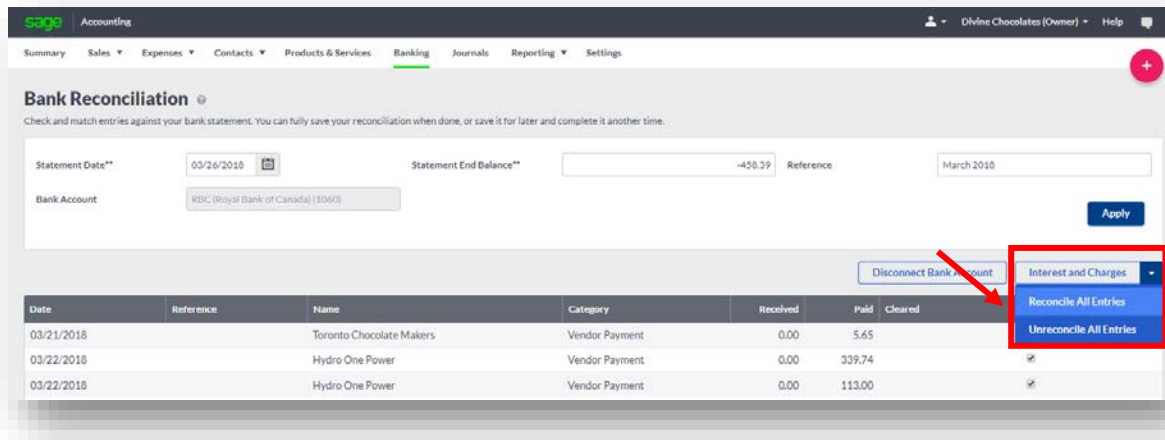
The screenshot shows the Sage Accounting interface for a bank account. The 'New Entry' dropdown menu is open, highlighting the 'Reconcile' option. Below the menu, a table of transactions is displayed with columns for Date, Reference, Name, Type, Received, Paid, Cleared, Reconciled?, and Recurrence. A red box highlights the 'Reconciled?' column header.

Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/21/2018		Toronto Chocolate Makers	Vendor Payment	0.00	5.65			
03/22/2018		Hydro One Power	Vendor Payment	0.00	339.74			
03/22/2018		Hydro One Power	Vendor Payment	0.00	113.00			

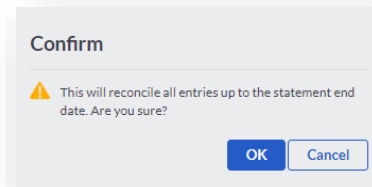
3. Enter the **Statement Date**: The date of the actual bank statement you're about to reconcile. Type:
4. Enter the **Statement End Balance**: Enter the ending balance from the bank statement you're about to reconcile
5. **Reference**: Enter a reference for this reconciliation, ex: March 2018 Click **Apply**.

The screenshot shows the Sage Accounting Bank Reconciliation page. The 'Statement Date' is set to 03/26/2018, 'Statement End Balance' is 458.29, and 'Reference' is March 2018. A red arrow points to the 'Apply' button. A warning message at the bottom states: 'Your Statement Date and/or Statement End Balance has changed. Please apply your changes before you continue.'

Christina can now begin reconciling her account. She'll match each line item in **Accounting** to those on her statement. To reconcile all transactions at once, navigate to the **Interest and Charges** drop-down menu, and click **Reconcile All Entries**.



A notification will appear confirming the request to reconcile all entries:



- Christina would like to reconcile transactions *one at a time*. In that scenario, she'll select the transactions that have cleared her bank account on the bank statement one at a time by putting a check in the check box in the **Reconciled** column for each one.

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/21/2018		Toronto Chocolate Makers	Vendor Payment	0.00	5.65		<input checked="" type="checkbox"/>
03/22/2018		Hydro One Power	Vendor Payment	0.00	339.74		<input checked="" type="checkbox"/>
03/22/2018		Hydro One Power	Vendor Payment	0.00	113.00		<input type="checkbox"/>

- To un-reconcile a single transaction matched in error, clear the check box in the **Reconciled?** column.
- As transactions are reconciled, the reconciled balance below adjusts. Once Christina's reconciled all of her transactions, the **Reconciled Balance** (Accounting balance) should match the **Target Balance** (bank balance) and the difference should be zero. In our scenario, Divine Chocolates had a starting

balance of -\$458.39. The amount of the transactions shown, **Reconciled Balance** match the **Target Balance**.

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/21/2018		Toronto Chocolate Makers	Vendor Payment	0.00	5.65		☑
03/22/2018		Hydro One Power	Vendor Payment	0.00	339.74		☑
03/22/2018		Hydro One Power	Vendor Payment	0.00	113.00		☑

Show 10 records Page 1 of 1 3 records

Total Received	0.00	Total Paid	458.39
Starting Balance	0.00	Reconciled Balance	-458.39
Target Balance**	-458.39	Difference	0.00

Finish Cancel

- Once done, click **Finish**. You will receive notification the Bank Reconciliation has successfully finished and can be printed by selecting the **Print** option.

sage Accounting | Divine Chocolates (Owner) | Help

Summary Sales Expenses Contacts Products & Services **Banking** Journals Reporting Settings

Bank Reconciliation

Bank Account: RBC (Royal Bank of Canada) (1040) | Reference: March 2018

Statement Date*: 03/26/2018 | Reconciled By: Your Instructor

Total Received	0.00	Total Paid	458.39
Starting Balance	0.00	Reconciled Balance	-458.39
Target Balance*	-458.39	Difference	0.00

Date	Reference	Name	Category	Received	Paid
03/21/2018		Toronto Chocolate Makers	Vendor Payment	0.00	5.65
03/22/2018		Hydro One Power	Vendor Payment	0.00	339.74
03/22/2018		Hydro One Power	Vendor Payment	0.00	113.00

Print

✓ This Bank Reconciliation has been successfully finished

The transactions have changed to **Reconciled** with a green check mark notification on the **Activity** tab:

Bank Accounts

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name**
BBC (Royal Bank of Canada)

Account Number
12345678

Balance (\$)
Opening Balance -\$458.39
Today's Balance (\$)
-\$458.39

Account Type**
Chequing

Default Transaction Method
Cheque

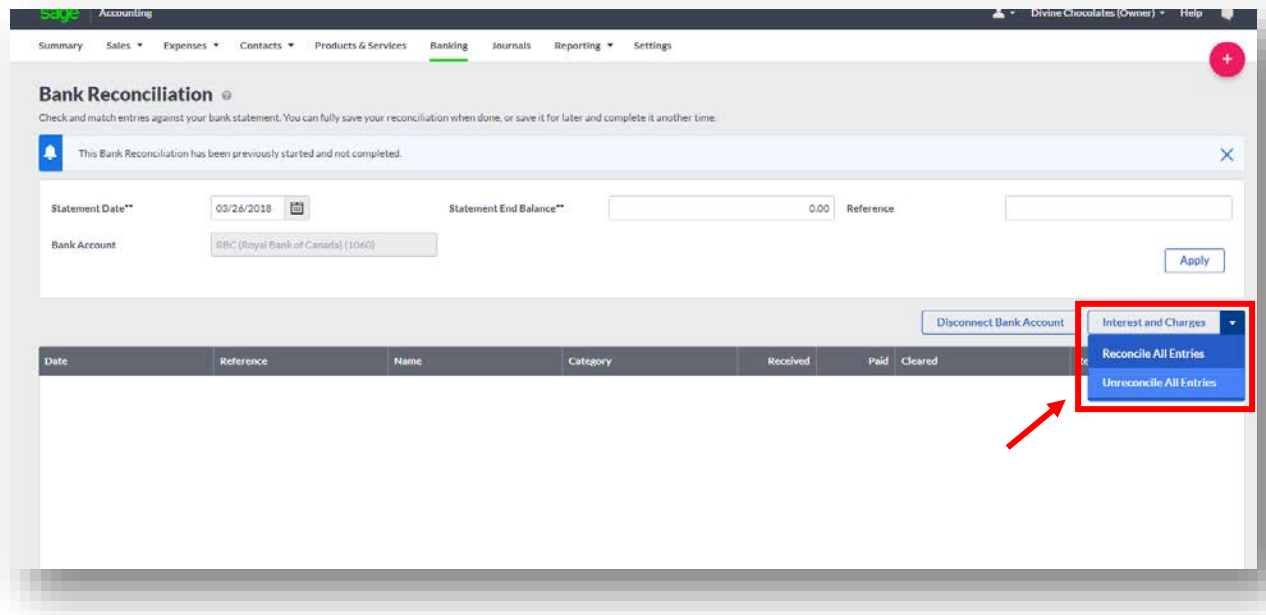
Ledger Account
3040

Activity | Address & Contacts | Reconciliations

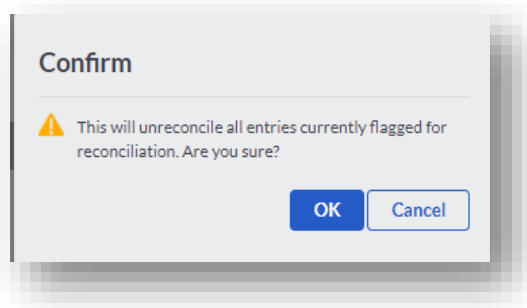
Date	Reference	Name	Type	Received	Paid	Cleared	Reconciled?	Recurrence
03/21/2018		Toronto Chocolate Makers	Vendor Payment	0.00	5.65		✓	
03/22/2018		Hydro One Power	Vendor Payment	0.00	339.74		✓	
03/22/2018		Hydro One Power	Vendor Payment	0.00	113.00		✓	

Unreconciling Transactions

Christina has just realized the transactions she reconciled were done in error and wants to un-reconcile them. To do this, navigate to the **Interest and Charges** drop-down menu, and click **Un-reconcile All Entries**. This will unreconcile all transactions at once.



As with the previous reconciliation, she'll need to confirm her action. Click **OK**.



Bank Interest and Charges

Christina's new bank account with RBC has monthly business fees associated with it. It's an interest-bearing account and as such, she earns interest on her deposits made. She'll need to record those monthly charges and associated interest within **Accounting**. There are two ways to record bank interest and charges:

- She can record the fees from **Banking** as money paid, without a bill. Select the account to record bank fees/interest received
- Navigate to **New Entry** and select **Expense/Payment**

Bank Accounts @

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name**
BEC (Royal Bank of Canada)

Account Number
12345678

Account Type**
Chequing

Default Transaction Method
Cheque

Ledger Account
1060

Balance (\$) -458.39
Opening Balance
Today's balance (\$) -458.39

New Entry ▾
Expense / Payment
Sale / Receipt
Bank Transfer

37 New Transactions ▾

Feb 05 Feb 19 Mar 05

● Balance ● Cash Flow In ● Cash Flow Out

Save Cancel

- Select the **Other Receipt** tab
- Confirm the **Bank Account** the bank fees will be paid from, the **Method** it's being paid and **Date**:

Payment

Vendor Payment Other Payment Customer Refund

Record one-off payments, such as over the counter purchases, and other money you've paid where you haven't received a bill

Vendor (optional)
[Search for vendor]

Paid from Bank Account*
1080 - Royal Bank Of Canada

Method*
Electronic

Date Paid*
05/31/2018

Reference (optional)
Bank Fees

Amount Paid*
50.00

Owed 0.00

Balance 23,250.00

Tax rate for: Ontario

Ledger Account	Details	Department	Cost Centre	Project	Net	Tax Rate	Tax Amount	Total
6200 - Bank Fees and Interest	Monthly Account Fee	None	None	None	50.00	No Tax	0.00	50.00
5000 - Cost of Goods Sold		None	None	None	0.00	HST 13.00%	0.00	0.00
Total Net								50.00
Total Tax								0.00
Total								50.00

- Add a **Reference**, in this case, *Bank Fees March 2018*.
- Navigate to the first line to add the **Ledger Account** the bank charge should be posted to: *Select 6200-Bank Fees and Interest*. Add a description of the payment within **Details**: *Monthly Account Fee*. Click **Save**.

- To add interest paid or received, follow the same process except select **Sale/Receipt:**

Receipt

Customer Receipt Other Receipt Vendor Refund

Record one-off receipts, such as for over the counter sales, and other money you've received without issuing an invoice.

Customer (optional) Paid into Bank Account** Method** Date Received** Reference (optional) Amount Received**

Search for a Customer 1060 - RBC (Royal Bank of Canada) Electronic 03/27/2018 Interest Received March 2 157.25

Due 0.00 Balance -458.39

Tax rate for: Ontario

Ledger Account	Details	Net	Tax Rate	Tax Amount	Total
4700 - Interest Income	Interest Received RBC Acct. March 2018	157.25	No Tax	0.00	157.25
4900 - Other Income		0.00	HST 13.00%	0.00	0.00

Total Net 157.25

Total Tax 0.00

Total 157.25

Left to record 0.00

Save Cancel

Christina can also add **Bank fees and Interest** when reconciling her account. To do this, navigate to **Banking** and select the account to reconcile. Click **Reconcile** from within the transactions menu.

Sage Accounting Divine Chocolates (Owner) Help

Summary Sales Expenses Contacts Products & Services **Banking** Journals Reporting Settings

Bank Accounts

View your bank account details and account activity. Use New Entry to record new transactions for this bank account, or use the Reconcile option to check entries on this account against your bank statement.

Account Name** Account Number

RBC (Royal Bank of Canada) 12345678

Account Type** Chequing

Default Transaction Method Cheque

Ledger Account 1060

Balance (\$) Opening Balance

Today's Balance (\$) 3,316.14

37 New Transactions

Reconcile

Disconnect Bank Account

Balance

Cash Flow In

Cash Flow Out

Feb 05 Feb 19 Mar 05

Save Cancel

- Navigate down to **Interest and Charges**:

The screenshot shows the Sage Accounting 'Bank Reconciliation' screen. At the top, there's a navigation bar with 'Banking' selected. Below it, a message states 'This Bank Reconciliation has been previously started and not completed.' The main form includes fields for 'Statement Date**' (03/27/2018), 'Statement End Balance**' (0.00), and 'Bank Account' (RBC (Royal Bank of Canada) (1060)). There are 'Apply', 'Disconnect Bank Account', and 'Interest and Charges' buttons. A table below shows transaction details:

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/27/2018	Interest Received March 2		Other Receipt	157.25	0.00		<input type="checkbox"/>
03/27/2018	Monthly Bank Account Fee		Other Payment	0.00	85.00		<input type="checkbox"/>

- Add the appropriate **Bank Charges, Interest Charges and Interest Earned**. Click **Save**.

The 'Interest and Charges' dialog box contains the following fields:

Bank Charge**	35.00	Date**	03/27/2018
Interest Charge**	23.14	Date**	03/27/2018
Interest Earned**	41.07	Date**	03/27/2018

Buttons: Save, Cancel

- Once added, they will appear in the transaction list of items for reconciliation below:

Bank Reconciliation

Check and match entries against your bank statement. You can fully save your reconciliation when done, or save it for later and complete it another time.

This Bank Reconciliation has been previously started and not completed.

Statement Date** 03/27/2018 Statement End Balance** 0.00 Reference

Bank Account RBC (Royal Bank of Canada) (1060)

Apply

Disconnect Bank Account Interest and Charges

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/27/2018	Interest Received March 2		Other Receipt	157.25	0.00		<input type="checkbox"/>
03/27/2018	Monthly Bank Account Fee		Other Payment	0.00	85.00		<input type="checkbox"/>
03/27/2018	Bank Charge		Bank Payment	0.00	35.00		<input checked="" type="checkbox"/>
03/27/2018	Interest Charge		Bank Payment	0.00	23.14		<input checked="" type="checkbox"/>
03/27/2018	Interest Earned		Bank Receipt	41.07	0.00		<input checked="" type="checkbox"/>

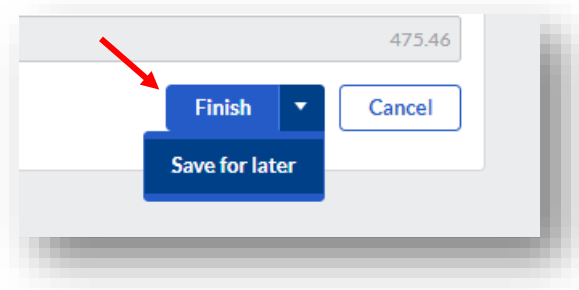
Show 10 records Page 1 of 1 5 records

Interest and Charges created

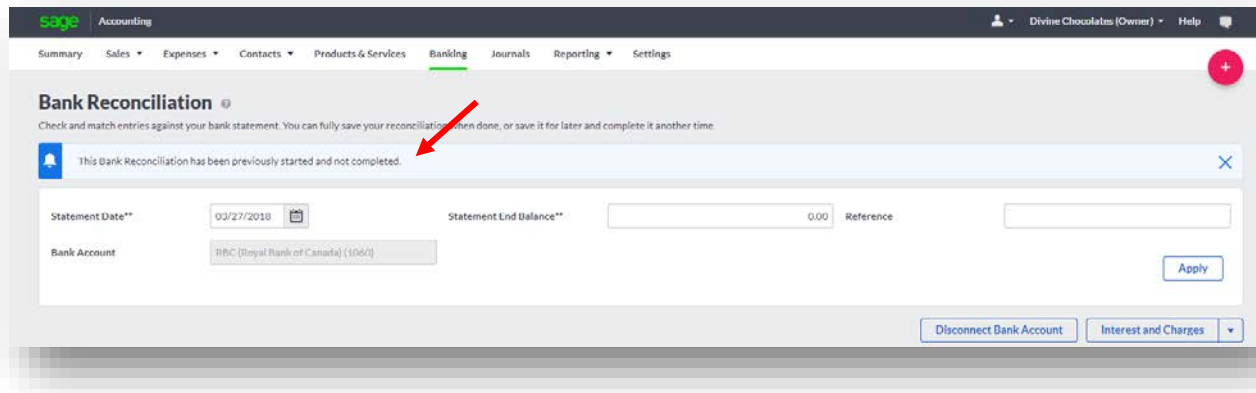


RECONCILIATION NOTES: The objective is for students to make the **Difference** 0.00\$. They can either click **Finish** to complete their reconciliation if the difference is 0.00\$ or **Save for Later** and come back to it.

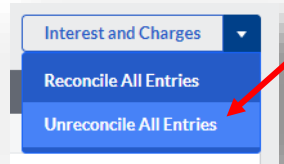
WARNING: By clicking **Finish** the reconciliation is complete and cannot be undone!



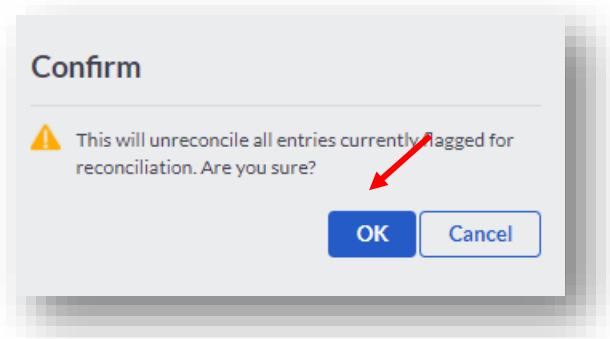
By selecting **Save for later**, they'll receive the notification **The reconciliation has been previously started:**



NOTE: If you want to undo a bank reconciliation that has previously been started and was saved for later, click on the **Interest and Charges** menu, click **Unreconcile All Entries**, and then click **OK**. Then, change the statement date and end balance as required and apply the changes. You can undo the reconciliation for your student or the students can do it as well.



- The list of transactions with a green checkmark indicating they were reconciled will revert to unchecked and unreconciled
- Additionally, a notification will appear confirming your choice:



Before:

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/27/2018	Interest Received March 2		Other Receipt	157.25	0.00		<input type="checkbox"/>
03/27/2018	Monthly Bank Account Fee		Other Payment	0.00	85.00		<input type="checkbox"/>
03/27/2018	Bank Charge		Bank Payment	0.00	35.00		<input checked="" type="checkbox"/>
03/27/2018	Interest Charge		Bank Payment	0.00	23.14		<input checked="" type="checkbox"/>
03/27/2018	Interest Earned		Bank Receipt	41.07	0.00		<input checked="" type="checkbox"/>

After:

Date	Reference	Name	Category	Received	Paid	Cleared	Reconciled?
03/27/2018	Interest Received March 2		Other Receipt	157.25	0.00		<input type="checkbox"/>
03/27/2018	Monthly Bank Account Fee		Other Payment	0.00	85.00		<input type="checkbox"/>
03/27/2018	Bank Charge		Bank Payment	0.00	35.00		<input type="checkbox"/>
03/27/2018	Interest Charge		Bank Payment	0.00	23.14		<input type="checkbox"/>
03/27/2018	Interest Earned		Bank Receipt	41.07	0.00		<input type="checkbox"/>



End of Lesson



Check Your Knowledge

Answer the following questions about the material covered in this lesson.

Short Answer

- List 10 features within Banking:

Multiple Choice

Mark the correct answer(s) to the question below.

- The Banking module is robust and is integral in moving and managing money for Divine Chocolates? What are some of those features? (Select all that apply)
 - Make cheque payments from the cheque register
 - Reconcile transactions, set recurring transactions
 - Transfer funds between accounts, make cash/loan deposits
 - Create new bank, loan, credit card, PayPal accounts
 - Set up automatic bank feeds to connect a bank account to Sage Accounting
- When creating a new bank account in Banking, a(n) _____ is automatically created? This can be viewed/edited within the _____.
 - Account number / Settings
 - Automatic bank Feed / Customer agreement
 - Customer Profile / Contact record
 - General Ledger / Chart Of Accounts
- There are two ways to add an opening balance for a new account. What are they?
 - Financial Settings > Account Opening Balances
 - Sales Invoices > New > Add customer/Opening balance
 - In Banking > Add an opening Balance
 - Settings > Opening Balances

5. Before entering an Opening Balance, you'll need to specify your _____ in _____. Otherwise you'll receive an error message.
- A. _____ Routing number / Automatic bank feeds
 - B. _____ Accounts Start Date / Financial Settings
 - C. _____ Customer account numbers / Profile settings
 - D. _____ Import list file / Importing Banking transactions
6. Automatic Bank Feeds: (Select all that apply).
- A. _____ Saves valuable time manually entering transactions
 - B. _____ Shows the bank balance, number of new transactions ready to download, when the account was last refreshed
 - C. _____ Simplifies statement reconciliation. Sage automatically matches transactions or new ones can be created.
 - D. _____ Imports bank transactions to Accounting, via an unsecure connection
7. Once transactions are imported from the bank to Accounting, there are 3 options for categorizing them:
- A. _____ Reverse
 - B. _____ Create New
 - C. _____ Match
 - D. _____ Transfer

True or False

Enter 'T' for True or 'F' for False for each of the affirmations below.

8. _____ Automatic Bank Feeds can be set up with a cash account in Accounting
9. _____ By entering an **Opening Balance** when adding the account automatically posts to the general ledger account as a transaction
10. _____ Most banks allow transactions to be imported as far back as 360 days
11. _____ The username/password used to connect to automatic bank feeds is the same username/password used when signing into your bank
12. _____ When using the 'Find A Match' feature, multiple transactions may make up a single transaction
13. _____ You can split a transaction once they've been imported

Please note:

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