PROJECT: CHECKBOOK

Sophie has a checking account. In this project, you will help Sophie complete and record several transactions, including paying bills, depositing checks, and balancing her checkbook.

PART I: USING A CHECKBOOK

Complete and record the following transactions for. Use the attached checks, deposit slips, and the check register. After you write each check, enter the amount in the checkbook register and subtract the amount to find the current balance. After you complete the deposit slip, enter the description and amount in the register and add the amount. Always record transactions as soon as possible so you don't forget.

Sophie's current balance in her checking account is $125.89. Here are the transactions to complete and record:

- 6/4/2010 Deposit a birthday check from her aunt for the amount of $25 (check number 201).
- 6/4/17 Deposit a paycheck for the amount of $165.50 (check number 2234).
- 6/2/10 She took $40 out of the ATM
- 6/5/10 She used her debit card to buy a few items at Smith's Grocer for a total of $15.16.
- 6/4/2010 She needs to pay her cell phone bill in the amount of $36.13 to PhoneRite.
- 6/4/10 She needs to pay $34.20 to Yoga Center for her monthly membership.
- 6/6/10 She has an automatic bill payment for her car payment scheduled for today in the amount of $132.50.

When Part 1 is completed, answer the fill-in-the-blank question on your Odysseyware project page.

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT		DEPOSIT AMOUNT		BALANCE	

SOPHIE REYES
81 N SPRUCE STREET
YOURBURGH, USA

DATE _____

101

PAY TO THE
ORDER OF _____ $ _____

_____ DOLLARS

FIFTH BANK
101 S. 1ST STREET
TOWNVILLE, ST 62277

MEMO _____ _____

⑆72343531⑆ 8743761120⑈ 0101⑈

SOPHIE REYES
81 N SPRUCE STREET
YOURBURGH, USA

DATE _____

102

PAY TO THE
ORDER OF _____ $ _____

_____ DOLLARS

FIFTH BANK
101 S. 1ST STREET
TOWNVILLE, ST 62277

MEMO _____ _____

⑆72343531⑆ 8743761120⑈ 0102⑈

SOPHIE REYES
81 N SPRUCE STREET
YOURBURGH, USA

DATE _____

_____

FIFTH BANK
101 S. 1ST STREET
TOWNVILLE, ST 62277

CASH	CURRENCY		
	COINS		
LIST CHECKS SINGLY			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECEIVED			
NET DEPOSIT			

⑆21221276⑆ 454455329249⑈200

PART II: RECONCILING A CHECKBOOK

Date	Transaction	Description	Amount	Balance
Sophie Reyes			**Fifth Bank**	
81 N Spruce Street.				
Yourburgh, USA				
				125.89
6/2/10	ATM	Location: 131 W. 7th St. Yourburgh	-40.00	85.89
6/4/10	Check 101	Phone Rite	-36.13	49.76
6/4/10	Deposit ck#201		25.00	74.76
6/4/10	Deposit ck# 2234		165.50	240.26
6/5/10	POS	Smith's Grocer	-15.16	225.10
6/6/10	Automatic bill payment	Neighborhood Bank	-132.50	92.60
6/6/10	ATM	Location: 131 W. 7th St. Yourburgh	-20.00	72.60

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Step One: A few weeks have passed and Sophie received her bank statement in the mail. Let's review the statement below.

A bank statement will include your name and address and the name of the bank. It will also list each transaction that has cleared, as well as the details for each. The details include the date, transaction type, description of the transaction, and the amount. On the far right side of the statement, you will see the running balance. For example, the first transaction that occurred on 6/2/10 was an ATM transaction. The location of the ATM is at 131 W. 7th St. The amount subtracted or withdrawn is $40, and the balance after that withdrawal is $85.89. Notice that withdrawals are indicated with a "-" sign. If there is no "-" sign, the amount is a deposit and has been added.

See if you can find the amount of the POS (purchase of sale) on 6/5/10.

Did you find $15.16? Notice it was subtracted. POS (Point of Sale) is a common abbreviation found on account statements when you use your debit card.

Let's try another one. See if you can find the balance after the automatic bill payment on 6/6/10.

Did you find $92.60?

Step Two: Now help her reconcile her checkbook using the account statement.

Follow these steps to reconcile the checkbook.

1. In your checkbook register, write a checkmark in the appropriate box for each transaction that appears on the statement–checks, ATM transactions, electronic bill payment, and deposits. This identifies which checks and transactions have cleared (have already been subtracted or added). You will notice that not all transactions have cleared. Perhaps the payee did not deposit the check, or the statement was mailed before an ATM transaction occurred.

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT		DEPOSIT AMOUNT	BALANCE
						125 89
201	6/3	B-day gift from Aunt May		✔	25 00	150 89
2234	6/3	paycheck		✔	165 50	316 39
	6/3	ATM	40 00	✔		276 39
	6/3	Smith's Grocer	15 16	✔		261 23
101	6/3	Phone Rite - bill for May	36 13	✔		225 10
102	6/3	Yoga Center	34 20			190 90
	6/3	car payment	132 50	✔		58 40

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2. Look on the statement for any transactions that do not appear in the register. You may have forgotten to record some. Record any missed transactions.
3. Look to see if the balance is correct. You could compare the balance in the checkbook with the balance on the statement to see if they match. However, typically you will have transactions that have not cleared. It will be necessary to do some math to see if the balance in your checkbook register is correct. Start with the balance on your statement, add any deposits that have not cleared (there is no checkmark), and subtract any withdrawals that have not cleared. On a piece of paper, follow these steps:
   a. Write the ending balance from your bank statement.
   b. Add the deposits that have not cleared.
   c. Subtract any checks that have not cleared.

This amount should equal the amount in your checkbook register. If it doesn't, you will need to check your math with a calculator and look carefully for mistakes then answer the questions on your Odysseyware project page and hand in this project sheet to your teacher.