Name:	
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ACCOUNTING I Chapter 5--Cash Control Systems

Lesson 5-1: Checking Accounts

Learning Targets:

- > Record a deposit on a check stub.
- Endorse checks using blank, special, and restrictive endorsements.
- > Prepare a check stub and a check.

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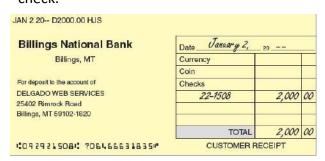
- In accounting, money = .
 - o And cash usually = a _____ (hint: source doc)
- Errors can occur when using cash, name 2 reasons.
 - 1.
 - 2.

B. Depositing Cash

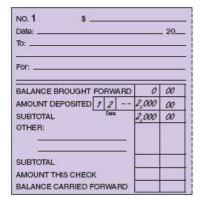
Define <u>Checking account</u>:

A business form ordering a _____ to pay cash from a bank account is known as a _____ .

- Define <u>Deposit slip</u>:
- A deposit makes the cash balance increase or decrease? (Highlight one)
- Checks are listed on a deposit slip according to the ______ on each check.



Deposit Slip



C. Deposit Recorded on a Check Stub

Check Stub

•		are journalize	d at the time $_{____}$	is received. No
		is needed for		cash receipts have
	already been journalized.			

D. Endorsements

- Define **Endorsements**:
- of a check can be transferred.

, as it can be cashed

a. Blank Endorsement



- Define Blank endorsement:
- · A blank endorsement should only be used

.....

b. Special Endorsement

Special Endorsement

ENDORSE HERE

X Pay to the order of

Helen Coldanith

Michael Delgade

DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL RESTRUTIONUSE.

- Define <u>Special endorsement</u>:
- They include the words ______ and the name
- -----
- Who signs at the bottom?

c. Restrictive Endorsement



- Define Restrictive endorsement:
- This limits use of the check to

_____.

E. Completed Check Stub and Check

Preparing check stubs:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

A check stub is a business's	of each	written for a
payment transaction.		
Preparing checks:		
7.	DELGADO WEB SERVICES	NO.1 102331
8.	25402 Rimrook Road Ballings, MT 59102-18 feet to tild: Earthold centers of Earthold	20 Janary Z. 25 Supplies 8 , 1855.00 9
9.	Billings Nati	THE PROPERTY OF THE PROPERTY O
10.	00 500 500 500 000 000 000 000 000 000	705455531835# 001
11.		
12.		
 Define <u>Postdated check</u>: 		
If the amounts in and or a bank may		e, a bank may pay only the amount in
F. Recording a Voided Check		
• Define <u>Voided check</u> :		
If any kind of is made in	a check, a	a new check should be prepared.
	JOURNAL	PAGE 5
DATE ACCOUNT TITLE	DOC. POST. NO. REF.	DEBIT CREDIT.
10 15 VOID	C24 V —	19 20
1 Date 2 VOID	Source 3 4 Check	k Mark Dashes 5
What word goes in the Account Title of a journal of the Account Title of a journal of the Account Title of th	urnal entry for a voided	I check?
Always complete the	before writing the	. Otherwise you may

forget to record the amount of the check on the check stub.

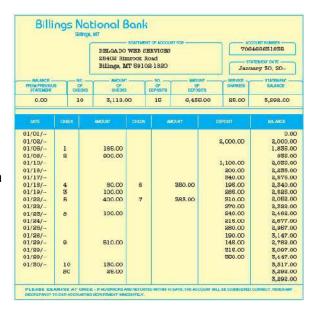
Lesson 5-2: Bank Reconciliation

Learning Targets:

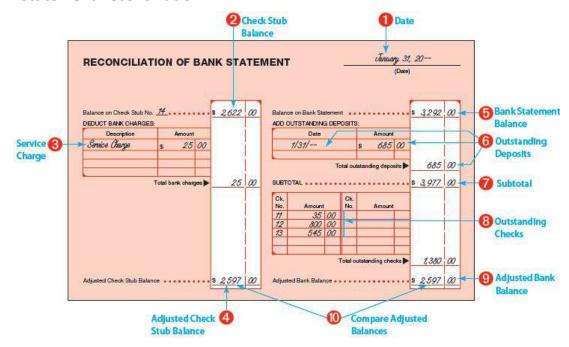
- Complete a bank statement reconciliation.
- Record and journalize a bank service charge.

A. Bank Statement

- Define Bank statement:
- Define Canceled check:
 - Cancelled checks are checks that have been cashed.
- are also listed on a bank statement. These are charged to upkeep the account.
- List two reasons a bank statement balance may not agree with the balance on the last check stub:
 - 1.
 - 2.



B. Bank Statement Reconciliation



- Reconciling a bank statement means ensuring the bank balance agrees with the last check stub.
- are checks that haven't been cashed yet.
- are deposits made that aren't yet reflected on the bank statement.
- Be sure to review the steps to reconciling a bank statement.

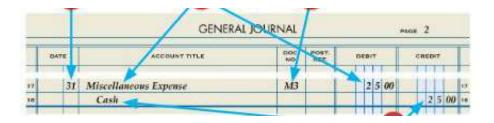
C. Recording a Bank Service Charge on a Check Stub

- The bank automatically ______ the bank service charge from the checking account each month. Since a check is never written, it hasn't been journalized yet, so it must be journalized when a statement is received.
- To journalize a bank service charge, first enter it on a _____ then journalize.

Octor Jan 37	_	30.
*		
For:		
	I and the second	-
BALANCE BROUGHT FORWARD AMOUNT DEPONIED	0,000	00
SUSTOTAL	2,622	200
OTHER Service Chargo 25:00		
Service Litterge 23.00	ar	111
SLIBTOTAL	2.597	00
AMOUNT THIS CHECK	2,072	00
BALANCE CARRIED FORWARD		

D. Journalizing a Bank Service Charge

- is the account that a bank service charge will be debited.
- What is the source doc for the service charge?



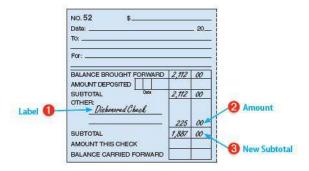
Lesson 5-3: Dishonored Checks and Electronic Banking

Learning Targets:

- > Complete recordkeeping for a dishonored check.
- > Journalize an electronic funds transfer.
- > Journalize a debit card transaction.

A. Recording a Dishonored Check on a Check Stub

- Define Dishonored check:
- Non-sufficient funds check (NSF):

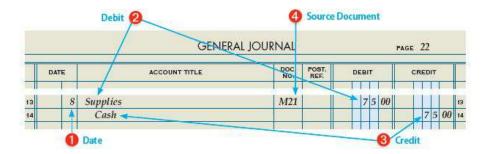


•	Reasons a check may be dishonored:			
	1.			
	2.			
	3.			
	4.			
	5.			
	6.			
•	Usually a dishonored check becomes a(n) _ a for handling.		to the business, a	and banks charge
•	The transaction will be the amount of the _		PLUS the	
Jou	rnalizing a Dishonored Check			
	Debit 2	4 5	ource Document	
		SENERAL JOURNAL	PAGE 8	
	DATE ACCOUNT TITLE 13 29 Acets. Rec.—Valley Landso	No	2 2 5 00 13 13 2 2 2 5 00 14	
	1 Date		3 Credit	
•	Journalizing a dishonored check is basically	reversing the trar		ne check, except
•	the fee is added	is debited and		is
	reduced by a credit.			
Jou	rnalizing an Electronic Funds Transfer (E	FT)		
		· · ,		
•	Define <u>Electronic Funds Transfer</u> :			
•	Many businesses use	to pay		·
•	What source doc is used for an EFT?			
•	EFT is recorded just as any		yment. This keeps the che	ckbook in
	balance. It is recorded on the check stub as			
	·•	1 Date	2 Debit 4 Source Do	
	ne 5. Paid cash on account to Murniak Enterprises, 880.00, using EFT. Memorandum No. 18.	19 5 Acets. Pay.—Mar 14 Cash	DOC POST. ORBIT	3 S 0 00 11

В.

C.

D. Journalizing a Debit Card Transaction



Define <u>Debit Card</u>:

NOTE: Credit card versus Debit card:

- A credit card is essentially a charge account. The card holder gets a set limit of how much s/he can charge (or basically "borrow" from the company) to the card account.
- Different from a credit card, a ______ automatically pulls the money from the ______.
- Source doc is?
- This is also recorded on the check stub as _______, to keep the checkbook in balance.

Lesson 5-4: Petty Cash

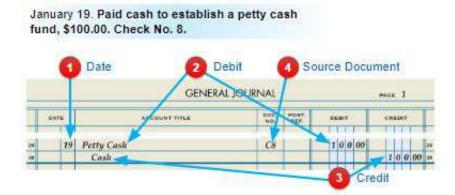
Learning Targets:

- > Establish a petty cash fund.
- > Prepare a petty cash report.
- > Replenish a petty cash fund.

A. Establishing a Petty Cash Fund

- Define Petty Cash:
- Petty cash is an ______ account, with a normal ______ balance.
- A business usually has some small payments for which writing a ______ is not time or _____

Only use the account _____ when you are
 establishing the petty cash fund.

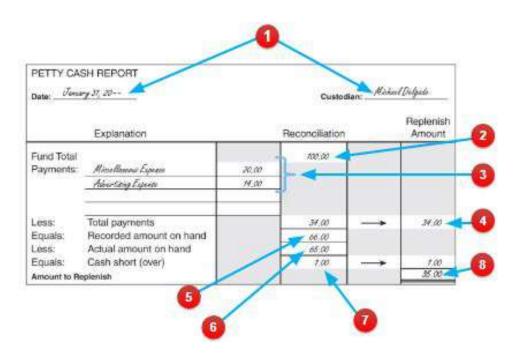


B. Making Payments from a Petty Cash Fund with a Petty Cash Slip

- Define <u>Petty Cash Slip</u>:
- Petty cash slips are kept in the petty cash box or bag until the fund is
- No ______ are made in the journal for individual petty cash payments.

C. Petty Cash Report

Label the parts of a Petty Cash Report!



- Define Cash short:
- Define <u>Cash over</u>:
- petty cash means putting more cash from the cash account into the petty cash account and recording the ______ that have occurred.
- Petty cash is always replenished _______ to ensure all expenses are
 . (It can be done sooner if needed.)
- A is proof of the fund.
- The amount of the total of all the petty cash slips and the amount of actual ______ on hand may vary, due to errors. This can cause more or less money to be in the box than what the petty slips and petty cash report show should be left.

D. Replenishing Petty Cash

January 31. Paid cash to replenish the petty cash fund, \$35.00: Miscellaneous Expense, \$20.00; Advertising, \$14.00, Cash Short

and Over, \$1.00. Check No. 11.

_	GENERAL JOURNAL PAGE 2								
DATE	ACCOUNT TITLE	DOC.	POST. REF.	DEBIT	þ	REC	ΝT	1	
- 1					7				
31	Miscellaneous Expense	C11		2 0 00	/1	1	ľ		7
	Advertising Expense	1		1 4 00					8
	Cash Short and Over			1 00				V	9
	Cash			الماكات كالما		3	5	00	10
		31 Miscellaneous Expense Advertising Expense Cash Short and Over	DATE ACCOUNT TITLE DOC. NO. 31 Miscellaneous Expense C11 Advertising Expense Cash Short and Over	DATE ACCOUNT TITLE DOC. POST. REF. 31 Miscellaneous Expense C11 Advertising Expense Cash Short and Over	DATE ACCOUNT TITLE DOC. POST. DEBIT	DATE ACCOUNT TITLE DOC. POST. DEBIT	DATE ACCOUNT TITLE DOC. POST. DEBIT CREE 31 Miscellaneous Expense	DATE ACCOUNT TITLE DOC. POST. DEBIT CREDIT	DATE ACCOUNT TITLE DOC. POST. DEBIT CREDIT

- If the Petty Cash Report shows you have a cash short then that amount is recorded as a _____ on the journal entry.
- If the Petty Cash Report shows you have a cash over then that amount is recorded as a ______ on the journal entry.
- What is the source doc for replenishing petty cash fund? ______.