

Re-invoicing

The first method involves re-invoicing the customer and including the bank fees for the returned check. Your clients might be using this method because the QuickBooks Help file recommends it. However, this is not the preferred approach when the original transaction involved sales tax.

Creating an item to track the returned check

Type	<div>Other Charge ▼</div> <div>Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.</div>		<div>OK</div>	
Item Name/Number	<div>Bad Check</div>	<input type="checkbox"/> Subitem of	<div>Cancel</div>	
		<div>▼</div>	<div>Next</div>	
<input type="checkbox"/> This item is used in assemblies or is a reimbursable charge			<div>Custom Fields</div>	
Description	<div>Check returned by the bank</div>	Amount or %	Tax Code	<input type="checkbox"/> Item is inactive
		<div>0.00</div>	<div>Non ▼</div>	
		Account	<div>Checking ▼</div>	

The first step is to create an Other Charge item that points to the bank account to which your client deposited the check.

Creating an item to track the bank fees

Type	Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.		OK Cancel Custom Fields Spelling
Other Charge			
Item Name/Number	<input type="checkbox"/> Subitem of		
Bad Check Charges			
<input type="checkbox"/> This item is used in assemblies or is a reimbursable charge			<input type="checkbox"/> Item is inactive
Description	Amount or %	Tax Code	
Service charge for returned check	0.00	Non	
	Account	Other Income	

Next, create a second Other Charge item that points to the income account you want to use to track returned check fees.

Creating the invoice

Create Invoices

Customer: Job
Baker, Chris: Family Room

Template: Returned Check Inv...

DATE: 12/15/2007 INVOICE #: 98

Returned Check

BILL TO
Baker, Chris
415 W. Desert Bloom
Bayshore, CA 94326

DUE DATE
01/14/2008

ITEM	DESCRIPTION	AMOUNT	Tax
Bad Check	Check returned by the bank	6,172.24	Non
Bad Check Charge	Service charge for returned check	35.00	Non
Customer Message	Please call us immediately so we can clear this up.		
	Tax: San Tomas (7.75%)	0.00	
	Total	6,207.24	

☐ To be printed ☐ To be e-mailed

Add Time/Costs... Apply Credits... Payments Applied: 0.00

Customer Tag Code: Tax Balance Due: 6,207.24






Memo:

Let QuickBooks help you get your Invoice paid online by credit card.

Save & Close Save & New Clear

Then, create an invoice for the customer whose check bounced, using the two items. Be sure to put any message you want to show on the customer's statement in the memo field of the invoice.

Recording the charge

Checking							
    							
Date	Number	Payee		Payment	✓	Deposit	Balance
	Type	Account	Memo				
12/15/2007	PMT	Natiello, Ernesto:Kitchen				13,560.39	54,373.41
		Accounts Receivable					
12/15/2007	NSF Fee	Great Statewide Bank		35.00			54,338.41
	CHK	Bank Service Charges	Fee for NSF check				
12/15/2007	294	Sloan Roofing		5,700.00			48,638.41
	BILLPMT	Accounts Payable					

Finally, record the bank service charge in the bank account register.

Summarizing the procedure

This method avoids affecting the sales and sales tax reports by using techniques that are more advanced.

To account for NSF charges using statements:

1. Create an Other Charge item to charge a returned check service charge to the customer.
2. Record the bank's NSF charge in the bank account register.
3. Record the NSF check in the bank account register.
4. Enter a statement charge for your client's NSF fee.
5. Send the customer a statement showing the NSF check and fee.

Creating an item to charge the bank fees back to the customer

Type	<div>Other Charge ▼</div> <div>Use for miscellaneous labor, material, or part charges, such as delivery charges, setup fees, and service charges.</div>		<div>OK</div> <div>Cancel</div> <div>Custom Fields</div> <div>Spelling</div>
Item Name/Number	<div>Bad Check Charge</div>	<div><input type="checkbox"/> Subitem of</div> <div>▼</div>	
<div><input type="checkbox"/> This item is used in assemblies or is a reimbursable charge</div>			
Description	Amount or %	Tax Code	
<div>Service charge for returned check</div>	<div>0.00</div>	<div>Non ▼</div>	
Account		<div>Other Income ▼</div>	<div><input type="checkbox"/> Item is inactive</div>

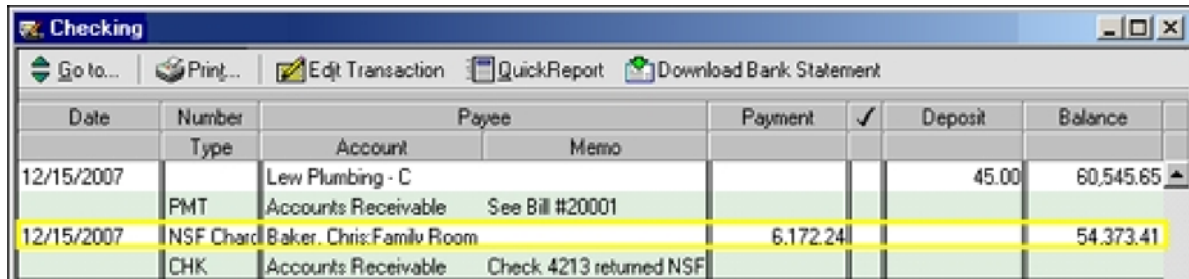
First, create an Other Charge item that points to the income account you want to use to track returned check fees.

Recording the charge

Checking							
Go to... Print... Edit Transaction QuickReport Download Bank Statement							
Date	Number	Payee		Payment	✓	Deposit	Balance
	Type	Account	Memo				
12/15/2007	PMT	Low Plumbing - C				45.00	60,545.65
		Accounts Receivable	See Bill #20001				
12/15/2007	NSF Fee	Great Statewide Bank		35.00			60,510.65
	CHK	Bank Service Charges	Fee for NSF check				

Then, record the bank service charge directly in the bank account register.

Recording the check



Date	Number	Payee		Payment	✓	Deposit	Balance
	Type	Account	Memo				
12/15/2007	PMT	Low Plumbing - C				45.00	60,545.65
		Accounts Receivable	See Bill #20001				
12/15/2007	NSF Check	Baker, Chris: Family Room		6,172.24			54,373.41
	CHK	Accounts Receivable	Check 4213 returned NSF				

Next, record the NSF check in the bank account register using the Customer:Job as the payee and accounts receivable as the account.

Entering a statement charge

Date	Number	Item	Qty	Rate	Amt Chg	Amt Paid	Balance
	Type	Description			Billed Date	Due Date	
12/15/2007	NSF Charge				6,172.24		7,212.24
12/15/2007	NSF Fee	Bad Check Charge		35.00	35.00		7,247.24
	STMTCHG	Service charge for returned check					

Enter a statement charge for the client's NSF fee.

Sending the statement

To:			
Baker, Chris 415 W. Desert Bloom Bayshore, CA 94326			
		Amount Due	Amount Enc.
		\$7,247.24	
Date	Transaction	Amount	Balance
11/15/2007	Balance forward		0.00
	Family Room-		
12/15/2007	CHK #NSF Charge.	6,172.24	7,212.24
12/15/2007	#NSF Fee. Due 01/14/2008. Service charge for returned check	35.00	7,247.24

Send the customer a statement showing the NSF check and fee.