Chapter 5

STEPS TO PREPARE A CHECK STUB

1. Write the amount of the check next to the dollar sign.
2. Write the date.
3. Write to whom the check is being paid.
4. Write the purpose of the check.
5. Write the amount of the check in the amount column at the bottom of the stub.
6. Calculate the balance carried forward by subtracting the amount of this check from the subtotal.
7. Write the same balance on the next unused check stub on the balance brought forward line.

STEPS TO VOID A CHECK

1. Write VOID on the check stub and check.
2. Record the date in the journal.
3. Write VOID in the account title column.
4. Write the check number in the Doc. No. column.
5. Place a check mark in the Post. Ref. column.
6. Place a dash in the Cash Credit column.

STEPS TO WRITE A CHECK

1. Write the full date in the space provided.
2. Write to whom the check is to be paid.
3. Write the amount in figures.
4. Write the amount in words with a line to the word dollars.
5. Write the purpose of the check.
6. Sign the check.

STEPS TO RECORD A DEPOSIT

1. Write the date next to the amount deposited on the check stub.
2. Write the amount of the deposit in the amount column.
3. Calculate the new subtotal by adding the balance brought forward and the amount deposited.

STEPS TO RECONCILE A BANK STATEMENT

1. Write the date on which the reconciliation is prepared.
2. Writ the check number and balance of the next unused check stub on the left amount column.
3. Record any service charges and their descriptions.
4. Total all bank charges.
5. Subtract the total bank charges from the balance on the next unused check stub to calculate the adjusted check stub balance.
6. Record the bank statement balance on the right amount column.
7. Write the date and amounts of any outstanding deposits.
8. Total the outstanding deposits and add them to the bank statement balance.
9. Write the check numbers and amounts of any outstanding checks.
10. Total the outstanding checks and subtract that from the previous subtotal.
11. The adjusted check stub balance and adjusted bank balance must equal.