

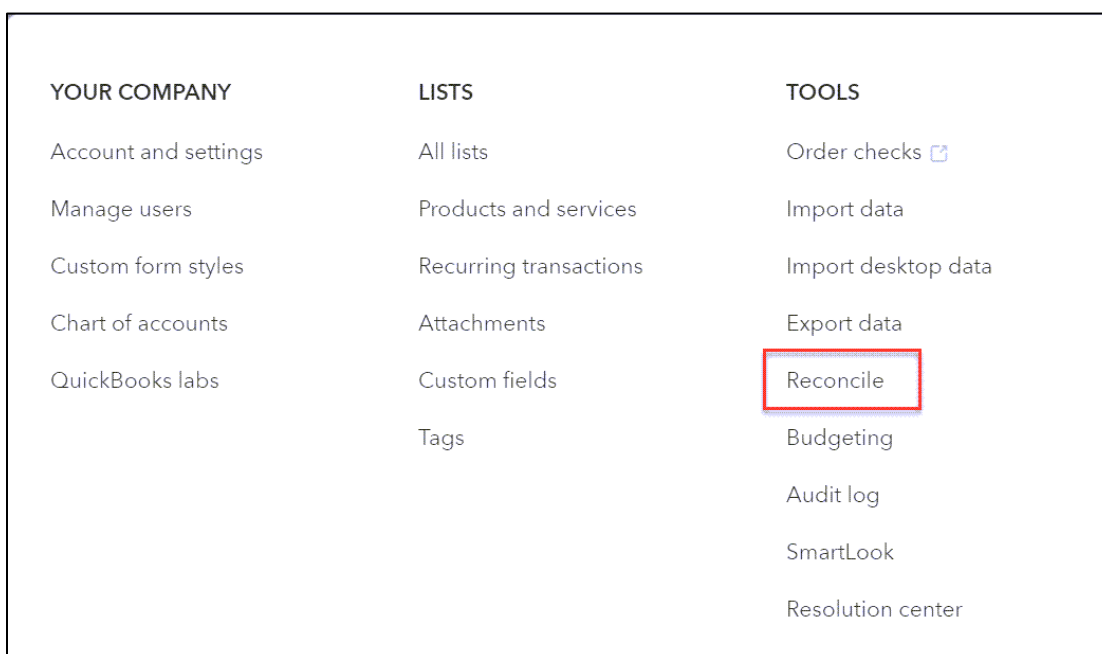
Undoing bank reconciliations – Student Chapter 5

If you find an error in a cash transaction AFTER the bank account has been reconciled, check with your instructor first. They may be able to undo your reconciliation so you can start over. If they can't help you, use the following directions:

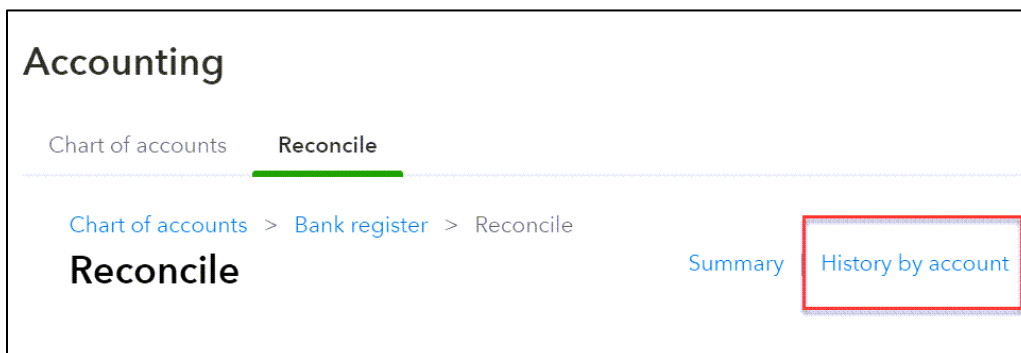
To undo a bank reconciliation:

Step 1

- Open the  icon menu.



- Click **Reconcile**.



- Click **History by account**.

Accounting

Chart of accounts **Reconcile**

Chart of accounts > Bank register > History by account

History by account [Summary](#) | [Reconcile](#) | [Show me around](#)

Account: Report period:

STATEMENT ENDING DATE	RECONCILED ON	ENDING BALANCE	CHANGES	AUTO ADJUSTMENT	STATEMENTS	ACTION
2022			0.00			<div> <div>Print</div> <div>View report ▼</div> </div>

- In the **View report** dropdown menu, select **Print**.
 - You will need the reconciliation report to know which transactions were cleared in error and must be reset (Step 3).

Step 2

- If you finished the bank reconciliation without zeroing out the difference** between the bank statement balance and the general ledger balance, QBO will have created a reconciliation entry to offset the difference. You will need to delete that entry. (If you **did** zero out the balance and don't have a reconciliation difference, go to Step 3.)
 - Open a Profit and Loss report for the period.

Profit and Loss	
	TOTAL
Income	
Total Income	
NET OPERATING INCOME	
	\$ -53.99
Other Expenses	
Reconciliation Discrepancies	-145.45
Total Other Expenses	\$ -145.45
NET OTHER INCOME	\$145.45
NET INCOME	\$91.46

- Drill down on the Reconciliation Discrepancies account. A journal report will appear. Click the entry to open the form.

Bank Deposit #ADJ

▼ Add funds to this deposit

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT
1						145.45
2						

Other funds total **\$145.45**

Attachments Maximum size: 20MB
Drag/Drop files here or click the icon
Show existing

Delete 2
Transaction journal
Audit history

Cancel print Make recurring More 1 Save and new

QBO used a Deposit ADJ to make the adjustment.

- Select **Delete** from the **More** option at the bottom of the transaction QBO used to post the unreconciled amount. (In the example above, QBO used a **Deposit** because the unreconciled balance amount needed a credit to balance.

Step 3

- Open the **Chart of Accounts** from the  icon menu.

<input type="checkbox"/>	NAME	TYPE	DETAIL TYPE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
<input type="checkbox"/>	Checking	Bank	Checking	1,201.00	-3,621.93	View register

- Click **View register** in the **Action** column for the appropriate account.

[Back to Chart of Accounts](#)

Bank Register Checking Bank Balance -3,621.93 ENDING BALANCE \$1,201.00 Reconcile

Reconciled through 06/30/2022

Status column

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	PAYMENT	DEPOSIT	BALANCE
06/24/2022				\$900.00		\$1,201.00
06/13/2022	CC-Credit	Mastercard		\$23.50	R	\$2,101.00
06/10/2022	Cash Purch	Job Expenses:Job Materials:Plants and Soil		\$75.00	R	\$2,124.50
06/10/2022	76 Expense	Pam Seltz Legal & Professional Fees		\$228.75	R	\$2,199.50
06/10/2022	75 Check	Hicks Hardware			\$868.15	\$2,428.25
06/10/2022	Deposit	-Split-			R	\$1,560.10
06/09/2022		Chin's Gas and Oil		\$63.15	R	

- Take out the **reconciliation report** you printed in Step 1. For each of the **cleared** transactions on the report, find it in the check register and delete the **R** in the status column, leaving the field blank.

+

- Save** the transaction.

- You will get at least one message each time you clear the status field. Select **Yes** for each. Do not change the status of any of the other transactions.

Step 4

- Correct the original error (the one that caused you to undo your reconciliation).

Step 5

- Go back and reconcile the account.
 - The beginning balance should equal
 - the ending balance from the reconciliation **prior** to the one being corrected
 - OR zero if you made the reconciliation error in the first (January) reconciliation for your homework company
 - Enter the ending balance and date indicated in your homework assignment.
 - Do not finish the reconciliation unless the **Difference** (top right corner) is \$0.00